

Docket UG-990294 Gas Rulemaking WAC Chapter 480-90 Gas Companies 3rd Formal Draft

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I. General Rules

WAC 480-90-011 Application of rules.

(1) The rules in this chapter apply to any gas utility that is subject to the jurisdiction of the commission under RCW 80.04.010 and Chapter 80.28 RCW. These rules also include various requirements of the utility's customers and applicants.

{Comments: PSE opposes this newly proposed provision because it does not fit in this chapter, which is devoted to utility operations rules. The Commission is currently reviewing WAC 480-80 Utilities General-Tariffs, which would be a more appropriate place to consider this rule. However, if this is the proper location for the rule, PSE believes it would be more reasonable for existing tariff rules to be grandfathered; i.e., tariff revisions should be consistent with these rules. To the extent that individual tariff rules have been given specific review and approval by the commission in the past, those provisions have been approved as fair, just, and reasonable based on evidence submitted during the proceedings that the tariff rules were presented. A rule that administratively overturns a number of previous Commission decisions without any evidence being presented that the decisions were lacking in some manner may not stand up to a legal challenge. Additionally, Staff's late introduction of this rule has not permitted much time for the parties to consider the merits or implications of this rule. Again, this is another point that supports PSE's recommendation to move consideration of this rule to WAC 480-80.}

(3) Cases of erroneous or doubtful interpretation of these rules by a utility or customer are subject to appeal to the commission by any interested and proper party affected.

(4) Upon proper showing of any utility, the commission may waive or modify as to that utility, the provisions of any rule herein except when such provisions are fixed by statute.

(5) No deviation of these rules will be permitted without written authorization by the commission. Violations will be subject to the penalty provisions of Chapter 80.04 RCW.

Comments:

- (1) Revised based on water and other rule revisions.
- (2) Added that these rules include various requirements of customers and applicants.
- (3) Added paragraphs 2-5 in accordance with ALD draft of “common rules”.

WAC 480-90-xx1 Exemptions from rules in Chapter 480-90.

(1) The commission may grant an exemption from the provisions of any rule in this chapter, when doing so is 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.

{Comment: Sections 3 and especially the newly introduced 4 clearly address Commission procedures not utility operations. It seems reasonable to have some language in this chapter explaining the WUTC may waive rules, but the language in sections 3 and 4 are out of place. Language such as that proposed here should more appropriately be considered in WAC 480-09 Procedure—in fact, 5, below refers back to 480-09.}

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

Comments:

- (1) New rule adopted in other rulemakings.

WAC 480-90-016 Additional Requirements.

(1) These rules do not relieve any gas utility from any of its duties and obligations under the laws of the state of Washington.

(2) The commission retains the authority to impose additional or different requirements on any gas utility in appropriate circumstances, consistent with the requirements of law.

Comments:

Rewritten by ALD for clarity and consistency with other rulemakings.

WAC 480-90-xx2 Resolving disputes about the meaning of these rules.

If the interpretation of any rule in this chapter is questioned by a utility, a customer, or an applicant, a request for clarification may be filed with the commission.

Comments:

Extracted from 480-90-011 and revised.

Revised language to address stakeholder concerns that the original draft version was too limited and

pejorative in tone.

WAC 480-100-xx3 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

Comments:

New rule adapted from 81.80.010.

WAC 480-90-021 Definitions

- (1) Applicant - any person, corporation, partnership, government agency, or other entity that applies for service with a gas utility or who reapplies for service at a new or existing location after service has been discontinued.
- (2) British thermal unit (Btu) - the quantity of heat required to raise the temperature of one pound of water at 60° Fahrenheit and standard pressure, one degree Fahrenheit.
- (3) Business day - Monday through Friday, 8:00 a.m. until 5:00 p.m., except for official state holidays.
- (4) Commission - the Washington utilities and transportation commission.
- (5) Customer - any person, corporation, partnership, government agency, or other entity that applies for, has been accepted, and is currently receiving service.
- (6) Cubic foot of gas - a volumetric unit of measure used in sales and testing.
 - (a) Sales - a cubic foot of gas for billing purposes is the amount of gas that occupies a volume of one cubic foot under the temperature and pressure conditions existing in the customer's meter. Temperature and/or pressure recording or compensating devices may be used to reflect temperature or pressure base conditions for computing the volume sold. Temperature and/or pressure compensation factors may be used to compute the volume of gas sold as provided in the utility's tariff.
 - (b) Testing - a cubic foot of gas for testing purposes is the amount that occupies a volume of one cubic foot at a temperature of sixty degrees Fahrenheit and pressure of 14.73 pounds per square inch absolute.
- (7) Gas - any fuel or process gas, whether liquid petroleum gas, manufactured gas, natural gas, or any mixture of these.
 - (a) Liquefied petroleum gas - a gas consisting of vapors of one or more of the paraffin hydrocarbons, or a combination of one or more of these vapors with air.
 - (b) Manufactured gas - any gas produced artificially by any process.
 - (c) Natural gas - a mixture of gaseous hydrocarbons (chiefly methane) and nonhydrocarbons that occur naturally in the earth.
- (8) Therm - a unit of heat equal to 100,000 Btu's.
- (9) Gas Utility (Utility) - 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 three following conditions:
 - (a) Owns, controls, operates, or manages any gas plant in Washington State;
 - (b) Manufactures, transmits, distributes, sells, or furnishes gas to the public for compensation; and

(c) Is subject to the commission's jurisdiction.

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 gas industry, or their ordinary meaning if there is no meaning generally accepted in the gas industry.

Comments:

(1) Rule rewritten for clarity and updating.

(2) Term no. 6 (Gas), is expanded to include "process" use in addition to "fuel" use.

(3) Eliminate terms 5 and 7- 11 from the glossary. These terms are used in connection with only one or two rules and that the terms can be defined within those rules. The glossary should contain only terms that are used repeatedly and scattered throughout the chapter.

(4) Add new term no. 3 (business day) per suggestion. Renumber to reflect additional term.

WAC 480-90-026 Tariffs and special contracts.

A gas utility must publish its rate schedules and rules and regulations governing service, and file special contracts, in accordance with chapter 480-80 WAC Utilities General - Tariffs, Price Lists, and Contracts.

Comments:

Rule rewritten for clarity.

WAC 480-90-061 Written contracts.

A written contract may be required whenever the classification of service under which a customer or an applicant is to be served requires that such service be taken for a specified minimum period, or otherwise as provided by tariff. The utility must submit to the commission a sample copy of each typical contract form currently in use.

Comments:

(1) Rewritten for clarity

(2) Revised to recognize stakeholders' observations that a written contract may be required in circumstances other than in connection with specified minimum periods for service.

(3) This rule will likely be moved to Chapter 480-80 Utilities General - Tariffs, contracts, and price lists. . {Comment: PSE agrees this rule more appropriately belongs in 480-80 WAC}

WAC 480-90-066 Distribution line extension tariff.

Each gas utility must file, as a part of its tariff, a distribution line extension rule setting forth the conditions under which it will extend its facilities to make service available to an applicant.

Comments:

Rewritten for clarity.

WAC 480-90-999 Adoption by reference (New rule)

This rule identifies the source and availability of resources that the commission has adopted by reference in Chapter 480-90 WAC. The referenced text of each document is available for inspection in the commission branch of the Washington State library.

(1) Code of Federal Regulations (CFR) 18, 141.1.

(a) The commission adopts the Code of Federal Regulations 18 CFR 141.1 in WAC 480-90-031(1); 031(3); and xx9(1);

(b) The 18 CFR is published by the Federal Energy Regulatory Commission (FERC). The 18 CFR is a copyrighted document. Copies are available from the Federal Energy Regulatory Commission;

(c) The FERC 18 CFR 141.1 adopted in WAC 480-90-031(1); 031(3); and xx9 (1) is the version published in April 2000.

(2) The Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies.

(a) The commission adopts the Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies in WAC 480-90-181(2);

(b) 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). The Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies is a copyrighted document. Copies are available from the National Association of Regulatory Utility Commissioners;

(c) The Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies adopted in WAC 480-90-181(2) is the version published on _____.

Comments:

New rule.

II. Consumer Rules

WAC 480-90-041 Information to consumers.

(1) Each gas utility must make available at each of its listed business offices information regarding rates, rules, and regulations needed for its customers and applicants to obtain adequate and efficient service.

(2) The utility must maintain a toll-free telephone number available for its applicants and customers during business hours to receive information relating to services and rates, to accept and process orders for service, to explain charges on customer bills, to adjust charges made in error, and to generally offer the assistance of representatives from the utility.

(3) The utility must provide to each applicant relevant rate information and a brochure that explains the rights and responsibilities of a utility customer. The brochure must include, at a minimum, information about the utility's regular business hours, the utility's mailing address, the utility's toll-free number, the

24-hour emergency number(s), and an explanation of the utility's processes to establish credit, deposits, billing, delinquent accounts, disconnection of service initiated by the utility, cancellation of service by the customer, the dispute process, and the commission's informal complaint procedures to be followed if the customer remains dissatisfied with the utility's dispute process.

(4) At least once each year, the utility must directly advise each of its customers how to obtain:

- (a) A copy of the consumer brochure described in subsection 3 of this section;
- (b) A copy of the customer's applicable rate information;
- (c) A copy of the gas rules, chapter 480-90 WAC; and
- (d) A copy of the utility's current rates and regulations.

(5) The utility must provide an applicant, upon request, the high and low bills for the requested service premises during the prior calendar year, if available.

(6) The utility must provide a customer, upon request, a detailed account of the customer's actual natural gas usage at the service premises for the previous twelve month period, if available.

(7) The utility must provide the commission with electronic or paper copies of all pamphlets, brochures, and bill inserts of regulated service information at the same time the utility delivers such material to its customers.

Comments:

1) Reformatted the information companies should provide to customers and applicants and how to obtain this information.

2) Added that the companies must provide usage information to applicants and customers upon request.

3) Added that the utility must provide commission with copies of pamphlets, brochures and bill inserts it provides to customers.

4) Subsection 5 & 6 - Changed requirement for providing applicant's consumption information.

5) Subsection 7 - Clarified commission requires information only on regulated services and coincident with the delivery of such info. to consumers.

6) Moved subsection 3 from WAC 480-90-211 to subsection 2 of this rule.

7) Added "if available" in providing account information in subsections 5 & 6.

8) Added utility must provide electronic or paper copies at the same time it delivers this information to its customers.

WAC 480-90-046 Application for service.

(1) When an applicant orders service from a gas utility, the applicant will be responsible to conform to the rules and regulations that are in effect and on file with the commission.

(2) The utility may require the following information when an applicant applies for service:

- (a) The applicant's name, address, and telephone number, and an alternative contact telephone number, if applicable, of the responsible party at the service premises;
- (b) The date the service is requested to be effective;
- (c) The type of service requested, such as residential or commercial service, and the type of equipment to be served at the service premises;
- (d) Proof of identification. The utility must allow the applicant to choose from a list, provided by the utility, of at least five sources of identification. The list must include a current driver's license or other picture identification; and
- (e) Any additional information the utility may reasonably require for billing, service, and determining deposits.

