

**Electric Companies**

WAC

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**PART 4I—GENERAL RULES PROVISIONS**

**WAC 480-100-008 Exemptions from rules in chapter 480-100 WAC.** ~~(1) The commission may grant an exemption from the provisions of any rule in this chapter, if consistent with the public interest, the purposes underlying regulation, and applicable statutes.~~

~~(2) To request a rule exemption, a person must file with the commission a written request identifying the rule for which an exemption is sought, giving a full explanation of the reason for requesting the exemption.~~

~~(3) The commission will assign the request a docket number, if it does not arise in an existing docket, and will schedule the request for consideration at one of its regularly scheduled open meetings or, if appropriate under chapter 34.05 RCW, in an adjudication. The commission will notify the person requesting the exemption, and other interested persons, of the date of the hearing or open meeting when the commission will consider the request.~~

~~(4) In determining whether to grant the request, the commission may consider whether application of the rule would impose undue hardship on the petitioner, of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the purposes of the rule.~~

~~(5) The commission will enter an order granting or denying the request, or setting it for hearing, pursuant to chapter 480-09 WAC.~~

The commission may grant an exemption from the provisions of any rule in this chapter consistent with the standards and according to the procedures set forth in WAC 480-07-110 (Exceptions from and modifications to the rules in this chapter; special rules).

**WAC 480-100-023 Definitions.** “Affiliated interest” means a person or corporation as defined in RCW 80.16.010.

**"Applicant"** means any person, corporation, partnership, government agency, or other entity that applies for service with an electric utility or who reapplies for service at a new or existing location after service has been discontinued.

**"Business day"** means Monday through Friday, 8:00 a.m. until 5:00 p.m., except for official state holidays.

**"Commission"** means the Washington utilities and transportation commission.

**"Control"** means the ability, directly or indirectly, to control management or policies of a utility, whether through the ownership of voting shares, by contract, or otherwise.

**"Customer"** means any person, corporation, partnership, government agency, or other entity that has applied for, has been accepted, and is currently receiving service.

**"Electric utility (utility)"** means any business entity (e.g., corporation, company, association, joint stock association, or partnership) or person, including a lessee, trustee, or court appointed receiver that meets the following conditions:

Owns, controls, operates, or manages any electric plant for hire in Washington state; and

Is subject to the commission's jurisdiction.

**"Subsidiary"** means any company that the electric utility directly or indirectly controls.

Terms used in this chapter and defined in the public service laws of Washington state (i.e., principally Title 80 RCW) have the same meaning here as in the statutes. Terms not defined in these rules or the applicable statutes have the meaning generally accepted in the electric industry, or their ordinary meaning if there is no meaning generally accepted in the electric industry.

### **Part III—FINANCIAL RECORDS AND REPORTING RULES**

#### **Subpart A: General Rules**

**WAC 480-100-207 Filing information.** (1) **Filing.** The commission records center will accept any filing under PART III delivered in person or by mail, or, when procedures are in place, electronically.

(2) **Commission may require additional information.** The commission may require pertinent information in addition to that specified by statute or in this chapter.

(3) **Information by reference.** When any information required to support a filing is on file with the commission, it is sufficient to make specific reference to the information indicating the proceeding, report, or other filing that contains the referenced information.

(4) **When information is unavailable.** If any required information is unavailable at the time of the filing, the filing must include the reason why the information is not available and state when it will be available.

~~**WAC 480-100-208 Financial reporting requirements.** (1) **Annual reports.**~~

~~(a) Electric utilities must use the annual report form (FERC Form No. 1) promulgated by the Federal Energy Regulatory Commission in Title 18 of the Code of Federal Regulations, Part 141, for purposes of annual reporting to this commission. Data required by RCW 80.04.080, Annual reports, but not included in the FERC Form~~

~~No. 1, must also be submitted with the annual report. Utilities must submit the annual report for the preceding calendar year, along with the regulatory fee, by May 1st of each year. If not presented in the prescribed FERC Form, the annual report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales. Information about the FERC Form No. 1 regarding the version adopted and where to obtain it is set out in WAC 480-100-999, Adoption by reference.~~

~~(b) Utilities must also submit to this commission, in essentially the same format and content as the FERC Form No. 1, a report that documents the costs incurred and the property necessary to furnish utility service to its customers and the revenues obtained in the state of Washington. The report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales;~~

~~(c) Combination and multistate utilities must submit with the annual report their cost allocation methods necessary to develop results of operations for the state of Washington. Approval of cost allocation schemes for rate-making purposes is accomplished only by commission order;~~

