

January 24, 2001

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

Re: Docket No. UE-990473, Electric Operations Rulemaking

Dear Ms. Washburn:

Thank you for the opportunity to comment in the electric rule revisions in the above-cited docket. As this two-year process comes to a conclusion, the majority of previously identified issues appear to have been resolved. In these comments, Avista Utilities suggests the following areas be further examined for possible modification.

WAC 480-100-153, Disclosure of private information

This proposed rule change will lead to outcomes that may not be in utility customers' best interests. Part (2) of this rule would prohibit the sharing of specific customer information with affiliates, subsidiaries, or other third parties. Utilities currently provide several services to regulated customers—which by all accounts are considered to be beneficial—in partnership with third parties. As an example, some energy efficiency programs available to regulated customers are provided through trade allies. This third party involvement spans the spectrum from simple product support to complete marketing responsibility. In fact, the Company would need to obtain a waiver from this rule to allow winning DSM bidders to implement programs under Avista Utilities' Request for Proposals (pursuant to WAC 480-107, Docket No. UE-001081). As another example on the natural gas side, utilities also rely on third parties to assist in the development of system improvements such as gas main extensions. Third parties aid in marketing end-use products and signing up customers prior to build-out to demonstrate cost-effectiveness of such a project. This rule, and its counterpart in WAC 480-90, would prohibit such activities.

The Company wants to be clear that it is not opposed to a rule limiting the disclosure of private information. The Company suggests one of two approaches to modifying this proposed rule.

Approach #1: Add clarifying section to note exceptions such as the following

“(6) This section does not prevent the utility from providing information to suppliers

of energy efficiency services and products.”

Approach #2: Rewrite rule based on expressed purposes

Avista Utilities understood that the purpose of a private information disclosure rule would be to prevent the selling of a utility’s customer list or to prohibit a subsidiary from gaining a competitive advantage based on usage-sensitive customer data. The proposed rule goes significantly beyond these parameters. The proposed rule could be rewritten to embody these two goals.

WAC 480-100-113, Customer deposits

The changes contained in this rule will likely lead to increased write-offs. When compared to the existing rules, utilities lose flexibility because the proposed rules can lead to under-calculating the appropriate deposit amount. Examples of reduced reasonable flexibility include section (1)(a) in which the number of prior delinquencies allowed is increased from one to three and section (3) in which the most recent 12 months actual usage is required, not recognizing that dwellings may be unoccupied, but energized, for periods of time. Quantifying the impact on write-offs is difficult; but it stands to reason that if tools to reduce bad-debts are weakened, then the magnitude of bad-debts will increase. Avista recommends that the existing rule be retained.

WAC 480-100-123(4), Refusal of service

This proposed rule change would allow no more than three prior obligations in any 12 month period. Based on data that Avista shared with Staff, setting the level of prior obligations at three (rather than, say, two) does not allow the Company to improve the effective management of this issue. The cost of changing the Company’s tracking system will exceed the benefit of this proposed rule change. Recognizing that this modification is not mandatory, Avista will likely operate with no changes to its implementation of prior obligation.

WAC 480-100-128(5) Disconnection of service, Medical emergencies

This proposed rule change would remove some limits on medical certification and reduce utilities’ ability to verify such claims. The Company recommends that the provision to identify the name and situation of ill residents be retained as in the current rule.

WAC 480-100-143(1)(b), Winter low-income payment program

Avista Utilities understands that community action agencies do not have the staffing and resources available to accomplish income verification as contemplated under this proposed rule change. To the Company’s knowledge, no funding has been identified or provided through this rulemaking process to rectify this situation. The Commission’s jurisdiction does not extend to community action agencies, leaving a potential void for program implementation. The Company recommends that this proposed rule change be rejected or, at a minimum, tabled for greater discussion.

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WAC 480-100-233, Least-cost planning

The Company notes that, while this section has been codified as a new section, there was minimal discussion in the workshops on this topic and no written comments were solicited in the CR-101 process at Staff's request. Staff stated that this rule and its companion rule—WAC 480-107, Purchases of electricity—will be deferred to a future docket. Avista looks forward to an opportunity to review these rules at a time yet-to-be scheduled.

Please direct any questions on this matter to Renee Webb at (509) 495-7987 or Bruce Folsom at (509) 495-8706.

Sincerely,

Thomas D. Dukich
Director, Rates and Regulation