(3) The utility must offer, if available, a service order tracking number so the customer can easily

identify the service request in subsequent interactions with the utility.

(4) The utility must provide the following service dates to the applicant:

(a) For service at a location where utility service facilities exist and will not have to be modified in any way to serve the applicant, the utility must provide a service date at the time of application. If the utility becomes aware that the service date cannot be met, it must notify the customer prior to the service date.

(b) For service at a location where utility service facilities do not exist or require modification, the utility will provide the following service dates:

(i) Upon request by the applicant, prior to signing a service agreement, the utility must provide a range of dates by which service can be made available;

(ii) Upon signing a service agreement with the applicant, the utility must provide a date by which service will be made available. If the utility becomes aware that the service date cannot be met, it must notify the applicant on or prior to the service date.

(5) Under no circumstances will gas be remetered or submetered by a customer for resale to another or others.

Comments:

(1) “Application” is not addressed in draft rule since companies do not always require applications. In most cases, the companies take orders by telephone.

(2) Eliminated the sentence referring to flat rate service.

(3) Moved the sentence referring to “customer using service prior to ordering” to the Disconnection of service, WAC 480-90-071 (2)(e).

(4) Added company must provide service date and if it cannot commit to that date it must advise the customer.

(5) Subsections 2d and e - Changed language to clarify types of identification and other kinds of information the utilities can require a customer to provide at time of application.

(6) Added subsection 3 requiring the utilities to offer the customers an order number, if available.

WAC 480-90-051 Residential service deposit requirements

(1) Deposit criteria for residential customers currently receiving residential service {Comment: This may help clarify.} - A gas utility may collect a deposit from its own customers for residential service only if:

(a) At any time during the prior twelve months, the utility has sent the customer three or more delinquency notices; or {Comment: Omission of this “or” was probably an oversight}

(b) The utility has disconnected the customer’s residential service for nonpayment; or

(c) (c) There is a prior customer living at the residence who owes a past due bill to the utility at that address. or

The customer has notified the utility of customer’s declaration of bankruptcy, which requires the utility to close the customer’s existing account and issue a new account without disconnecting service. {Comment: PSE proposes this new language to address customers that have declared bankruptcy. In a bankruptcy, the customer’s account is uncollectable but service is not disconnected and then reconnected. A new account is simply established. This means the customer does not go through the applicant stage, in which a customer

deposit would be required by (2) below. The suggested language addresses this unintentional loophole.}

(2) Deposit criteria for applicants requesting residential service - A utility may collect a deposit from an applicant for residential service only if:

(a) The applicant is unable to demonstrate that the applicant had prior service with an energy utility during the most recent 12 months for at least six consecutive months during which service was rendered and was not disconnected for failure to pay, and no more than one delinquency notice was served upon the customers. The utility must be able to quickly and easily check the reference.; *{Comments: First, the language proposed by Staff does not conform to the format revision in this rewrite. Second, it appears Staff is attempting to loosen the credit requirements as they pertain to payment history of applicants with other utilities. PSE again opposes this revision and requests Staff to: (1) acknowledge that Staff is proposing to loosen the credit standards for applicants as applied to payment history with other utilities, it that is Staff's intent, which is not addressed in Staff's very limited comment section below; and (2) explain the reason that the Commission should loosen credit standards for applicants from standards that have been applied since at least 1987.};*

(b) The applicant is not able to demonstrate continuous employment during the prior twelve consecutive months and is not currently employed or does not have a regular source of income;

(c) The applicant does not own or is not purchasing the premises to be served; *{Comment: As written, Staff's revised language would mean that an applicant who had been employed for just one of the last 365 days would not have to pay a deposit, which is clearly unreasonable and probably not Staff's intent. Including the word "continuous" preserves the intent of the existing rule while allowing for customers to move between jobs or clients (in a consulting service) as long as the applicant has been employed for the full year.} ;*

(d) There is a prior customer living at the residence who owes a past due bill to the utility at that address; or

(e) The applicant has an unpaid, overdue balance owing to any electric or gas utility for residential service.

(3) Deposit amount - The utility may require a deposit not to exceed the amount of:

(a) For utilities billing monthly - two-twelfths of reasonably estimated annual billings; *{Comment: Staff's proposal does not simply "clarify" how deposits are calculated, the proposal fundamentally changes the existing rule. Executive Order 97-02 instructs that rules should be clear, but it is not reasonable to interpret this means utilities should not be afforded sufficient flexibility to address case-by-case deposit issues, such as those referenced in PSE's responses to Staff's Second Formal Draft. PSE's proposal is to utilize the existing language with addition of the word "reasonably" before estimated. While Staff has not even suggested that the existing language has ever created an unreasonable customer complaint, including the qualifier that estimations have to be reasonable would provide Staff with some assurance (and enforcement authority) that utilities will only be able to apply deposit policies reasonably.}or*

(b) For utilities billing bi-monthly, three-twelfths of reasonably estimated annual billings. *{Comment: Please refer to the comment directly above.}*

(4) Deposit payment arrangements - The utility must allow a residential applicant or customer the

option of paying fifty percent of the deposit prior to service, and paying the remaining balance in equal amounts over the next two months, on the dates mutually agreed upon between the applicant or customer and the utility. The utility and applicant or customer may make other mutually acceptable deposit payment arrangements. *{Comment: Since this section addresses residential service, PSE suggests including residential here would help clarify.}*

(5) Alternative to deposit - The utility must allow any residential customer or applicant who indicates an inability to pay a deposit:

(a) To prepay any service initiation fees and reasonably estimated regular service charges or budget billings at periods corresponding to the utility's regular billing periods for the length of time during which a deposit would ordinarily be required. The utility must then bill the applicant or customer in a normal fashion; or

(b) To furnish a satisfactory guarantor. A guarantor must be considered satisfactory if the guarantor has at least established credit with the utility as outlined in this section. A utility may, at its discretion, accept a guarantor that does not meet the requirements of this section. If the customer has been disconnected, the guarantor is responsible for the amount stated on the disconnection notice, not to exceed the amount of the deposit as defined in subsection (3) of this section unless the guarantor has agreed to guarantee an additional amount as specified in subsection (7) of this section; or

(c) To notify the utility of the inability to pay a deposit as provided in WAC 480-90-XX6, Winter low income payment program.

(6) Transfer of deposit - When a customer moves to a new address within the utility's service territory, the deposit, plus accrued interest and less any outstanding past-due balance owing for gas service, must be transferred or refunded. *{Comment: PSE suggests substituting "for gas service" here helps to clarify that it is the service for which the customer owes a balance rather than focusing on the old address. The first part of the sentence clearly indicates the customer is moving in the utilities territory, so PSE's suggestion seems clearer.}*

(7) Additional deposit - If a deposit or additional deposit amount is required after the service is established, the reasons must be specified to the customer in writing. Any request for a deposit or additional deposit amount must comply with the standards outlined in this section. If the original deposit was secured by a guarantor and the guarantor does not agree to be responsible for the additional deposit amount, the customer will be held responsible for paying the additional deposit.

(8) Deposit payment date - Any deposit or additional deposit amount required after service is established is due and payable not earlier than 5:00 p.m. of the third business day after notice if the deposit requirement notice is mailed from within the states of Washington, Oregon, or Idaho, or the sixth business day if mailed from outside the states of Washington, Oregon, or Idaho. If the utility delivers the notice to the customer in person, the deposit or additional deposit amount is due and payable not earlier than 5:00 p.m. of the sixth business day from the date of delivery.

(9) Interest on deposits - Interest on deposits collected from applicants or customers must:

(a) Accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1 of each year through November 30 of the following year. The commission will advise the utility each year of the specific rate;

(b) Earn the calculated interest rate as determined in subsection 9(a) from January 1 through December 31 of the subsequent year;

(c) Be computed from the date of deposit to the date of refund or when applied directly to the customer's account; *{Comment: This language is proposed just to clarify that date is more appropriate than time in calculating interest, as the interest is not compounded hourly.}*

and

(d) Be compounded or paid annually.

(10) Refund of deposit - Deposits plus accrued interest must be applied to the customer's account or refunded at the customer's request when there has been satisfactory payment or upon termination of service.

(a) Satisfactory payment - Satisfactory payment is established when the customer has paid for service during twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The utility has not initiated disconnection proceedings against the customer; and

(ii) The utility has sent no more than two delinquency notices to the customer.

(b) Termination of service - Upon termination of service, the utility must return to the customer the deposit amount plus accrued interest, less any amounts due the utility by the customer.

(11) How deposits are refunded - Any deposit plus accrued interest must be made available to the customer not later than fifteen calendar days following completion of twelve months of satisfactory payment or the cancellation of service. Refunds must be:

(a) Applied to the customer's account for service beginning in the thirteenth month; or

(b) At the customer's request, paid in the form of a check either delivered by mail or given to the customer in person at the utility's local business office.

Comments:

(1) *Reformatted subsections (1) (2) and*

(2) *Changed the requirement of delinquent notices*

(3) *Subsection (2)(b) - Eliminated the requirement for "full-time" consecutive employment.*

(4) *Clarified qualifications and responsibilities of the guarantor*

Moved guarantor and winter low income program to alternative to deposit

(5) *Clarified how deposits are calculated*

(6) *Eliminated the option of the customer providing credit cards as a means of establishing credit*

(7) *Subsection 11- (formerly 13) Clarified language regarding how deposits are refunded.*

(8) *Moved non-residential applicant and customer deposit criteria to separate rule.*

(9) *Changed mailing date requirements to include OR & ID together with WA.*

480-90-xx4 Nonresidential services deposit Requirements

(1) Deposit criteria for nonresidential customers - An applicant for nonresidential service may be required to demonstrate that it is a satisfactory credit risk by reasonable means appropriate under the circumstances.

(2) Deposit amount - The utility may require a deposit not to exceed the amount of:

(a) For utilities billing monthly - two-twelfths of the customer's reasonably estimated annual billings; or *{Comment: Consumption by residential service location is sufficiently non-homogenous that Staff's language in the residential rule section should be revised. Service to non-residential customers is far less homogenous than for residential customers. New commercial or industrial customers may have significantly different energy use requirements than former tenants. This information can be used to reasonably estimate annual bills upon which to base the deposit. Please note PSE proposes to include the word "reasonable," which would provide the WUTC Staff with authority to ensure utility's*

deposit calculations for business customers will be applied reasonably.}

(b) For utilities billing bi-monthly - three-twelfths of the customers reasonable estimated annual billing. *{Comment: Please refer to comment directly above.}*

(3) Transfer of deposit - When a customer moves to a new address within the utility's service territory, the deposit, plus accrued interest and less any outstanding past-due balance owing from the old address, must be transferred or refunded.

