

Gas Companies

WAC

PART ~~4I~~—GENERAL ~~RULES~~ PROVISIONS

480-90-008 Exemptions from rules in chapter 480-90 WAC.

480-90-023 Definitions.

PART ~~2II~~—CONSUMER RULES

PART ~~3III~~—FINANCIAL RECORDS AND REPORTING RULES

Subpart A: General Rules.

480-90-X01 Filing information.

480-90-X02 Additional reports.

~~480-90-208—Financial reporting requirements.~~

Subpart B: Financial Transaction Reporting Requirements.

480-90-X03 Issuing securities.

480-90-X04 Transferring cash or assuming obligation.

480-90-X05 Affiliated interests—Contracts or arrangements.

480-90-X06 Transfers of property.

Subpart C: Annual Reporting Requirements.

480-90-X07 Federal Energy Regulatory Commission (FERC) Form No. 2.

480-90-X08 Commission basis report.

480-90-X09 Securities report.

480-90-X10 Affiliated interest and subsidiary transactions report.

480-90-X11 Essential utilities services contracts report.

Subpart D: Quarterly Reporting Requirement.

480-90-X12 Actual results for Washington operations report.

~~480-90-218—Securities, affiliated interests, and transfers of property.~~

PART 4IV—METERING RULES

PART 5V—SAFETY AND STANDARD RULES

PART 6VI—ADOPTION BY REFERENCE

PART 4I—GENERAL RULES PROVISIONS

WAC 480-90-008 Exemptions from rules in chapter 480-90 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 hardship 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 480-90-023 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 a gas utility or who reapplies for service at a new or existing location after service has been discontinued.

"British thermal unit" (Btu) means the quantity of heat required to raise the temperature of one pound of water at 60° Fahrenheit and standard pressure, one degree Fahrenheit.

"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 applied for, has been accepted for, and is currently receiving service.

"Cubic foot of gas" means a volumetric unit of measure used in sales and testing.

"Sales volume" means 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.

"Testing volume" means a cubic foot of gas for testing purposes is the amount that occupies a volume of one cubic foot at a temperature of 60° Fahrenheit and pressure of 14.73 pounds per square inch absolute.

"Gas" means any fuel or process gas, whether liquid petroleum gas, manufactured gas, natural gas, or any mixture of these.

"Liquefied petroleum gas" means 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.

"Manufactured gas" means any gas produced artificially by any process.

"Natural gas" means a mixture of gaseous hydrocarbons (chiefly methane) and nonhydrocarbons that occur naturally in the earth.

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

"Therm" means a unit of heat equal to 100,000 Btus.

"Gas 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 three following conditions:

Owns, controls, operates, or manages any gas plant in Washington state;

Manufactures, transmits, distributes, sells, or furnishes gas to the public for compensation; and

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.

Part III—FINANCIAL RECORDS AND REPORTING RULES

Subpart A: General Rules

WAC 480-90-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 480-90-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 480-90-208 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 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. 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 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. 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 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 gas 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 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, 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 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.~~

Subpart B: Financial Transaction Reporting Requirements.

WAC 480-90-X03 Issuing securities. (1) At least five business days before a gas 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 480-90-X04 Transferring cash or assuming obligation. (1) At least five business days before a gas utility or the subsidiary of a gas 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 480-90-X07(Federal Energy Regulatory Commission (FERC) Form No. 2); 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 480-90-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 gas utility must file a verified copy or a verified summary, if unwritten, of contracts or arrangements with any affiliated interests. 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 480-90-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, a gas 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 480-90-X07 Federal Energy Regulatory Commission (FERC) Form No. 2. (1) Each gas utility must use the annual report form (FERC Form No. 2) 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. 2, 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. 2 regarding the version adopted and where to obtain it is set out in WAC 480-90-999 (Adoption by reference).

(2) Each utility must also submit to this commission, in essentially the same format and content as the FERC Form No. 2, 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 480-90-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 gas operations of a gas utility under normal temperature and power supply conditions during the reporting period. The commission basis report must include:

(a) 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;

(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 gas operations for the state of Washington.

WAC 480-90-X09 Securities report. Each gas 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 480-90-X10 Affiliated interest and subsidiary transactions report. (1) By June 1 of each year, each gas 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. All reports must be on forms provided by the commission. The report must include a corporate organization chart of the utility 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 gas 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 480-90-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 2 (or combined Form 1 and 2 for combined utilities), each gas 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 gas service such as:

(a) Operation and maintenance of gas system infrastructure;

(b) Operation or maintenance of computer systems;

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

(d) Construction of gas system infrastructure.

Subpart D: Quarterly Reporting Requirement.

WAC 480-90-X12 Actual results for Washington operations report. Within forty-five days of the end of each quarter, each gas 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 480-90-218 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 chapters 80.08 RCW and 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 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 gas utility must obtain an authorizing order from the commission in accordance with chapters 80.12 RCW and 480-143 WAC.~~