~~(d) The total utility results of operations reported by each utility in its annual report to the commission must agree with the results of operations shown on the utility's books and records.~~

~~(2) **Commission basis reports (annual).**~~

~~(a) The intent of the "commission basis" report is to depict the electric operations of a utility under normal temperature and power supply conditions during the reporting period. The commission basis report must include the following:~~

~~(i) Booked results of electric operations and rate base, and all the necessary adjustments as accepted by the commission in the utility's most recent general rate case or subsequent orders;~~

~~(ii) Actual adjusted results of operations for out-of-period, nonoperating, nonrecurring, and extraordinary items or any other item that materially distorts reporting period earnings and rate base; and~~

~~(iii) Adjusted booked revenues and power supply expenses to reflect operations under normal temperature and power supply conditions before the achieved return on rate base is calculated;~~

~~(b) Commission basis reports should not include adjustments that annualize price, wage, or other cost changes during a reporting period, nor new theories or approaches that have not been previously addressed and resolved by the commission.~~

~~(c) Utilities must submit the basis of any cost allocations and the allocation factors necessary to develop the commission basis results of electric operations for the state of Washington;~~

~~(d) Commission basis reports are due within four months of the end of a utility's fiscal year.~~

~~(3) **Quarterly reports.** Electric utilities must file a report of actual results for Washington operations within forty five days of the end of each quarter. The results of operations report must contain each of the three monthly balances and the latest twelve months ending balance for all accounts of the uniform system of accounts. The report must include the average customer count and total unit sales per customer class for each reported period.~~

~~(4) **Additional reports.** This section does not supersede any reporting requirement specified in a commission order or limit the commission's ability to request additional information.~~

**WAC 480-100-209 Additional reports.** PART III does not supersede any reporting requirement specified in a commission order or limit the commission's ability to request additional information.

~~**WAC 480-100-218 Securities, affiliated interests, and transfers of property.** (1) Before an electric utility issues stock, securities, or other evidence of indebtedness, the utility must comply with the requirements of chapters 80.08 RCW and 480-146 WAC.~~

~~(2) Before an electric utility enters into a contract or arrangement with an affiliated interest, the utility must file a copy or summary of the contract or arrangement with the commission in accordance with chapters 80.16 RCW and 480-146 WAC.~~

~~(3) Before selling, leasing, or assigning any of its property or facilities, or before acquiring property or facilities of another public utility, an electric utility must obtain an authorizing order from the commission in accordance with chapters 80.12 RCW and 480-143 WAC.~~

### **Subpart B: Financial Transaction Reporting Requirements.**

**WAC 480-100-242 Issuing securities.** (1) At least five business days, as defined in WAC 480-07-120 (Office hours), before an electric utility undertakes to issue stocks, stock certificates, other evidence of interest or ownership, bonds, notes, or other evidences of indebtedness, or assumes any obligation or liability as guarantor, the utility must file with the commission:

(a) A description of the proposed issuance;

(b) An estimate of the anticipated proceeds from the issuance;

(c) A description of the purposes for which the issuance will be made, including a certification by an officer authorized to do so, that the proceeds from any such financing is for one or more of the purposes allowed by RCW 80.08.030; and

(d) A statement as to why the transaction is in the public interest.

(2) Before issuance of the proposed security, the utility must file with the commission the terms of financing.

(3) A commission order is not required for such a filing. The utility may request a written order affirming that the utility has complied with the requirements of RCW 80.08.040. The utility must submit the request for a commission order, along with the information required in subsection (1) of this section, at least fifteen business days before the requested effective date for the order. The utility must file the information required in subsection (2) of this section with the commission before the commission enters a written order.

(4) Filing a Registration Statement with the Securities and Exchange Commission using a shelf registration process does not constitute undertaking the issuance of a security, and therefore a filing with the commission is not required under the provisions of RCW 80.08.040. A shelf registration filing is defined under the General Rules and Regulations promulgated under the Securities Act of 1933, Rule 415 - Delayed or Continuous Offering and Sale of Securities.

(5) An authorized representative must sign and date the filing and include a certification or declaration that the information is true and correct under penalty of perjury as set forth in RCW 9A.72. The certificate or declaration must be in substantially the following form:

“I certify (or declare) under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.”

(6) Within sixty days after the issuance of any securities, except for dividend reinvestment and employee benefit plans, a utility must file with the commission a verified statement:

(a) Outlining the final terms and conditions of the transaction; and

(b) Setting forth actual proceeds from the issuance and the disposition of proceeds stating the final amount to be used for each purpose allowed by RCW 80.08.030.