(4) Additional deposit - If a deposit or additional deposit amount is required after service is established, the reasons must be specified in writing to the customer. Any request for a deposit or additional deposit amount must comply with the standards outlined in this section.

(5) Deposit payment date - Any deposit or additional deposit amount required after service is established is due and payable no earlier than 5:00 p.m. of the third business day after notice if the deposit requirement notice is mailed from within the states of Washington, Oregon, or Idaho, or the sixth business day if mailed from outside the states of Washington, Oregon, or Idaho. If the utility delivers the notice to the customer in person, the deposit or additional deposit amount is due and payable not earlier than 5:00 p.m. of the sixth business day from the date of delivery.

(6) Interest on deposits - Interest on deposits collected from applicants or customers must:

(a) Accrue at the rate calculated as a simple average of the effective interest rate for new issues of one-year treasury bills, computed from December 1 of each year through November 30 of the following year. The commission will advise the utility each year of the specific rate;

(b) Earn the calculated interest rate as determined in subsection 6(a) during January 1 through December 31 of the subsequent year;

(c) Be computed from the time of deposit to the time of refund or when applied directly to the customer's account; and

(d) Be compounded or paid annually.

(7) Refund of deposit - Deposits plus accrued interest must be applied to the customer's account or refunded at the customer's request when there has been satisfactory payment or upon termination of service.

(a) Satisfactory payment - Satisfactory payment is established when the customer has paid for service during twelve consecutive months in a prompt and satisfactory manner as evidenced by the following:

(i) The utility has not initiated disconnection proceedings against the customer; and

(ii) The utility has sent no more than two delinquency notices to the customer.

(b) Termination of service - Upon termination of service, the utility must return to the customer the deposit amount plus accrued interest, less any amounts due the utility by the customer.

Comments:

Separated the nonresidential applicants and customer deposit requirements from existing rule.

WAC 480-90-056 Refusal of service (combined with WAC 480-90-121 Responsibility for delinquent accounts).

(1) The gas utility may refuse to provide service if:

(a) Providing service will cause an adverse affect to other customers or does not comply with government regulations or accepted natural gas industry standards;

(b) In the utility's judgment, there are hazardous conditions at the premises or the applicant's or customer's piping or gas burning equipment is hazardous or of such nature that safe and satisfactory service cannot be provided;

(c) The applicant or customer does not comply with the utility's request to provide protective devices to protect the utility's, the customer's, or other customers' properties from theft or damage;

{Comment: PSE again suggests it is important to include in this provision that the utility may refuse service if the customer does not comply with requirements to provide protective devices that are needed to protect the customer's own property in addition to that of utilities and other customers.};

(d) The utility is unable to obtain all necessary rights-of-way, easements, approvals, and permits;

(e) It is not economically feasible to provide service; or

(f) The customer is known by the utility to have fraudulently obtained service as described in WAC 480-90-071, Disconnection of service.

(2) The utility may not refuse to provide service to a residential applicant or residential customer because there are outstanding amounts due from a prior customer at the same premises unless the utility can determine, based on objective evidence, that a fraudulent act is being committed, such that the applicant or customer is acting on behalf of the prior customer with the intent to avoid payment.

{Comment: PSE assumes Staff only intended for this rule to apply to residential customers. Otherwise, business customers could avoid paying bills by simply making minor legal changes to the business' name.}

(3) The utility may not refuse service to a residential applicant or residential customer who has three or less prior obligations in any one calendar year. A prior obligation is the dollar amount the utility has billed to the customer and for which the utility has not received payment at the time service has been disconnected. *{Comment: In all discussions regarding prior obligation issues, the focus is always on residential customers. PSE presumes Staff does not intend to apply prior obligation standards to non-residential customers. If prior obligation standards did apply to non-residential customers, Staff would be providing every business customer of an investor owned utility in the State of Washington a financial incentive not to pay their utility bills. Therefore, clarifying that prior obligation benefits should not extend beyond the residential class should be adopted.}* *{Comment: The first sentence already states this condition—it is not needed again.}*

Comments:

(1) Combined with WAC 480-90-121 Responsibility for Delinquent Accounts.

(2) Combined Subsections 2-6 under Subsection 1.

(3) Subsection 3 - Added a minimum number of times prior obligation may be offered to applicants or customers.

WAC 480-90-071 Disconnection of Service

(1) Customer-directed - The utility may require customers to give at least three days notice prior to the date service is to be discontinued. The customer is not responsible for usage after the requested date for discontinuance of service, provided the customer gave proper notice. If the customer moves from the service address and fails to request that service be discontinued, the customer will be responsible to pay for service taken at that service address until the utility can either confirm that the customer has vacated the

premises and can access the meter or that a new responsible party is taking service.

(2) Utility-directed without notice or without further notice - The utility may discontinue service without notice or without further notice when:

(a) After conducting a thorough investigation the utility determines that the customer has tampered with or stolen the utility's property, has used service through an illegal connection, or has fraudulently obtained service. The utility has the burden of proving that fraud occurred. For the purpose of this section a non-sufficient funds check or dishonored electronic payment alone will not be considered fraud.

(i) First offense - The utility may disconnect service without notice when it discovers theft, tampering, or fraud, unless the customer immediately pays all of the following:

(A) The tariffed rate for service that the utility estimates was used as a result of the theft, tampering, or fraud;

(B) All utility costs resulting from such theft, tampering, or fraud; and

(C) Any required deposit.

(ii) Second offense - The utility may disconnect service without notice when it discovers further theft, tampering, or fraud. The utility may refuse to reconnect service to a customer who has been twice disconnected for theft, tampering, or fraud, subject to appeal to the commission.

(b) After conducting a thorough investigation, the utility determines that the customer has vacated the premises;

(c) The utility identifies a hazardous condition in the customer's facilities or in the utility's facilities serving the customer;

(d) A customer pays a delinquent account with a check or electronic payment the bank or other financial institution has dishonored after the utility has issued appropriate notice as described in subsection (6) of this section;

(e) The customer has not kept any agreed upon payment arrangement for payment of a delinquent balance after the utility has issued appropriate notice as described in subsection (6) of this section; or

(f) The utility has determined a customer has used service prior to applying for service. The utility must charge the customer for service used in accordance with the utility's filed tariff .

This section should not be interpreted as relieving the customer or other person of civil or criminal responsibility;

(3) Utility-directed with notice - After properly notifying the customer, as explained in subsection (6) of this section, the utility may discontinue service for any one of the following conditions:

(a) For delinquent regulated charges as billed under WAC 480-90-106, Billing requirements and payment dates, including any required deposit, except that the utility cannot disconnect service when the customer has met the requirements of subsection (5) of this section for medical emergencies or has agreed to or maintains agreed upon payment arrangements with the utility, as described in WAC 480-90-xx6, Winter low-income payment program;

(b) For use of gas for purposes or properties other than those specified in the customer's service application;

(c) Under flat rate service for non-metered load, for increased natural gas use without the utility's approval;

(d) For refusing to allow utility representatives access to the customer's premises as required in WAC 480-90-091, Access to premises;

(e) For violating rules, service agreements, or filed tariff(s); or

(f) For use of equipment that detrimentally affects the utility's service to its other customers.

(4) Gas service may not be disconnected for amounts that may be owed the utility for non-regulated services.

(5) Medical emergencies - When the utility has caused to disconnect or has disconnected a residential service, it must postpone disconnection of service or must reinstate service for a grace period of five business days after receiving either verbal or written notification of the existence of a medical emergency. The utility must reinstate service during the same business day if the customer contacts the utility prior to the close of the business day and requests a same-day reconnection. Otherwise, the utility must restore service by 12:00 p.m. the next business day. When service is reinstated the utility will not require payment of a reconnection charge and/or deposit prior to reinstating service but will bill all such charges on the customer's next regular bill.

(a) The utility may require that the customer, within five business days, submit written certification from a qualified medical professional stating that the disconnection of gas service would aggravate an existing medical condition of a resident of the household. "Qualified medical professional" means a licensed physician, nurse practitioner, or physician's assistant authorized to diagnose and treat the medical condition without supervision of a physician. Nothing in this section precludes a utility from accepting other forms of certification, but the maximum the utility can require is written certification. If the utility requires written certification, it may not require more than the following information:

(i) Residence location;

(ii) An explanation of how the current medical condition will be aggravated by disconnection of service;

(iii) Name and relationship of patient to customer. *{Comment: This information is required in the existing rule. Please note that requiring the customer to provide this information will avoid potential unnecessary conflicts. If a customer and customer's spouse that claim medical emergency appear health in public, the utility may challenge the medical emergency status if there is no way to know the medical emergency applies to one of their sick, elderly parents that lives in their residence. Thus, Staff's rejection of the existing language could lead to creating unnecessary confrontations between utilities and customers with sick family members.}*

(iii) A statement of how long the condition is expected to last; and

(iv) The title, signature, and telephone number of the person certifying the condition;

(b) The medical certification is valid only for the length of time the health endangerment is certified to exist but no longer than sixty days, unless renewed;

(c) A medical emergency does not excuse a customer from having to pay delinquent and ongoing charges. The utility may require the customer to do the following within a five-business-day grace period:

(i) Pay a minimum of ten percent of the delinquent balance;

(ii) Enter into an agreement to pay the remaining delinquent balance within one hundred twenty days; and

(iii) Agree to pay subsequent bills when due.

Nothing in this section precludes the utility from agreeing to an alternate payment plan, but the utility may not require the customer to pay more than this subsection prescribes. The utility must send a notice to the customer confirming the payment arrangements within two business days of having reached the agreement;

(d) If the customer fails to provide an acceptable medical certificate or ten percent of the delinquent balance within the five-business-day grace period, or if the customer fails to abide by the terms of

the payment agreement, the utility may not disconnect service without first mailing a written notice providing a disconnection date not earlier than 5:00 p.m. of the third business day after the date of mailing if mailed from within the states of Washington, Oregon, or Idaho, or the sixth business day if mailed from outside the states of Washington, Oregon, or Idaho, or by personally delivering a notice providing a disconnection date of not earlier than 5:00 p.m. of the second business day following the date of delivery;

(e) A customer may claim medical emergency and be entitled to the benefits described in this subsection only twice within any one hundred twenty day period.

(6) Disconnection notification requirements - The utility must notify customers before disconnecting their service, except as described in subsection (2) of this section. Notification consists of the following requirements:

(a) The utility must serve a written disconnection notice to the customer either by mail or by personal delivery to the customer's address with notice attached to the primary door. If the disconnection notice is for nonpayment during the winter months the utility must advise the customer of the payment plan described in WAC 480-90-072, Payment arrangements, and WAC 480-90-xx6, Winter low-income payment program. Each disconnection notice must include:

(i) A disconnection date that is not less than eight business days after the date of personal delivery or mailing if mailed from inside the states of Washington, Oregon, or Idaho, or a disconnection date that is not less than eleven business days if mailed from outside the states of Washington, Oregon, or Idaho.

