

## **Electric Companies**

WAC

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**PART 4I—GENERAL RULES PROVISIONS**

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

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

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

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

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

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

**WAC 480-100-023 Definitions.** "Affiliate" means a person or corporation that is an "affiliated interest" as defined in RCW 80.16.010.

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

**"Business day"** means Monday through Friday, 8:00 a.m. until 5:00 p.m., except for official state holidays any day when the commission's offices are open to the public. Commission offices are open to the public between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, except on official state holidays, as defined in RCW 1.16.050 (Legal holidays and legislatively recognized days).

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

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

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

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

Is subject to the commission's jurisdiction.

**"Subsidiary"** means any company in which the electric utility owns directly or indirectly five percent or more of the voting securities.

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

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

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

**WAC 480-100-X01 Filing information.** (1) **Filing.** The commission records center will accept any filing under Part 3 delivered in person or by mail, or, when procedures are in place, electronically.

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

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

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

**WAC 480-100-X02 Additional reports.** Part 3 does not supersede any reporting requirement specified in a commission order or limit the commission's ability to request additional information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**WAC 480-100-X03 Issuing securities.** (1) At least five business days before an electric utility issues stocks, stock certificates, other evidence of interest or ownership, bonds, notes, or other evidences of indebtedness, or assumes any obligation or liability as guarantor, it must file with the commission:

(a) A description of the proposed issuance including the type of security, the anticipated amount of the total issuance, and the terms of the financing;

(b) A statement of the specific purposes for which the issuance is made and the approximate amount anticipated to be used for each specific purpose. The statement must be accompanied by a certification by an officer authorized to do so that the proceeds from any such financing will be used for one or more of the purposes allowed by RCW 80.08.030;

(c) A statement as to why the issuance is in the public interest; and

(d) Any additional information specifically requested of the utility by the commission.

(2) Any utility making such a filing may request from the commission a written order affirming that the utility has complied with the requirements of RCW 80.08.040. The utility must submit the request for a commission order, along with a completed filing, at least fifteen business days before the requested effective date.

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

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

(4) Within thirty days after the issuance of any securities a utility must file with the commission a verified statement:

- (a) Outlining the final terms and conditions of the transaction; and
- (b) Setting forth the disposition of proceeds stating the final amount to be used for each purpose.

**WAC 480-100-X04 Transferring cash or assuming obligation.** (1) At least five business days before an electric utility or the subsidiary of an electric utility transfers cash to any of its affiliates or subsidiaries or assumes an obligation or liability of any of its affiliates or any of its subsidiaries, the utility must report the amount and the terms of the transaction to the commission if:

- (a) A single transaction amount exceeds two percent of the utility’s common shareholders equity, per the latest annual report filed pursuant to WAC 480-100-X07 (Federal Energy Regulatory Commission (FERC) Form No. 1); or
- (b) Cumulative transactions with all subsidiaries and affiliates, including the anticipated transactions, for the prior twelve months exceed two percent of the utility’s common shareholders equity, per the latest annual report filed pursuant to WAC 480-100-X07.

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

- (a) Federal income taxes;
- (b) Goods, services, or commodities; or
- (c) Transactions previously approved by the commission.

**WAC 480-100-X05 Affiliated interests—Contracts or arrangements.** At least five business days before the effective date of any contract or arrangement described in RCW 80.16.020, each electric utility must file a verified copy or a verified summary, if unwritten, of contracts or arrangements with any affiliated interest. At least five business days before the effective date of any modification or amendment, the utility must file verified copies of the modifications or amendments to the contracts or arrangements. If the contract or arrangement is unwritten, the utility must file a

verified summary of any modification or amendment. The commission may institute an investigation and disapprove the contract or arrangement if the commission finds the utility has failed to prove that it is reasonable and consistent with the public interest.

**WAC 480-100-X06 Transfers of property.** Before selling, leasing, or assigning any of its property or facilities, or before acquiring property or facilities of another public utility, an electric utility must obtain from the commission an order authorizing such transaction in accordance with chapters 80.12 RCW (Transfers of property) and 480-143 WAC (Commission General—Transfers of Property).