**WAC 480-100-244 Transferring cash or assuming obligation.** (1) At least five business days, as defined in WAC 480-07-120 (Office hours), before an electric utility or the subsidiary of an electric utility transfers cash to any of its affiliated interests or

subsidiaries or assumes an obligation or liability of any of its affiliated interests or any of its subsidiaries, the utility must report an estimate of the amount to be transferred and the terms of the transaction to the commission if:

(a) A single transaction amount exceeds two percent of the utility's common shareholders equity; or

(b) Such transaction, together with all transactions with such subsidiary or affiliated interest over the preceding twelve months, exceeds two percent of the utility's common shareholder equity. A utility's common shareholder equity is determined according to the latest annual report filed pursuant to WAC 480-100-252 (Federal Energy Regulatory Commission (FERC) Form No. 1). Information about the FERC Form No. 1 regarding the version adopted and where to obtain it is set out in WAC 480-100-999 (Adoption by reference).

(2) The reporting requirement in this section does not include payments for:

(a) Federal and state taxes;

(b) Goods, services, or commodities, including fuel supplies (e.g., gas, coal, or oil);

(c) Transactions, attributed to the regulated entity, previously approved or ordered by the commission, other regulatory agencies, or the court;

(d) Dividends to the extent the level of such dividends over a twelve-month period do not exceed the larger of:

(i) Net income during such period; or

(ii) The average level of dividends over the preceding three years; or

(e) Payments for sweep or cash management accounts. The foregoing provisions will have no application to sweep and cash management account transfers used to transfer funds to or from a subsidiary or affiliate as part of the customary and routine cash management functions between or among the utility and its subsidiary or affiliate.

**WAC 480-100-245 Affiliated interests—Contracts or arrangements.** Prior to the effective date of any contract or arrangement described in RCW 80.16.020, each electric utility must file a verified copy or a verified summary, if unwritten, of contracts or arrangements with any affiliated interest. Prior to the effective date of any modification or amendment, the utility must file verified copies of the modifications or amendments to the contracts or arrangements. If the contract or arrangement is unwritten, the utility must file a verified summary of any modification or amendment. The commission may institute an investigation and disapprove the contract or arrangement if the commission finds the utility has failed to prove that it is reasonable and consistent with the public interest.



**WAC 480-100-248 Transfers of property.** Before selling, leasing, or assigning any of its property or facilities which are necessary or useful in the performance of its duties to the public, or before acquiring property or facilities of another public utility, an electric utility must obtain from the commission an order authorizing such transaction in accordance with chapters 80.12 RCW (Transfers of property) and 480-143 WAC (Commission General—Transfers of Property).

### **Subpart C: Annual Reporting Requirements.**

**WAC 480-100-252 Federal Energy Regulatory Commission (FERC) Form No. 1.** (1) Each electric utility must use the annual report form (FERC Form No. 1) promulgated by the Federal Energy Regulatory Commission in Title 18 of the Code of Federal Regulations, Part 141, for purposes of this report to the commission. Data required by RCW 80.04.080 (Annual reports), but not included in the FERC Form No. 1, must also be submitted with the annual report. The utility must submit the annual report for the preceding calendar year, along with the regulatory fee, by May 1st of each year. If not presented in the prescribed FERC Form, the annual report must include the following data per customer class for the calendar year: revenues, average customer count, and total unit sales. Information about the FERC Form No. 1 regarding the version adopted and where to obtain it is set out in WAC 480-100-999 (Adoption by reference).

(2) Each utility must also submit to this commission, in essentially the same format and content as the FERC Form No. 1, a report that documents the costs incurred and the property necessary to furnish utility service to its customers and the revenues obtained in the state of Washington. The report must include the following data per customer class for the calendar year: revenues, average customer count, and total unit sales.

(3) Combination and multistate utilities must submit with the annual report their cost allocation methods necessary to develop results of operations for the state of Washington. Approval of cost allocation methods for rate-making purposes is accomplished only by commission order.

(4) The total utility results of operations reported by each utility in its annual report to the commission must agree with the results of operations shown on the utility's books and records.

**WAC 480-100-257 Commission basis report.** (1) Commission basis reports are due within four months of the end of a utility's fiscal year.

(2) The intent of the commission basis report is to depict the electric operations of an electric utility under normal temperature and power supply conditions during the reporting period. The commission basis report must include:

(a) Booked results of electric operations and rate base, and all the necessary adjustments as accepted by the commission in the utility's most recent general rate case or subsequent orders;

(b) Results of operations adjusted for out-of-period, nonoperating, nonrecurring, and extraordinary items or any other item that materially distorts reporting period earnings and rate base; and

(c) Booked revenues and power supply expenses adjusted to reflect operations under normal temperature and power supply conditions before the achieved return on rate base is calculated.