(ii) All relevant information about the disconnection action including the cause for disconnection, the amount owing, and how to avoid disconnection;

(iii) Utilities with combined accounts for both gas and electric service must provide the customer the option of choosing which service will be disconnected. If the customer does not choose, the utility may disconnect the service of its choice.

(iv) All relevant information about any charges that may be assessed; and

(v) The utility's name, address, and toll-free telephone number by which a customer may contact the utility to discuss the pending disconnection of service;

(b) If the utility discovers the notice information in subsection (6)(a) of this section is inaccurate, the utility must issue another notice to the customer as described in subsection (6)(a) of this section;

(c) If the utility has not disconnected service within ten business days of the disconnection date stated in subsection (6)(a)(i) of this section, the disconnection notice will be considered void unless the customer and the utility have agreed to a payment arrangement. Upon a void notice, the utility must provide a new disconnection notice to the customer as described in subsection (6)(a) of this section.

(d) In addition to the notice required by subsection (6)(a) of this section, a second notice must be provided by one of the three options listed below:

(i) Delivered notice - The utility may deliver a second notice to the service premises and attach it to the customer's primary door. The notice must state a scheduled disconnection date that is not earlier than 5:00 p.m. of the second business day after the date of delivery;

(ii) Mailed notice - The utility may mail a second notice which must include a scheduled disconnection date that is not earlier than 5:00 p.m. of the third business day after the date of mailing if mailed from within the states of Washington, Oregon, or Idaho, or the sixth business day if mailed from outside the states of Washington, Oregon, or Idaho.

(iii) Telephone notice - The utility may attempt at least two times to contact the customer during regular business hours. A log or record of the calls must be kept for a minimum of

ninety calendar days showing the telephone number called, the time of the call, and details of the results of each attempted call. If the utility is unable to reach the customer by telephone, a written notice must be mailed to the customer providing a disconnection date not earlier than 5:00 p.m. of the third business day after the date of mailing if mailed from within the states of Washington, Oregon, or Idaho, or the sixth business day if mailed from outside the states of Washington, Oregon, or Idaho, or personally delivering a notice providing a disconnection date of not earlier than 5:00 p.m. of the second business day following the date of delivery.

For utilities billing for electric and gas service, each type of notice listed above must provide the information contained in subsection (6)(a)(iii);

(e) If the utility discovers that the notice information required by subsection (6)(d)(i) and (6)(d)(ii) of this section is inaccurate, the utility must issue another notice to the customer as described in subsection (6)(a) of this section;

(f) If the utility provides a second notice within ten business days of the disconnection date stated in subsection (6)(a)(i) of this section, the disconnection date is extended an additional ten working days from the disconnection date of the second notice. If the utility does not disconnect service within the extended ten business days, the notice will be considered void unless the customer and the utility have agreed upon a payment arrangement. Upon a void notice, the utility must provide an additional notice as stated in subsection (6)(d)(i) or (6)(d)(ii) of this section.

(g) If the utility provides a second notice after the ten business days of the disconnection date stated in subsection (6)(a)(i) of this section, the notice will be considered void unless the customer and the utility have agreed upon a payment arrangement. Upon a void notice, the utility must provide a new disconnection notice to the customer as described in subsection (6)(a) of this section;

(h) When the service address is different from the billing address, the utility must determine if the customer of record and the service user are the same party. If not, the utility must notice the service user as described in subsection (6) (a) of this section prior to disconnecting service;

(i) Except in case of danger to life or property, the utility may not disconnect service on Saturdays, Sundays, legal holidays, or on any other day on which the utility cannot reestablish service on the same or following day;

(j) A utility representative dispatched to disconnect service must accept payment of a delinquent account at the service address, but will not be required to give change for cash paid in excess of the amount due and owing. The utility must credit any over-payment to the customer's account. The utility may charge a fee for the disconnection visit to the service address if provided for in the utility's tariff;

(k) When service is provided through a master meter, or when the utility has reasonable grounds to believe service is to other than the customer of record, the utility must undertake reasonable efforts to inform the occupants of the service address of the impending disconnection. Upon request of one or more service users, where service is to other than the customer of record, the utility must allow five days past the original disconnection date to permit the service users to arrange for continued service;

(l) Medical facilities - When service is known to be provided to:

(i) A hospital, medical clinic, ambulatory surgery center, renal dialysis facility, chemical dependency residential treatment facility, or other medical care facility licensed or certified by the department of health, a notice of pending disconnection must be provided to the secretary of the department of health and to the customer. The department of health secretary or designee may request to delay the disconnection for five business days past the original disconnection date to allow the department to take the necessary steps to protect the interests of the patients residing at the facility; or

- (ii) A nursing home, boarding home, adult family home, group care facility, intermediate care facility for the mentally retarded (ICF/MR), intensive tenant support residential property, chemical dependency residential treatment facility, crisis residential center for children or other group home or residential care facility licensed or certified by the department of social and health service, a notice of pending disconnection must be provided to the secretary of the department of social and health services and to the customer. The department of social and health services secretary or designee may request to delay the disconnection for five business days past the original disconnection date to allow the department to take the necessary steps to protect the interests of the patients residing at the facility;
- (m) Any customer may designate a third party to receive a disconnection notice or notice of other matters affecting the customer's service. The utility will offer all customers the opportunity to make such a designation. If the utility believes that a customer is not able to understand the effect of the disconnection, the utility will consider a social agency to be a third party. In either case, the utility must delay service disconnection for five business days past the original disconnection date after issuing a disconnection notice to the third party. The utility will determine which social agencies are appropriate and willing to receive the disconnection notice, the name and/or title of the person able to deal with the disconnection, and provide that information to the customer.
- (7) For purposes of this section, the date of mailing a notice will not be considered the first day of the notice period.
- (8) Payments at a payment agency - Payment of any past-due amounts to a designated payment agency of the utility constitutes payment when the customer informs the utility of the payment and the utility has verified the payment.
- (9) Remedy and appeals - Service may not be disconnected while the customer is pursuing any remedy or appeal provided by these rules or while engaged in discussions with the utility's representatives or with the commission. Any amounts not in dispute must be paid when due and any conditions posing a danger to health, safety, or property must be corrected. The utility will inform the customer of these provisions when the customer is referred to a utility's supervisor or to the commission.

Comments:

(1) The requirement that the bills be paid within a minimum of 15 days has been moved to WAC 480-90-106, Billing requirements and payment date (Form of Bills).

Utility disconnecting service without notice:

(2) Reformatted text addressing reasons when the utility can disconnect with and without notice to customers.

- a. Clarifies companies are not required to provide disconnect notice if, after a thorough investigation, they have determined that the customer has tampered with or vacated the property.*
- 2a - Combined language addressing obtaining service fraudulently (2g) with tampered or stolen service (2a).*
- b. Allows companies to disconnect without notice if a person is using service prior to ordering service.*

Utility disconnecting service without further notice:

(3) Added "electronic payment" to subsection 2d when a customer pays with a check or electronic payment that has been dishonored by a financial institution.

Customer disconnecting service:

(4) Customers must provide the date service is to be disconnected.

- 1 - Added language allowing the utility to require the customer to provide at least 3 days notice for service disconnection.*

- (5) *Customers are not responsible for service after the requested date for disconnection.*
- (6) *If the customer moves without notifying the utility to disconnect service, the customer will be responsible to pay for service until the utility can either confirm the customer has vacated the premise or that a new responsible party has moved in.*

Medical Emergencies:

- (7) *Moved the section for medical emergencies (subsection 2h of existing rule) to follow reasons for disconnection.*
- (8) *Requires companies to restore disconnected service during same business day in cases of medical emergencies. 5-Clarifies when the utility is required to restore service.*
- (9) *Lengthened time of medical certificate from 30 days to 60 days.*
- (10) *Restricted customers who delay disconnection of service via for medical emergencies from no limited amount of times to two times within 120 days.*
- (11) *If utility does not receive medical certificate or ten percent payment of delinquent balance within 5 business days, the utility can disconnect service upon mailing a 3-day notice or personally delivering a notice allowing one business day prior to disconnecting service.*
- (12) *If the customer fails to abide by the payment agreement of the medical emergency, the utility can disconnect service upon mailing a 3-day notice or personally delivering a notice allowing one business day prior to disconnecting service.*
- (13) *5e-Combined language with 5d.*

Notice procedures:

- (14) *When the utility mails a notice of disconnect from outside of OR, ID, and WA, it must add three business days to the notice due date.*
- (15) *Reformatted the procedures for disconnection.*
- (16) *Utility is no longer required to mail notices; personal delivery is now another option with same due date as if mailed.*
- (17) *Utilities are allowed the option of mailing an additional notice or personally delivering a notice if it cannot reach the customer by telephone prior to disconnecting service.*
- (18) *Updated information as to when and how the utilities should provide notice to medical facilities and relevant state offices.*

Utility-directed with notice -

- (19) *3d - Deleted reference to disconnecting service due to willful waste of service.*
- (20) *4- Added language that gas service may not be disconnected for any amount owing for any non-regulated service.*
- (21) *6a (iii) added customer option of choosing which service is to be disconnected.*

WAC 480-90-xx5 Reconnecting service after disconnection.

(1) A gas utility must make every reasonable effort to restore a disconnected service within twenty four hours (or other timeline as mutually agreeable with the utility and customer) after the customer has paid, or at the time the utility has agreed to bill, any reconnection charge, and: *{Comment: PSE suggests this language is necessary to provide customers with flexibility to avoid after-hours reconnect charges.}*

- (a) The causes for disconnection not related to a delinquent account are removed and the customer pays any delinquent regulated charges, plus any required deposit; or
- (b) The customer has entered into an agreed upon payment arrangement for a delinquent account,

and pays any required deposit as defined in WAC 480-90-051, Residential service deposit requirement, or WAC 480-90-xx4, Nonresidential service deposit requirements; or

(c) The delinquent account is a prior obligation account as defined in WAC 480-90-056, Refusal of service, and the customer has paid any required deposit as defined in WAC 480-90-051, Residential service deposit requirements, or WAC 480-90-xx4, Nonresidential service deposit requirements.

(2) The commission may require reconnection pending resolution any a bona fide dispute between the utility and the customer over the propriety of disconnection.

Comments:

(1) *New rule created out of current WAC 480-90-072 Discontinuance of service (4).*

(2) *Added that the commission may order reconnection pending resolution of a bona fide dispute over disconnection (current rule language).*

WAC 480-90-072 Payment arrangements.

(1) If a utility is delayed in billing a residential customer, the utility must offer payment arrangements that are equal to the length of time the bill was delayed, unless the utility determines that the customer used service prior to applying for service as outlined in WAC 480-90-071(2)(f), Disconnection of Service.

(2) The utility must offer all residential customers the option of an equal payment plan.

