

February 20, 2001

Carole Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Drive S.W.  
Olympia, WA 98504

Re: Docket No. U-991301,  
Tariff Rulemaking

Dear Ms. Washburn:

Thank you for the opportunity to provide comments on the tariff rules in the above-cited docket. Avista Utilities' primary issue of concern in this rulemaking is customer notification and how it is accomplished. The Company's comments also include suggestions for electronic tariffing and streamlining notations.

Regarding customer notification, Avista's concerns focus on how to communicate rate changes effectively and efficiently. While the draft rule is silent on the number of days required for noticing customers prior to Commission action, previous Staff proposals have suggested a minimum of 30 days. This proposal would result in one of two outcomes. Either proposed tariff revisions would be included in customers' regularly scheduled bills adding an additional 30 days to tariff revision time period or a separate, stand-alone mailer would be required. The former adds time to a process that should be streamlined. The latter adds expense that may not be the best use of funds.

Furthermore, it is unclear if the legislative authority requires notification as contemplated in the Staff's proposal. There is no doubt that the enabling legislation requires public notice. However, the form of such notification is not specified to be each and every customer receiving individual notices 30 days prior to Commission action.

With much greater use of the Internet, tariff revisions could be viewed on companies' web-sites. Indeed, Avista has had significant visitation to the Company's web-site. This can be enhanced through advertisements in the print media. Advertisements in local newspapers may be a cost-effective and timely mechanism to notify customers of pending tariff changes in combination with web-site information.

The Commission may wish to maintain an interested customer list and notify participants through updates. Avista is also aware of customers who regularly track the Commission's web-site and, in turn, seek more information from the Company.

In the alternative, the Company suggests (as previously stated in response to the Staff's second draft) that the last customer in a billing cycle receive notice 15 days prior to the effective date of the filing. This would provide sufficient time for all customers to voice any concerns to the Company and/or the Commission. This would also reduce the Staff-proposed 60 day effective period to 45 days.

Furthermore, the Company suggests that electronic filing of tariffs be considered by the Commission. Such filings may streamline the tariff filing process. Since many utilities already provide access to tariffs on the companies' web-sites, this would not require significant effort. As an optional procedure, utilities could maintain their current tariff filing process. The Idaho Public Utilities Commission has recently authorized electronic tariff filings. Avista Utilities experience in Idaho, once the initial tariffs had been filed *en masse*, has been very positive for individual tariff filings.

Lastly, Avista Utilities suggests that the notation to reflect tariff changes be revisited. The Company suggests that the process for notating tariffs as contained in WAC 480-80-370 be replaced with a modified legislative format. The notation as currently required is not compatible—or at a minimum challenging to accomplish—with word processors. Furthermore, the definitions of the letters seem to have some overlap and can result in some confusion. Underscoring changes in tariff revisions should accomplish the goal of noting to the reader what has changed from the previous version. Strikeouts may not be necessary but could be considered for major changes. In the alternative, if the current letter notations are retained, the Company suggests that clearer definitions be provided.

Attached to this letter are specific Avista responses per the discussion issues contained in Attachment A of the Commission's Workshop Notice.

Again, thank you for the opportunity to comment on these rules. Please direct any questions to Jason Fletcher at (509) 495-8626 or Bruce Folsom at (509) 495-8706.

Sincerely,

Thomas D. Dukich  
Director, Rates and Regulation

**Avista Response to Location of Rules:**

Avista believes there are more notification issues in common among the industries than not. This has driven the Company's opinion that one common location for notification rules is optimal.

Irrespective of the final outcome of this discussion, the Company suggests that there be relatively common rules among the industries.

**Avista Response to “3. Process for noticing customers prior to Commission action”**

In the last two years, Avista had approximately eleven filings that would appear to have required customer notice prior to the Commission’s open meeting decision. Depending on the interpretation or clarification of the proposed rule, this number (and the following list) may be reduced. These include:

UE-990086	Net metering
UE-990251	Special contract
UE-000080	Order...approving distribution of gain
UG-991988	Pipeline WACOG update
UE-991606	Electric general rate increase
UG-991607	Natural gas general rate increase
UE-991255	Centralia sale
UE-001923	Industrial power buy-back option
UG-001980	Associated costs of PGA
UG-001932	PGA adjustment
UG-001857	Change in interest applied to PGA

Avista estimates that it would take approximately one week to prepare, produce, and mail a “direct notice mailing” to customers for a one-time, all-at-once mailing. This could range from one or two days to two weeks depending on prior planning.

In the case of filings with increased recurring rates over five percent occurring over the last two years, three of the above-cited dockets would be affected (the Washington electric case and two PGAs).

Avista’s bill inserts are mailed, at essentially the same rate, over a 28 day billing cycle. Approximately 18% of Avista’s customers would have received the notice by the 5<sup>th</sup> day; 36% by the 10<sup>th</sup> day; 54% by the 15<sup>th</sup> day; and 72% by the 20<sup>th</sup> day.

Avista’s mailing and bill insert capabilities would allow a bill insert to be included for a portion of the billing cycle. Those customers who did not receive a billing insert due to a planned termination of that billing insert, would be able to be mailed a direct mail piece.

If billing inserts were used to provide customer notice, the Company would use stand-alone inserts or inclusion as part of a newsletter. Given the 30 day notice requirement, the Company would initiate this process close to the filing date. Under this scenario, over 50% of our customers would be notified of the change 15 days prior to the effective date of the tariff.

In the greater Spokane market, which consists of the majority of Washington jurisdictional electric customers, advertisements in the print media have proven to be an effective way of notifying customers about Avista activities. Furthermore, the Company's web-site has had experienced increased usage, lately experiencing

over 5,000 visits per week.