(3) Commission basis reports should not include adjustments that annualize price, wage, or other cost changes during a reporting period, nor new theories or approaches that have not been previously addressed and resolved by the commission.

(4) Each utility must submit the basis of any cost allocations and the allocation factors necessary to develop the commission basis results of electric operations for the state of Washington.

**WAC 480-100-262 Securities report.** Each electric utility that has issued securities must file with the commission an annual securities transaction report. The report is due ninety days from the end of the utility's fiscal or calendar year (reporting period). At a minimum, the report must contain:

(1) A schedule of the securities issued during the reporting period including a detailed description of the final agreements;

(2) A description of the use of proceeds stating the amounts used for each purpose allowed by RCW 80.08.030;

(3) The level of expenses for each of the securities transactions for the reporting period;

(4) A schedule of securities retired, refunded, repurchased, or otherwise removed from the utility's capitalization; and

(5) A schedule of securities scheduled to mature in the fiscal or calendar year following the reporting period.

**WAC 480-100-264 Affiliated interest and subsidiary transactions report.** (1) Each electric utility must file an annual report summarizing all transactions that occurred between the utility and its affiliated interests, and the utility and its subsidiaries. The report is due one hundred twenty days from the end of the utility's fiscal or calendar

year (reporting period). The report must include a corporate organization chart of the utility and its affiliated interests and subsidiaries.

(2) When total transactions with an affiliated interest or a subsidiary are less than one hundred thousand dollars (\$100,000) for the reporting period, the utility must provide the name of the affiliated interest or subsidiary participating in the transactions and the total dollar amounts of the transactions. When total transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars (\$100,000) for the reporting period, the utility must provide:

(a) A balance sheet and income statement for each affiliated interest;

(b) A description of the products or services provided to or from the utility and its affiliated interests, and the utility and its subsidiaries;

(c) A description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year;

(d) A description of the terms of any loans between the utility and its affiliated interests and the utility and its subsidiaries and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year;

(e) A description of the terms and total amount of any obligation or liability assumed by the utility for any affiliated interest or subsidiary;

(f) A description of the activities of the affiliated interests and subsidiaries with which the utility has transactions; and

(g) A list of all common officers and directors between the affiliated interest and subsidiary companies and the electric utility along with their titles in each organization.

(3) The report required in this section supersedes the reporting requirements contained in previous commission orders authorizing affiliated interest transactions pursuant to chapter 80.16 RCW.

(4) The utility is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-100-245 (Affiliated interest—Contracts and arrangements).

**WAC 480-100-268 Essential utilities services contracts report.** (1) When the annual value to a vendor exceeds one and one-half percent (1.5%) of total company sales to ultimate customers as reported in the utility's most recent Federal Energy Regulatory Commission (FERC) Form No. 1 (or combined Forms No. 1 and No. 2 for combined utilities), each electric utility must report the total contracts with that vendor for essential utility services specifying the relevant terms of the contract or contracts, along with anticipated associated charges. Information about the FERC Form No. 1 regarding

the version adopted and where to obtain it is set out in WAC 480-100-999 (Adoption by reference).

(2) The report of essential service vendors is due ninety days from the end of the utility's fiscal or calendar year (reporting period).

(3) For each vendor the report must include:

(a) The parties to the contract;

(b) The type of contract;

(c) The essential obligations of each party to the contract;

(d) The length of the contract;

(e) The budgeted annual dollar value of the contract during the reporting period;

and

(f) The actual payments for services rendered under the contract during the reporting period.

(4) Essential utility services are those services necessary to provide electric service such as:

(a) Operation or maintenance of electric system infrastructure;

(b) Operation or maintenance of computer systems;

(c) Purchase of electricity for classes of customer service regulated by the commission; and

(d) Construction of electric system infrastructure.

(5) The requirements under this section may be satisfied in whole or in part by cross-reference to the applicable portions of other documents that the utility has on file with the commission.

#### **Subpart D: Quarterly Reporting Requirement.**

**WAC 480-100-275 Actual results for Washington operations report.** Within forty-five days of the end of each quarter, each electric utility must file a report of actual results for Washington operations. The results of operations report must contain each of the three monthly balances and the latest twelve months' ending balance for all accounts of the uniform system of accounts. The report must include the average customer count and total unit sales per customer class for each reported period.

#### **Part IV—LEASE OF UTILITY FACILITIES**

**WAC 480-100-282 Application for approval of lease of utility facilities.** Under the provisions of RCW 80.04.520, the applicant must certify that the requested approval of

lease of utility facilities is necessary to exempt any owner of the facilities from being a public utility company under the Public Utility Holding Company Act of 1935.