(a) An equal payment plan allows the customer to pay the same amount each month based on historical usage. If historical information is not available, the utility will base the amount on projected usage;

(b) The utility may refuse to offer the equal payment plan to customers who have been removed from the equal payment plan for nonpayment within the past six months or have more than a two month past due balance on their current account. However, the utility may offer the equal payment plan to any customer when the utility believes this would be in the best interest of all parties concerned.

(3) The utility must provide a receipt to customers for all payments made in cash.

Comments:

(1) *Moved Sections (3) and (4) of existing rule to separate new rule.*

(2) *Added that if the utility delayed billing to the customer, it must allow the customer to make payment arrangements equal to the length of time the customer waited for the bill.*

(3) *Added that the utility must provide receipts for all cash payments.*

(4) *Clarified how budget payment plans are calculated.*

(5) *Clarified that rule pertains to residential customers.*

(6) *Deleted subsection (1) pertaining to allocation of payments.*

(7) *Added language in subsection (2) stating company is not required to offer payment arrangements when customer uses services prior to ordering service.*

(8) *Deleted subsections (4)(a) & (b) pertaining to requiring the company to offer six month payment arrangements.*

WAC 480-90-xx6 Winter low-income payment program.

(1) During the winter months, between November 15 and March 15, a gas utility may not discontinue residential space heating service if the customer does all of the following:

- (a) Notifies the utility of the inability to pay the bill and any required deposit. This notice should be provided within five business days of receiving a delinquency notice unless there are extenuating circumstances. If the customer does not notify the utility within five business days and service is disconnected, the customer can receive the protections of this chapter by paying reconnection charges, if any, and by otherwise fulfilling the requirements of this section;
 - (b) Provides self-certification of household income for the prior twelve months to a grantee of the department of community, trade, and economic development, or its successor. For the purposes of this section, the grantee is a contractor operating low income energy assistance programs for the department of community, trade, and economic development. The grantee will determine that the household income is not higher than the maximum allowed for eligibility under the state's plan for low-income energy assistance. The grantee will, within thirty days, provide a dollar figure to the utility that is seven percent of the household income. For the purposes of this section, household income is defined as the total income of all household members as determined by the grantee. The grantee may verify information provided in the self-certification;
 - (c) Applies for home energy assistance from appropriate government and/or private sector organizations and certifies that any assistance received will be applied to the customer's current and future utility bills;
 - (d) Applies to the utility or other appropriate agencies for low-income weatherization assistance if such assistance is available for the dwelling;
 - (e) Agrees and abides to that agreement to:
 - (i) Pay by the following October 15 all amounts owed to the utility and pay for continued service; and
 - (ii) Pay a monthly payment during the winter period. The utility will not require payment of more than seven percent of the customer's monthly income. In addition, the customer must pay one-twelfth of any billings from the date application is made through March 15. A customer may agree to pay a higher percentage of income during this period, but the customer's account will not be considered past due unless payment during this period is less than seven percent of the monthly income plus one-twelfth of any past due amounts accrued from the date application is made and thereafter. If the customer does not pay the past due bill by the following October 15, the customer will not be eligible for protections under this section until the past due bill is paid;
 - (f) Notifies and provides documentation to the utility, if requested, that the customer has received any home heating assistance payment from government and/or private sector organizations after being approved for the plan. When the utility receives this information it must recalculate the payments for the customer; and
 - (g) Pay all amounts owed even if the customer moves.
- (2) The utility will:
- (a) Assist the customer to fulfill the requirements under this section;
 - (b) Be required to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the utility's service area;
 - (c) Be allowed to disconnect service in accordance with WAC 480-90-071, Disconnection of service, if the customer has not kept the payment arrangements as described in subsection (1) of this section. The utility must also include in the customer's disconnection notice:
 - (i) A description of the customer's duties outlined in subsection (1) of this section; and
 - (ii) An explanation that the utility will restore service if the customer contacts the utility and satisfies the other requirements of this section;

- (d) Be allowed to disconnect service for practices authorized by law other than for nonpayment as stated in this section;
 - (e) Allow customers who qualified under subsection (1) of this section and who default on their payment plan and are disconnected in accordance with WAC 480-090-071, Disconnection of service, to reconnect and maintain the protection afforded under this chapter when the customer:
 - (i) Pays any reconnection charges; and
 - (ii) Pays all amounts that would have been due and owing on the date that service is reconnected; and
 - (f) Provide a written copy of the extended payment plan to the customer.
- (3) Any customer who has a past due amount owing under this payment plan will not be eligible to reapply for a new extended payment plan unless authorized by the utility.

Comments:

- (1) *This rule is moved from WAC 480-90-072, Payment Arrangements, Sections (3) and (4).*
- (2) *Reformatted rule to more closely parallel with RCW 80.28.010 (4) and (5).*
- (3) *Moved definitions of energy assistance grantee and household income from WAC 480-90-021 (5) and (6) to section (1) (b) of this rule.*
- (4) *Added language requiring the grantee to provide the household income eligibility to the utility within 30 days as stated in existing WAC 480-90-072, Payment arrangements and responsibilities.*

WAC 480-90-076 Service responsibility (gas)

(1) Customer responsibility - The customer will notify the gas utility, in writing, prior to all changes to the customer's equipment or usage that will materially affect the service to be rendered. The customer will give such notice within a reasonable time so the utility can provide the necessary facilities and acquire additional gas supplies, if needed. The charge for such necessary facilities, if any, will be in accordance with the utility's filed tariff.

(2) Gas utility responsibilities:

(a) Each gas utility will install and maintain at appropriate locations within its system such equipment that may be necessary to determine the operating characteristics of the system. The Commission may require the utility to provide additional equipment in connection with performing special investigations, if economically feasible;

(b) Each gas utility will promptly notify all affected customers of a change to the system that would affect the efficiency of operation or the adjustment of the customer equipment. If an adjustment to the customer's equipment is necessary, the cost will be recovered in accordance with the utility's tariff, except that, when the customer has been notified of a change in service prior to receiving service, or when the change is required by law, the customer must bear all costs in connection with making such changes;

(c) Each gas utility must adopt and maintain as constant as practical a standard pressure of gas measured at the outlet of any customer's meter, and/or regulator in cases of a high pressure system. The standard pressure adopted will be filed with the commission as part of the gas utility's schedule of rates, rules, and regulations. Pressures other than standard may be furnished to a customer upon mutual agreement between the utility and customer, and provided that such pressure can be maintained without adversely affecting the service being provided to other customers on the system; and

(d) Each gas utility must maintain its gas system in a condition that will enable it to furnish safe, adequate, and efficient service and meet applicable state and federal standards.

(3) Interruption of service - The term “interruptions” as used in this rule refers to the temporary discontinuance of gas flow to any customer(s) due to accident, required repairs or replacement, or to the actions of municipal or other agencies. It does not refer to the discontinuance of gas flow to those customers receiving service under an interruptible service schedule. The gas utility will make a reasonable effort to avoid interruption of service and, if an interruption occurs, will endeavor to reestablish service with the shortest possible delay. When it is necessary for a utility to make repairs to or change its facilities, the utility may, without incurring any liability to its customers or others, suspend service for such periods as may be reasonably necessary. *{Comment: Staff’s reformatting of this section unintentionally left this existing language out of the rule. PSE’s one modification is to include “or others” to clarify that utilities will not incur liability from service interruptions to customers or third parties (such as customers’ insurance companies) in the event of a service curtailment.}*

(a) Scheduled interruption - Each gas utility will minimize the inconvenience to customers when it is necessary to make repairs or changes to its facilities that require the interruption of service. The gas utility must notify all customers affected by a scheduled interruption in person or through newspapers, radio announcements, or by other means at least one day in advance of the scheduled interruption.

(b) Forced (emergency) interruption - The company may curtail firm gas service in the event of an emergency or when forces beyond the control of the utility require interruption. The utility must order all interruptible customers to cease consuming interruptible volumes before interrupting service to firm customers, if such timing is possible under the specific circumstances. *{Comment: It may not be realistically possible in an emergency situation to ensure all interruptible customers have ceased consuming interruptible volumes before shutting valves that will interrupt service to firm customers—thus “emergency.” PSE supports Staff’s concept that interruptible volumes should be curtailed first, but as written, this rule is not practically applicable, thus is not fair or reasonable.}*

(c) The utility will individually notify police and fire departments affected by an interruption of service.

(4) Record of interruptions – Each gas utility must keep a record of service interruptions consistent with requirements of WAC 480-93-210. *{Comment: The gas safety rules already address this issue. It would not be appropriate for the Commission to adopt conflicting rules in this section. As WAC 480-93-210 is a more technically specialized set of rules, it is reasonable for this rule to defer to that section.}*

Comments:

Rule rewritten for clarity.

Included definition of “interruption” in subsection (3) that is included in current rule language.

WAC 480-90-xx7 Disclosure of confidential consumer information

(1) A gas utility may not disclose, permit access to, or use confidential consumer information, as defined below in (3), for the purposes of marketing unregulated service or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first having obtained the commission or customer’s written permission to do so.

(2) A utility may not share or sell confidential consumer information or customers' names, addresses, or telephone numbers with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing service or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first having obtained the commission or customer's written permission to do so.

(3) Confidential consumer information includes the customer's , and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship. *{Comment: There are three suggested revisions in the above section.*

First, the description of this information is more appropriately described as "confidential" as opposed to proprietary. The focus of this section is on disclosure of this information, so it seems more accurate to focus on disclosure. Also, confidential is consistent with how the information was addressed in the Special Contract rulemaking because the existing statutes refer to what information may be marked confidential versus information that must be disclosed.

Second, PSE's revision above would allow an interpretation of this rule consistent with the Commission's recent ruling in the Avista case. In that case, the Commission declined to prevent Avista from using its bill package to market non-utility services, but did order on a reasonable allocation of expenses to such activity. Thus, Avista's use of its bill package to market non-regulated products reduces costs to all customers. By including the customer's name and address as confidential, Staff's proposal would preclude such activities that benefit all customers, in addition to those that decide to purchase the non-regulated products. PSE's proposal also omits telephone number from the list of information utilities may not use. Data bases of this kind of information are common and as long as customers receive benefits through reduced costs, it does not seem reasonable to preclude utilities from using this information. Please note that the proposed revision above would allow utilities to use the information in ways that would reduce costs to all customers but would prevent utilities from disclosing customer names, addresses, and telephone numbers to third parties including affiliates.

Third, PSE again proposes to include a provision that utilities could seek Commission authorization to use confidential customer information to market non-regulated products/services.}

(4) This section does not prevent disclosure of the essential terms and conditions of special contracts as provided for in WAC 480-80-335, Special contracts for electric, water, and natural gas utilities.

Comments:

New rule.

WAC 480-90-081 Service connections.

(1) The gas utility will furnish, install, and maintain piping and other fittings to the customer's fuel line up to the point of delivery. The point of delivery will be at the outlet of the meter or at the connection to a customer's piping, whichever is farther downstream.

