

Agenda Date: April 24, 2002
Item Number: 4A

Docket: A-020405

Subject: Review of Commission's Solid Waste, Gas, Electric, and Water Company rules establishing the interest on deposits collected from customers and Service Responsibilities for Electric Companies

Staff: Sharyn Bate, Rulemaking Lead
Cathie Anderson, Regulatory Analyst
Karen Caillé, Administrative Law Judge
Graciela Etchart, Regulatory Analyst
Greg Trautman, Assistant Attorney General

Recommendation:

Direct the Secretary to file a Preproposal Statement of Inquiry (CR-101) in Docket A-020405 to initiate review of the Commission's rules relating to interest that regulated companies must pay on customer deposits and Service Responsibilities for Electric Companies.

Background:

In 1994, the Commission adopted rules that provided the interest payable on deposits should 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 1st of each year through November 30th of the following year. After February 2001, the 52-week Treasury Bill auctions were discontinued. As a result, the interest on deposit rules in the chapters listed below must be amended.

Rules we have identified that would be affected are:

- WAC 480-70-411(6)(a) and (b), Establishing credit and deposits,
- WAC 480-90-113(9)(a) and (b), Residential deposit requirements,
- WAC 480-90-118(6)(a) and (b), Nonresidential deposit requirements,
- WAC 480-100-113(9)(a) and (b), Residential deposit requirements,
- WAC 480-100-118(6)(a) and (b), Nonresidential deposit requirements, and
- WAC 480-110-335(6)(a) and (b), Establishment of credit and deposits concerning the interest on deposits collected from applicants or customers, and
- WAC 480-100-148(2)(d), Service responsibility to amend language.

The interest on deposit in WAC 480-120-056 is the subject of a separate rulemaking in Docket No. UT-990146.

In addition, the Commission should consider amending the current language in WAC 480-100-148(2)(d), Service responsibility. The portion of the rule to be considered reads:

When it is necessary for an electric utility to make repairs to or to change its facilities other than meters (emphasis added), the utility may, without incurring any liability, suspend service for such periods as may be reasonably necessary and in such a manner as to minimize the inconvenience to customers. When practicable, such interruption will be during the working hours regularly maintained by the utility. The utility must individually notify police and fire departments affected by such a suspension. All customers affected by a scheduled interruption associated with facilities other than meters, will be given notification through newspapers, radio announcements, or other means at least one day in advance.

There is concern with the first "other than meters." This language appears to unintentionally leave open the question of utility liability if repairs or changes to meters are necessary.

Conclusion:

Staff recommends that the Commission direct the Secretary to file a Preproposal Statement of Inquiry (CR-101) in Docket A-020405 to initiate review of rules related to interest on customer deposits and service responsibilities for electric companies and to seek comments on replacement indices for 52-week Treasury Bills.