WAC 480-100-287 Form of lease application. A filing for approval of lease of utility facilities must be submitted in the following form:

**Before The Washington Utilities  
And Transportation Commission**

**In the Matter of the  
Application of (insert  
name) for an Order  
Approving the  
Lease of Utility  
Facilities.**  
.....

No . . . . .  
  
(Number to  
be inserted  
by Commission)

Application is hereby made to the Washington Utilities and Transportation Commission for an order authorizing the lease of utility facilities. The following general information and exhibits are furnished in support:

**GENERAL INFORMATION**

1. Name of applicant.
2. Address of principal office of applicant.
3. Name and address of attorney or agent.
4. State or states under which applicant is organized and form of organization.
5. A general description of the property owned by applicant and the field of its operations.

**EXHIBIT "A"**

A statement by applicant certifying that the requested approval is necessary or appropriate to exempt any owner of the facilities from being a public utility company under the federal Public Utility Holding Company Act of 1935.

**EXHIBIT "B"**

Detailed unconsolidated balance sheet as of three months before the date the application is filed, and a pro forma balance sheet as of the same date showing the effect of the proposed lease. Indicate separately the amount of intangibles and the amount reflected in plant acquisition adjustment account if such items are included in the fixed capital or utility plant accounts of the balance sheet.

**EXHIBIT "B-1"**

(A) Detailed income and profit-and-loss statement for the twelve months ended as of the date of the balance sheet submitted as Exhibit "B."

(B) Reconciliation of the retained earnings account for the period covered by the income and profit-and-loss statement. Retained earnings should be segregated from other surplus accounts.

**EXHIBIT "C"**

1. A description of the property to be leased.
2. The historical or original cost of the property to be leased and the related accrued depreciation. (Estimated in both cases if actual amounts are not known.)
3. The amount of contributions in aid of construction.
4. Terms of the lease.

**EXHIBIT "D"**

Economic and financial justification for entering into the proposed lease including a lease versus purchase analysis.

**EXHIBIT "E"**

Show such other facts that may be pertinent to the application.

The undersigned applicant requests that the Washington Utilities and Transportation Commission enter an order granting this application.

dated  
..., this  
.....  
day of .  
..., 20 ..  
:

\_\_\_\_\_ (Applicant)

By \_\_\_\_\_  
Title \_\_\_\_\_

### **PART ~~6~~—~~VII~~—ADOPTION BY REFERENCE**

**WAC 480-100-999 Adoption by reference.** In this chapter, the commission adopts by reference all or portions of regulations and standards identified below. They are available for inspection at the commission branch of the Washington state library. The publications, effective date, references within this chapter, and availability of the resources are as follows:

(1) Title 18 Code of Federal Regulations, cited as 18 CFR, including all appendices and amendments is published by the United States Government Printing Office.

(a) The commission adopts the version in effect on April 1, 2003.

(b) This publication is referenced in WAC 480-100-203 (Accounting system requirements), [WAC 480-100-244 \(Transferring cash or assuming obligation\)](#), [WAC 480-100-252 \(Federal Energy Regulatory Commission \(FERC\) Form No. 1\)](#), and [WAC ~~480-100-208 \(Financial reporting requirements\)~~ 480-100-268 \(Essential utilities services contracts report\)](#).

(c) Copies of 18 CFR are available from the U.S. Government Printing Office in Pittsburgh, Pennsylvania.

(2) The *Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies* is published by the National Association of Regulatory Utility Commissioners (NARUC).

(a) The commission adopts the version in effect in 1985.

(b) This publication is referenced in WAC 480-100-228 (Retention and preservation of records and reports).

(c) The *Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies* is a copyrighted document. Copies are available from NARUC in Washington, D.C.

(3) The National Electrical Code is published by the National Fire Protection Association (NFPA).

(a) The commission adopts the version published in 2002.

(b) This publication is referenced in WAC 480-100-163 (Service entrance facilities).

(c) The National Electrical Code is a copyrighted document. Copies are available from the NFPA in Quincy, Massachusetts.

(4) The American National Standard for Electric Meters: Code for Electricity Metering, ANSI C12.1 is published by the American National Standards Institute.

(a) The commission adopts the version published in 2001.

(b) This publication is referenced in WAC 480-100-318 (Meter readings, multipliers, and test constants), WAC 480-100-338 (Accuracy requirements for electric meters), and WAC 480-100-343 (Statement of meter test procedures).

(c) The ANSI C12.1 is a copyrighted document. Copies are available from Global Engineering Documents in Englewood, Colorado.