(2) The customer may be required to pay for or install any service connection such as pipes and fittings in compliance with the gas utility's standards and filed tariff(s). The service piping and fittings up to the point of delivery will become the property of the utility, which will accept all responsibility for future maintenance and operations in accordance with its filed tariffs.

Comments:

Currently, the rule does not define the point of delivery. The changes to the rule now specifies where that point of delivery will be for all new gas systems.

WAC 480-90-086 Service entrance facilities

A gas utility may require customers to:

(1) Provide entrance facilities at the easiest access point to the utility's distribution system and

(2) To comply with reasonable requirements to Keep those facilities free from tampering or interference. *{Comment: Staff's restructuring of this rule is clearer than the existing rule.*

However, Staff's rewrite applies complying reasonable requirements to both a and b, whereas the existing rule only includes b. PSE believes it is important to be clear that customers must provide entrance facilities at the easiest access point and since Staff's comment section below does not mention changing this requirement, PSE assumes Staff's revision was unintentional.}

Comments:

Rule rewritten for clarity.

WAC 480-90-091 Access to premises

(1) Authorized representatives of a gas utility have the right to enter a customer's property during reasonable hours to perform necessary functions such as meter reading, maintenance, testing, installation, or removal of the utility's property. Utilities must provide photo identification to utility personnel who are authorized to enter customers' premises. Customers have the right to see the utility-provided identification of gas utility personnel before allowing entry to the customer's property. *{Comment: The suggestion here is to clarify that the focus is on utility personnel as opposed to any party that might wish to enter the customer's property unrelated to the utility's work.}*

(2) When performing maintenance, testing, installation, or removal of the utility's property, the utility must restore the customer's property as close as reasonably practicable to the condition prior to the utility's action unless either otherwise defined in the utility's tariff or other mutually agreed upon arrangements have been made with the customer.

Comments:

(1) Revised per ALD and stakeholder comments.

(2) Added subsection (2).

WAC 480-90-096 Gas utility's responsibility for complaints and disputes.

(1) When a gas utility receives a complaint in any form from a customer or an applicant for service, the utility must acknowledge receipt of the complaint and:

- (a) Upon request, identify the utility's contact to the complainant;
- (b) Investigate the complaint promptly as required by the particular case;
- (c) Report the results of the investigation to the complainant;
- (d) Take corrective action, if warranted, as soon as possible under the circumstances;
- (e) If the complainant is dissatisfied with the results or decision, inform the complainant that the decision may be appealed to a supervisor at the utility; and
- (f) If the complainant is dissatisfied after speaking with the utility's supervisor, the supervisor must inform the complainant of their right to file a complaint with the commission and provide the commission's address and toll-free telephone number.

(2) Applicants, customers, or their representatives may file with the commission:

- (a) An informal complaint as described in WAC 480-09-150, Informal complaints; or
- (b) A formal complaint against the utility as described in WAC 480-09-420, Pleadings and briefs - Applications for authority - Protests.

(3) When the commission refers an informal complaint to the utility, the utility must:

- (a) Investigate and report the results to the commission within two business days. The commission may grant an extension of time for responding to the complaint, if requested and warranted;
- (b) Keep the commission informed of progress toward the solution and the final result; and
- (c) Respond to the commission's request for additional informal complaint information within three business days of the request or at a date specified by the Commission. The commission may grant an extension of time for responding to the complaint if requested and warranted.

(4) Each gas utility must keep a record of all complaints for at least three years and, upon request, make them readily available for commission review. The record must contain:

- (a) The complainant's name and address;
- (b) The date and nature of the complaint;
- (c) The action taken;
- (d) The final result; and
- (e) All official documents regarding the complaint. *{Comment: The last sentence of (4) above is defining the term "record." Using the phrase record in the explanation of what record means creates an inappropriate circular reference. A clearer and more appropriate description of record here in (e) would be official documents pertaining to the complaint.}*

Comments:

- (1) added requirement (a) to section (1),
- (2) added requirement (c) to section (3), and
- (3) changed record keeping requirement for all complaints from one to three years.
- (4) 4 - Added that the utility's complaint record must include all correspondence and records regarding the complaint.
- (5) Subsection 2b - Corrected applicable rule.

WAC 480-90-106 Billing requirements and payment date.

- (1) Customer bills must:
- (a) Be issued at intervals not to exceed two one-month billing cycles, unless the utility can show good cause for delaying the issuance of the bill, upon request by the commission; *{Comment: PSE appreciates Staff's revision to this language. Staff's language, however, seems to require utilities to proactively request permission to delay bills for more routine bill analysis as opposed to demonstrate why a bill was delayed. Including the proposed language suggested above clarifies that utilities must provide an explanation when the commission requests one.}*
 - (b) Show the total amount due and payable;
 - (c) Show the date the bill becomes delinquent if not paid;
 - (d) Include the utility's business address, business hours, and toll-free telephone number and emergency telephone number by which a customer may contact the utility;
 - (e) Show the current and previous meter readings, the current read date, and the total amount of therms used;
 - (f) Show the amount of therms used for each billing rate, the applicable billing rates per therm, the basic charge or minimum bill, and any other applicable tariff charges;
 - (g) Compare energy usage information for the current month and the same billing month of the previous year, if available, for the following:
 - (i) Number of days in billing period;
 - (ii) Therms used;
 - (iii) Average therms used per day;
 - (h) Show the amount of any municipal tax surcharges and their respective percentage rates;
 - (i) Clearly identify when a bill has been prorated. A prorated bill will be issued when service is provided for a fraction of the billing period. Unless otherwise specified in the utility's tariff, the charge will be prorated in the following manner:
 - (i) Flat rate service will be prorated on the basis of the proportionate part of the period that service was rendered;
 - (ii) Metered service will be billed for the amount metered. The basic or minimum charge will be billed in full;
 - (j) Clearly identify when a bill is based on an estimation.
 - (i) A utility must detail its method(s) for estimating customer bills in its tariff;
 - (ii) The utility may not estimate for more than four consecutive months unless the cause of the estimation is due to inclement weather, terrain, the customer's meter is blocked or otherwise inaccessible, or a previous arrangement with the customer; *{Comment: PSE again suggests this rule is not necessary. However, if Staff desires to include this rule PSE provides the following two suggestions. First, Staff should also propose a corresponding provision in 071, discontinuance of service, to include inability to read meters for four billing cycles as a reason to discontinue service, under (3) utility directed with notice—please note PSE did not propose to include such a provision because PSE does not believe this rule should be proposed. Second, if Staff believes there is just reason to include this new provision, PSE suggests including the situation where access to the customer's meter is barred.}*

(k) Clearly identify determination of maximum demand. A utility providing service to any customer on a demand basis must detail in its filed tariff the method of applying charges and of ascertaining the demand.

(2) The minimum time allowed for payment after the bill's mailing date must be fifteen days, if mailed from within the states of Washington, Oregon, or Idaho, or eighteen days if mailed from outside the states of Washington, Oregon, or Idaho.

(3) The utility must allow a customer to change a designated payment due date when the customer has a satisfactory reason for the change. A satisfactory reason may include, but is not limited to, adjustment of a designated payment due date to parallel receipt of income. The preferred payment date must be prior to the next billing date.

Comments:

(1) Added total amount owed will be listed on bill.

(2) Added that utility must include business address, toll-free telephone number, business hours and emergency telephone number on bill.

(3) Added information to be included on bill in order to calculate bill amount.

(4) Changed what information is to be provided in order to compare bill with previous year's usage.

(5) Clarified tax information to be included on bill.

(6) Added utility may not estimate bill for more than two consecutive billing cycles.

(7) Added three days to bill due date if bill is mailed outside of the WA, OR, or ID.

(8) Added when a customer requests a preferred payment date, it must be requested prior to the next bill date.

(9) Moved reference of the 15-day minimum for billing from WAC 480-90-071 (1)(a), Disconnection of service.

(10) Added method of estimation of bills must be detailed in the utility's tariff.

(11) Subsection (1)(a) - Changed issuing bills from "two months" to "two one-month billing cycles."

(12) Subsection (1)(g) - Requires the utility to provide usage comparison for the "current month" in addition to the same billing month of the previous year.

(13) Eliminated the requirement, in 1st draft, to include the average temperature per day on the bills.

(14) Subsection (1)-Added language stating the utility may delay issuance of billing when it can show good cause for the delay.

(15) Subsection (1)(g) - Added language allowing the utility may provide comparison of usage information if the information is available.

(16) Subsection (1)(j)(ii) - Changed language from two consecutive billing cycles to four consecutive months.

(17) Subsection (2) - Added states of Idaho and Oregon to the eighteen-day payment time allowance.

(18) Subsection (3) - Changed payment date and billing cycle date to "designated payment due date".

WAC 480-90-161 Complaint Meter Tests (combining: WAC 480-90-161 Complaint Meter Test, WAC 480-90-156 Dispute as to meter accuracy, and WAC 480-90-116 Refund for inaccurate metering)

(1) A gas utility must test and report to the customer the accuracy of a meter within twenty business days after receiving an initial request from a customer. The utility must allow the customer to order one meter test free of charge during a twelve-month period. If the customer disputes the accuracy of the meter, the customer must allow the utility access for meter testing. *{Comment: PSE understands*

Staff's concern with the existing language because it does not establish any kind of timeline for completion of meter tests. 20 business days appears to be a reasonable time requirement.}

(2) The customer may, at the customer's option, either witness the meter test or designate a representative to witness the test. The customer may require the meter to be sealed upon removal in the customer's or the customer's representative's presence. The seal must not be broken until the test is made in the customer's or the customer's representative's presence, or until permission to break the seal has been granted by the commission. The utility must report the results of the meter test to the customer.

(3) A customer may request the utility to perform additional meter tests within twelve months of the last meter test. However, a customer's request for additional meter tests will not delay disconnection of service as prescribed under WAC 480-90-071(9). The utility must immediately inform the customer of any additional meter test charges. If the customer elects to have the meter test performed, the utility will perform the test and report the test results to the customer within twenty business days. If the additional meter test results show the meter is performing accurately as defined in WAC 480-90-151, Metering tolerance, the utility may charge the customer for performing the additional meter tests. The charge of the meter test must be listed in the utility's tariff. The utility may not charge the customer for any additional meter test that shows the meter is performing outside acceptable tolerance levels as defined in WAC 480-90-151, Metering tolerance. *{Comments: There are two comments in this section. First, Staff's proposed rule, as well as the existing rule, clearly specify that if an additional meter test shows the meter is fast, the customer is not charged the additional meter test charge. It is not clear what other situations the additional meter test charge should not be applied, so PSE recommends dropping this language. If Staff contemplates forcing utilities to waive the charge for additional meter tests when the additional meter proves accurate, Staff would also have to propose some kind of financing mechanism for utilities to recover the costs if Staff proposes this language. Second, Staff's proposal requires a second meter test to be performed within fifteen days instead of twenty. It seems more reasonable to have the timelines consistent, especially for gas meter tests. Please note that the additional gas meter test is not performed on the same meter—the meter at the customer's location was already replaced in order to do the first test. Therefore, while PSE questions Staff's reasoning for reducing the time requirement in the electric rule, though PSE would be interested in understanding the reason why Staff proposed the shorter time line on second meter tests.}*

(4) If the customer disputes any meter test result, the utility or the customer may contact the commission to review the complaint. When the commission has notified the utility that a complaint has been received regarding the customer's meter, the utility will not change the meter in any manner unless authorized by the commission. If the utility violates this provision, the commission may consider it as supporting the customer's dispute since the change might affect the proof of the dispute. The commission may require the utility to perform an additional test and report the test results to the commission within ten business days.