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

**WAC 480-100-X07 Federal Energy Regulatory Commission (FERC) Form No. 1.** (1) Each electric utility must use the annual report form (FERC Form No. 1) promulgated by the Federal Energy Regulatory Commission in Title 18 of the Code of Federal Regulations, Part 141, for purposes of this report to the commission. Data required by RCW 80.04.080 (Annual reports), but not included in the FERC Form No. 1, must also be submitted with the annual report. The utility must submit the annual report for the preceding calendar year, along with the regulatory fee, by May 1st of each year. If not presented in the prescribed FERC Form, the annual report must include the following data per customer class for the calendar year: revenues, average customer count, and total unit sales. Information about the FERC Form No. 1 regarding the version adopted and where to obtain it is set out in WAC 480-100-999 (Adoption by reference).

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

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

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



**WAC 480-100-X08 Commission basis report.** (1) Commission basis reports are due within four months of the end of a utility's fiscal year.

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

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

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

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

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

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

**WAC 480-100-X09 Securities report.** Each electric utility that has issued securities during the prior year, must file with the commission by April 1 of each year an annual securities transaction report. At a minimum, the report must contain:

(1) A detailed description of the final agreements;

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

(3) The level of expenses for each of the securities transactions for the year ending December 31;

(4) Information to determine the individual and collective impact on capital structure; and

(5) The pro forma cost of money for the securities transactions.

**WAC 480-100-X10 Affiliated interest and subsidiary transactions report.** (1) By June 1 of each year, each electric utility must file a report summarizing all transactions that occurred between the utility and its affiliates, and the utility and its subsidiaries, during the period January 1 through December 31 of the preceding year.

(2) The information required in this subsection must be for total company and for state of Washington. The report must include a corporate organization chart of the company and its affiliates and subsidiaries and a balance sheet and income statement for each affiliate. In addition, the report must contain the following information for each affiliate and each subsidiary that had transactions with the utility during the preceding year:

(a) A description of the products or services to or by the utility and its affiliates, and the utility and its subsidiaries;

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

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

(d) A description of the terms and maximum amount of any obligation or liability assumed by the utility for any affiliate or subsidiary;

(e) A description of the terms of cash transfers between the utility and its affiliates and its subsidiaries including the total amounts transferred from the utility to its affiliates or subsidiaries and from the affiliates or subsidiaries to the utility;

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

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

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

(4) The utility is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-100-X05 (Affiliated interest—Contracts and arrangements).

**WAC 480-100-X11 Essential utilities services contracts report.** (1) When the annual value to a vendor exceeds one and one-half percent (1.5%) of total company sales to ultimate customers as reported in the utility's most recent FERC Form 1 (or combined Form 1 and 2 for combined utilities), each electric utility must report the total contracts with that vendor for essential utility services specifying the relevant terms of the contract or contracts, along with anticipated associated charges.

(2) The report of essential service vendors is due forty-five days from the end of each fiscal year.

(3) For each vendor the report must include:

(a) The parties to the contract;

(b) The type of contract;

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

(d) The length of the contract;

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

and

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

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

(a) Operation and maintenance of electric system infrastructure;

(b) Operation or maintenance of computer systems;

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

(d) Construction of electric system infrastructure.

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

**WAC 480-100-X12 Actual results for Washington operations report.** Within forty-five days of the end of each quarter, each electric utility must file a report of actual results for Washington operations. The results of operations report must contain each of the three monthly balances and the latest twelve months' ending balance for all accounts of the uniform system of accounts. The report must include the average customer count and total unit sales per customer class for each reported period.

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

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

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

**Part IV—LEASE OF UTILITY FACILITIES**

**WAC 480-100-X13 Application for approval of lease of utility facilities.** Under the provisions of RCW 80.04.520, the applicant must certify that the requested approval of lease of utility facilities is necessary to exempt any owner of the facilities from being a public utility company under the Public Utility Holding Company Act of 1935.

**WAC 480-100-X14 Form of lease application.** A filing for approval of lease of utility facilities must be submitted in the following form:

**Before The Washington Utilities  
And Transportation Commission**

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

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

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

**GENERAL INFORMATION**

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

**EXHIBIT "A"**

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

**EXHIBIT "B"**

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

**EXHIBIT "B-1"**

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

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

**EXHIBIT "C"**

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

**EXHIBIT "D"**

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

**EXHIBIT "E"**

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

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

**dated**  
**... this**  
**.....**  
**day of .**  
**... 20 ..**  
**:**

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

By  
Title