(5) If a meter test reveals a meter error greater than specified as acceptable in subsection (2) of WAC 480-90-146, Accuracy requirements for gas meters, the utility must repair or replace the meter at no cost to the customer. The utility must adjust the bills to the customer based on the best information available to determine the appropriate charges. The utility will offer payment arrangements in accordance with subsection (2) of WAC 480-90-072, Payment Arrangements.

(a) If the utility can identify the date the customer was first billed for a defective meter, the utility must refund or bill the customer for the proper usage from that date.

(b) If the utility cannot identify the date the customer was first billed for a defective meter the utility must refund or bill the customer for the proper usage, not to exceed six months.

(6) Reports - the commission may require the utility to provide meter test results to the commission in response to a customer's complaint. These reports will contain the name or address of the customer, the meter manufacturer's name, the manufacturer's and utility's meter number, the size or capacity of the meter, the date the meter was tested, the reading of the meter when tested, the accuracy of the meter as found, and the accuracy of the meter after adjustment.

Comments:

Changes to existing rule:

(1) Staff suggest combining the following rules into one:

WAC 480-100-171 Complaint Meter Test

WAC 480-100-166 Dispute as to meter accuracy

WAC 480-100-111 Refund for inaccurate metering

(2) Changed must initiate initial in 10 days to initiate and report to 20 business days

(3) Deleted utility option of refusing meter test

(4) added back in language regarding Co ability to refuse additional meter test requested by customer

(5) Deleted "initiate" in subsection (1) and changed to must test and report results to customer within ten business days. Extended time frame for testing the meter and reporting to the customer from ten days to fifteen days and allowed time for shipping meter from third party carrier.

in (3) added back in language regarding the additional test charge may be waived per Commission

in (3) deleted the transit time (not in the original rule for the additional test and added 5 days from original rule.

(6) Added if the customer requests additional meter tests, the utility must inform the customer of the meter test charges.

(7) Clarified that utility may use "best information available" to adjust bills due to meter inaccuracy.

(8) changed and added language - if utility can identify the date of error must bill or refund the proper usage ; if utility can not identify the error must refund or bill for the proper usage, not to exceed six months. Co must also make payment arrangements.

(9) Clarified customer will not be billed for more than six months for additional meter usage as well as limiting refunds to six months.

(10) In subsection (1), added language stating if customer is disputing the accuracy of the meter, the customer must allow the company access to the meter.

WAC 480-90-211 Payment locations.

(1) The gas utility must provide payment agencies in locally accessible locations where applicants and customers can make payments at no charge to the applicants and customers. Payment agencies must clearly post and maintain regular business hours.

(2) The utility and its payment agencies must provide receipts for any cash payments made by the applicants or customers.

(3) The utility must provide written or electronic notice to the commission at least thirty days prior to the closing of any business office, customer service center, or payment agency. In the event a payment agency is closed on less than thirty days notice, notification is required as soon as the utility becomes aware of the closure. *{Comment: The commission recently requested PSE to stop sending these*

filings, but PSE continues to send them because of this rule. PSE does not oppose sending this information to Staff, especially if the electronic notice is acceptable, but suggests Staff consider if this information is actually used and useful or if this provision can be eliminated.}

Comments:

- (1) Changed title of section.*
- (2) Deleted definition of urgent payment*
- (3) Changed “reasonable access” to “convenient location” in subsection 1.
1-Changed “convenient” to “locally accessible.”*
- (4) Deleted business office designation*
- (5) Deleted requirement that business offices be accessible in person.*
- (6) Added company must notify customers of payment agency closures.*
- (7) (1) - Added that payment agencies should not charge customers to take payments.*
- (8) Moved subsection 3 to WAC 480-90-041(2).*
- (9) Changed language in subsection 3 regarding providing notice to affected customers. Added new Section 4 referring customers to a toll-free number for updated payment agency locations.*

480-090-xx8 Tariff Change customer notification requirements

{Comment: In light of the current rulemaking on WAC 480-80, Staff’s recommendation to move this rule from WAC 480-80 to the individual operations rules for each industry should be seriously questioned. Notices regarding tariff revisions should be addressed in the tariff section of the WAC, where the rule can be considered consistently across various industries with minor variations as necessary. This supports Staff’s position that the rules should be as consistent as possible across the various industries while facilitating communication across industry boundaries. Additionally, PSE believes all notification requirements should be located in the same set of rules, to keep the rules organized in a logical and orderly manner. It would seem the rule that pertains to notifying customers of tariff revisions is probably the most important and relevant of the various notice rules to keep in the chapter 480-80. Furthermore, PSE is dismayed to see that Staff is continuing to propose a significant modification to the Commission’s notification policy without consideration of other reasonable alternatives that would meet the Commission’s interests but that would be consistent with the Commission’s legislative authority. Please refer to PSE’s comments in WAC 480-80, filed October 23, 2000, for PSE’s proposed customer notice rule.

Comments:

- (1) This rule is designed to ensure that customers of a regulated electric utility proposing a change in its rates or services receive adequate information to understand the change and the affects on them and to determine whether or not to become involved in the commission’s decision-making process. A good customer notice meets three basic ideas: to notify intent, to educate, and to involve consumers. Currently, customer notice requirements are contained in WAC 480-80-120 Notice to the public of tariff changes, and WAC 480-80-125 Notice by utilities to customers concerning hearing, governed by 80.28.060 RCW. It is staff’s intent (this chapter is currently opened for review) to repeal 480-80-120 and replace that*

requirement with the new proposed customer notice rules. In WAC 480-80-125, the formal hearing notice, staff will update the language and will recommend that it remain within chapter 480-80.
(2) Please see “Principles underlying customer notice practices”.

III. Financial Records and Reporting Rules

WAC 480-90-031 Accounting system requirements.

(1) Gas utilities in the state of Washington must use the uniform system of accounts applicable to major and non-major gas utilities as published by the Federal Energy Regulatory Commission (FERC) in the Code of Federal Regulations. Information about the Code of Federal Regulations regarding the version adopted and where to obtain it is set out in WAC 480-100-999, Adoption by reference.

(2) Gas utilities having multi-state operations must maintain records in such detail that the costs of property located and business done in Washington can be readily ascertained in accordance with geographic boundaries.

(3) Any deviation from the uniform system of accounts, as prescribed by the FERC, will be accomplished only after due notice and order of this commission.

Comments:

(1) This revision separates accounting aspects of rule 480-90-031, Accounting systems, from the reporting aspects.

(2) The language is re-written for clarity.

WAC 480-90-xx9 Financial Reporting requirements

(1) Annual Reports:

(a) Gas utilities must use the annual report form (FERC Form No. 2) promulgated by the Federal Energy Regulatory Commission 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. 2, 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 1 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. 2 regarding the version adopted and where to obtain it is set out in WAC 480-90-999, Adoption by reference.

(b) Utilities must also submit to this commission, in essentially the same format and content as the FERC Form No. 2, a report which documents the revenues and costs incurred and the property necessary to furnish utility service to its customers 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 multi-state 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 gas operations of a utility under normal temperature and gas supply conditions during the reporting period. The commission basis report must include the following:

- (i) Booked results of gas 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, non-operating, non-recurring, and extraordinary items or any other item that materially distorts reporting period earnings and rate base; and

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

(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 which 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 gas 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:** - Gas 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.

Comment:

(1) *This revision separates reporting aspects of WAC 480-90-031, Accounting Systems, into a separate rule.*

(2) *The Commission Basis report is changed to an annual filing.*

(3) *The monthly report is changed to a quarterly filing with specific required contents.*

(4) *Other language is re-written for clarity.*

WAC 480-90-032 Expenditures for political activities.

(1) The commission will not allow either direct or indirect expenditures for lobbying, political information, political education, or political advertising for ratemaking purposes.

(2) Political information, education, and advertising activities include, but are not limited to:

- (a) Encouraging support or opposition to ballot measures, legislation, candidates for an office, or current public office holders;
- (b) Soliciting support for political action committees;
- (c) Gathering data for political mailing lists;
- (d) Soliciting political contributions or recruiting political volunteers; and
- (e) Advertising to influence public opinion with respect to legislative, administrative, or electoral matters, or any controversial issue of public importance.

Comments:

Organizes all political expenditures into one rule. Item (e) is from 480-90-043.

WAC 480-90-036 Securities, affiliated interests, and transfers of property

(1) Before a gas utility issues stock, securities, or other evidence of indebtedness, the utility must comply with the requirements of chapter 80.08 RCW and chapter 480-146 WAC.

(2) Before a gas 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 chapter 80.16 RCW and chapter 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, a gas utility must obtain an authorizing order from the commission in accordance with chapter 80.12 RCW and chapter 480-143 WAC.

Comments:

Rewritten by ALD for clarity and consistency with other rule makings.

WAC 480-90-043 Promotional advertising.

(1) The commission will not allow expenses for promotional advertising for ratemaking purposes. The term "promotional advertising" means advertising to encourage any person or business to select or use the service or additional services of a gas utility, to select or install any appliance or equipment designed to use the gas utility's service, or to influence consumers' opinions of the gas utility.

(2) As used in this rule the term "promotional advertising" does not include:

- (a) Advertising which informs customers how to conserve energy or how to reduce peak demand for energy;
- (b) Advertising required by law or by regulation, including advertising under Part 1 of Title II, of the National Energy Conservation Policy Act;
- (c) Advertising regarding service interruptions, safety measures, or emergency conditions;
- (d) Advertising concerning employment opportunities with the gas utility;
- (e) Announcements or explanations of existing or proposed tariffs or rate schedules; and
- (f) Notices of meetings or commission hearings concerning gas utility rates and tariffs.

Comments:

Restricts rule to just promotional advertising; maintains prohibition on allowing promotional advertising in rates.

WAC 480-90-181 Retention and preservation of records and reports.

(1) Each gas utility must retain all records and reports for three years unless otherwise specified by the publication referenced in subsection (2) of this section. No records may be destroyed prior to the expiration of the time specified by the publication referenced in subsection (2) of this section.

(2) The commission adopts the publication, *Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies*, published by the National Association of Regulatory Utility Commissioners as the standards for utility records retention. Information about the *Regulations to Govern the Preservation of Records of Electric, Gas, and Water Companies* regarding the version adopted and where to obtain it is set out in WAC 480-90-999, Adoption by reference.

Comments:

Rewritten for clarity.

480-90-xx10 Purchased gas adjustment.

(1) A purchased gas adjustment (PGA) clause is an accounting and rate adjustment procedure that gas utilities use to recover actual gas costs. Gas utilities must file with the commission for recovery of expected gas cost changes and amortization of accumulated book balances.

(2) A gas utility must include its PGA procedures in its tariff or in an accounting order approved by the Commission. *{Comment: The PGA process is an accounting process, thus is not the kind of information that is typically included in a tariff. In the PGA incentive policy statement, utilities were required to tariff PGA processes because there was no legal record for how or why PGAs were permitted, which the Court pointed out to the Commission ten years ago. This rule, however, creates the legal record. Therefore, while PSE will not oppose this rule, it is more appropriate for PGA procedures to be explained in an accounting order than the tariff. Additionally, this is probably more of an issue for the rulemaking on WAC 480-80. Thus, Staff may consider moving this rule to the tariff rules, if Staff feels strongly regarding its retention at all.}*

(3) A gas utility must make a PGA filing within a maximum of fifteen months since the effective date of the utility's last PGA. If the utility believes that a PGA filing is unnecessary within this time frame, then it must file supporting documents within thirteen months since the effective date of its last PGA demonstrating why a rate change is not necessary.

(4) A gas utility must accrue interest, compounded monthly, on deferred gas cost balances at the interest rate consistent with the quarterly interest rate based on the three month average prime lending rate as used and published by the Federal Energy Regulatory Commission for determining interest on refunds or surcharges on temporary rates subject to refund in interstate natural gas pipeline proceedings. *{The FERC has utilized the average quarterly prime interest rate for several years. PSE believes this is the most reasonable interest rate for this process as it is widely used in the natural gas industry, objectively determined, easy to verify, and is a reasonable statement of borrowing rates in the economy.}*

(5) A gas utility must file a monthly report of the activity in account 191, Unrecovered Purchased Gas Costs, for Washington within 30 days after the end of each month. The report must show the beginning balance, monthly entry and ending balances for each Washington sub-account included in account 191, Unrecovered purchased gas costs. PGA incentive amounts must be shown separately.

Comments:

(1) New rule to codify existing procedures and to require a filing at least annually (or an explanation). Deleted the PGA reporting requirement in 480-90-03x and included a monthly reporting requirement here (paragraph 4) in its place.

(2) 3rd draft - Changed the filing requirement from “at least annually” to “within a max. of fifteen months...”

(3) Added that interest must accrue at the “customer deposit” interest rate.

IV. Gas Metering & Standards Rules

WAC 480-90-101 Heating value of gas.

(1) A gas utility must state in its tariff the minimum heating value of gas delivered to customers. The minimum heating value of the gas must be sufficient to operate an appliance uniformly.

(2) Testing Equipment - If a gas utility provides and maintains its own gas calorimeter, the calorimeter and accessories must be installed in a suitable area. The calorimeter and its location and accuracy must be approved by the commission.

(3) If a gas utility does not maintain its own gas calorimeter, the utility's supplier must provide the calorimetric results to the commission on request.

(4) A gas utility may use a calor optic indicator to determine the heat value when a mixture of liquified petroleum gas and air is used.

(5) Testing Requirements - Each gas utility must take at least one daily heat value test of the gas supplied to its customers.

(6) The total heating value must be stated in British thermal units per cubic foot.

(7) The average daily heating values must be determined by taking the average of all daily heating values measured throughout the day. The average monthly heating value must be the average of all daily average values for the calendar month.

(8) For billing purposes, the gas utility may apply the average heating value for a given month to the following month provided the procedure is written in the utility's tariff.

(9) Testing Records - Each gas utility must keep complete records of each heat value test. These records must be accessible to the commission and its authorized representatives.

(10) The utility must adopt standard forms that record the heating value, gas analysis, and specific gravity results. The forms are subject to commission approval. Each form must be retained as a record for at least two years at the station where the tests were made.

Comments:

(1) *Rewritten for clarity*

(2) *The term “liquified petroleum gas” was reinserted in section 4 to help clarify the fuel mixture.*

(3) *“For billing purposes” was added back to section eight as was written in the original rule.*

WAC 480-90-126 Meter readings.

A meter is required to record or indicate the volume of gas taken, measured in units of cubic feet or other volumetric unit. The gas utility, upon request, must supply the customer with all variables and formulas to enable the customer to compute billable units, typically therms.

WAC 480-90-131 Meter charges (old title “Installation of meter set assembly”).

(1) A gas utility will make no charge for furnishing and installing a standard meter required to determine the customer’s bill for gas service in accordance with the utility’s filed tariff. The utility may charge for additional meters or metering equipment requested by the customer or required by the utility’s tariff for services beyond determining the customer’s bill.

(2) A meter will not be required on flat rate service.

Comments:

(1) Rewritten for clarity and stakeholders’ comments.

(2) Amended to clarify that the utility can charge for special (additional) metering equipment (i.e. telemetry - [need to tariff]).

480-90-136 Meter set assembly location.

(1) The customer must furnish a convenient and unobstructed location to install the meter set assembly that is acceptable to the gas utility.

(2) A meter set assembly may include a meter, regulator, valve, and adjacent components. The meter set assembly must be accessible to the utility to read, inspect, repair, test, and make changes.

(3) Residential and commercial meter set assemblies should be installed outside at the building wall. All meter set assemblies should be placed, whenever possible, away from doors, windows, building overhangs, intake ducts, and other outside areas where gas can accumulate and migrate into buildings. When it becomes necessary to locate meters away from the building wall or inside buildings, or in other locations specified in the preceding statement, the utility must utilize vent piping, or other measures consistent with the utility’s approved safety standards to mitigate any and all possible hazards. In such circumstances, the gas utility must keep a record of these meter set assemblies, including in such record the location, installation date, and leak history. Utilities must submit copies of such records to the commission upon request. *{Comment: First, the musts above need to be replaced with should. This is supported by the third sentence of (3) which clearly contemplates that there will be situations where the “must” will not be practical. Please note that coupling should with Staff’s language “whenever possible” clearly limits application of such exceptions to the rule. Second, including language that requires utilities to use mitigating procedures when meters must be located in less desirable locations seems appropriate.}*

(4) The meter set assembly must be protected with a protective barrier whenever damage by vehicles or marine traffic is likely to occur.

Comments:

(1) The rule was rewritten for clarity and three sections were added that mimic the accepted industrial gas standards for meter placement. The first standard addresses placement of the meter set assembly away from areas where gas can migrate into buildings. Equipment can and eventually will fail. This part of the rule makes adjustment for equipment failure. It is a standard practice within the gas industry to place equipment away from these areas however, when it becomes impossible to do so, another location can be chosen.

(2) Generally meter set assemblies should be located outdoors and against the building wall. In the event a residential or commercial meter must be placed elsewhere, a record kept of all such systems.

(3) The third standard addresses damage to meters in areas where they would be vulnerable to vehicular accidents.

480-90-141 Meter identification.

Gas utilities must identify each meter by a unique series of serial numbers, letters, or combination of both, placed in a conspicuous position on the meter. The utility must place the its name or initials on the meter, in a conspicuous location, when the meter is first installed. *{Comment: Requiring the utility to place its name on all new meter installations is reasonable and consistent with existing practices. However, requiring utilities to retrofit each individual gas meter simply because the utility changed its name will needlessly drive up costs to customers. This is not a reasonable safety issue. However, if Staff believes it is a significant safety issue, it would be more appropriate to consider this rule in the context of 480-93, where other safety rules are considered. Therefore, if Staff believes this really is a safety issue, PSE requests Staff to consider deleting this rule and to defer consideration of this issue in the review of WAC 480-93.}*

*Comments:
Rewritten for clarity.*

WAC 480-90-146 Initial accuracy of meters.

(1) Each meter must be in good mechanical shape and adjusted to read as accurate as practical before being placed in service. Meters are required to be free of leaks and deliver gas without noticeable fluctuation due to mechanical operation of the meter.

(2) The gas utility must seal all meters in service or use a sealing method acceptable to the commission.

*Comments:
Rewritten For Clarity.*

WAC 480-90-151 Metering tolerance.

A meter must not deviate more than two percent fast or slow at each test rate.

*Comments:
Rewritten for clarity.*

WAC 480-90-166 Statement of meter test procedures.

(1) The gas utility must include a statement in its tariff describing its practice under these rules covering:

(a) The description of test methods used and frequency of tests for determining the meter accuracy.

The description must include, but is not limited to:

(i) Test group detail and selection procedures.

(ii) Performance standard details for meters that exceed the maximum allowable tolerance for slow as well as fast meters.

- (iii) The corrective action and time period that will be implemented.
- (iv) Reference to an industry standard such as ANSI C12.1 or ANSI/[isrt]ASQC-Z1.9 that will establish acceptable criteria for numerical analysis.
- (b) The description of meter testing equipment and accuracy determination methods.
- (c) The name of the testing laboratory making meter tests if gas companies do not maintain meter testing equipment.
- (d) The testing and adjustment program of meters prior to installation and periodic tests after installation.
- (2) If a gas utility changes any portion of the meter test procedure a revised tariff must be submitted.

Comments:

The rule has been rewritten for clarity only.

WAC 480-90-171 Frequency of periodic meter tests.

- (1) The minimum periodic test interval for gas meters, other than orifice meters, is as follows:
 - (a) Meters with capacity up to 3,000 cubic feet per hour - every 10 years;
 - (b) Meters with capacity 3,000 cubic feet per hour and over - every 5 years
- (2) The minimum periodic test interval for orifice meters is as follows:
 - (a) Differential gauges - at least once each three months;
 - (b) Orifice plate - at least once each year
- (3) A meter sampling program may be implemented by the utility in lieu of the basic periodic test interval as provided for under WAC 480-90-166, Statement of meter test procedures.

Comments:

No changes were made to this rule.

WAC 480-90-176 Meter history records.

- (1) Gas utilities must establish records showing the history of each meter purchased and installed. Each record must be maintained for the life of the meter plus three months. The forms of such records are subject to commission approval and must contain the following information at a minimum:
 - (a) The date of purchase;
 - (b) Gas utility's identification number;
 - (c) Type, model, or series of meter; and
 - (d) Current meter location.
- (2) The utility must maintain the meter history from the meter's last shop maintenance and "out proof test" through service, removal and "in proof test", plus six months. The records are subject to approval of the commission and must contain, at a minimum, the following information:
 - (a) Date and nature of repairs;
 - (b) Date and results of the "out proof test";
 - (c) Date and results of the "in proof test";
 - (d) Date, location, and index reading when placed in service;
 - (e) Date, location, and index reading when removed from service; and

(f) Date, complainant's name and address, and results of any complaint test(s) made while the meter was in service.

(3) Over hauled meters that meet new meter standards may be retired and re-enter the system as new meters.

Comments:

Eliminates the manufacturer's number and takes into account recommendations from the workshop.