Electric and Gas Rulemaking Proceedings
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DM: Overview.

General Rules:

DM: In looking at the General Rules I noticed that there is actually only one comment in the definitions section on electric. We have a comment from PacifiCorp suggesting some additional language there and the purpose of that, as I understand it, was to make this language in the rule consistent with the definition of customer in the rules. Does Staff have any response to that? Is the idea then that Staff would make this change that would satisfy PacifiCorp's expressed concern?

That's the only comment that we had so I'll ask if anyone else has any comments on the General Rules that they want to share or if we can put those to bed and consider them to be in the form that will appear in the CR-102?

Meter, Standard, and Safety rules

480-90-136 Meter Set Assembly Location

JR: Actually the language that is shown on this page is not the draft language that we sent out in the original document. Although Northwest Natural made some comments and so did PSE and their comments do go to the correct draft, that correct draft did not get into this document because I think that's one of the last rules that we worked on and made some changes to. So I think that Northwest Natural's and PSE's include the language in the last draft that went out. Basically Northwest Natural made a comment about prior notice when meter set assemblies are installed inside the building. We dropped that prior notice in that last draft but we did add prior notice requirement for if meter set assemblies aren't located against the building wall. I think PSE and Northwest Natural made comments to that. I'm just going to open it for discussion because, unfortunately, our engineering folks are so busy that couldn't make it to the workshop today. But we can consider changing that language a bit to not require prior notice, however the engineers have expressed to me that they are concerned about where meter set assemblies are located. I think everybody pretty much agrees that the standard practice is that they're set against the wall. I think it's just with regard to the prior notice that the comments are geared toward.

DM: So the concern by the industry then is prior notice and did you say that has been removed?

JM: The prior notice with regard to installing meter set assemblies inside was removed. However, we added prior notice if you do not install the meter set assembly against the wall.

Commission and the suggestion, as I understand it, is that there might be a reference to the standards as opposed to prior notification.

PP: That would probably help. Also, another thing to consider is if it really is, and they're really concerned about the safety issue, then we will be, I don't know when, we are going to be taking up those rules in the future here. That might be another one that's addressed in that forum when everything is focused on gas safety. But that's a consideration too.

DM: The other point was the "should" rather "must." The version that we have before us here says it "must be installed" and, as I understand the suggestion, is that that language could be softened to "should be installed" to indicate that would be typical practice, but that there may be circumstances where there needs to be.....

JR: We'll take that back to our engineers and see what they can do with it.

DM: The underlying issue is that the utility have the ability to act in fashion that does not delay construction projects.

480-90-141 Identification of Meters

JR: I'm going to have to confer with our engineering folks, but basically PSE's concern is that they don't think that there is a safety issue and that people are going to call 911 if there's a problem. They make that comment. Also, the cost of changing the initials on the meter every time the company changes its name. I'm not sure what the intent is there from the engineering side.

DM: The concern is that the utility is concerned that by having to put name and initials on its meter faces, that that could result in some expense down the line when the company changes names.

PP: We have them all now, it's just that it's not just PSE. There's WNG on the gas meters. This rule would seem to me to require us to go back and put new name tags on all of the meters and probably the same with Avista. We haven't changed the names on all our meters and we haven't budgeted for it, as far as I know.

JR: I think it's an existing rule.

PP: It did change on the electric side. Is that true?

DK: Initially we had attempted to have parallel language between the gas and electric sections on this issue, identification of meters. I believe PSE raised the concern about whether or not it was appropriate to do on electric meters. I don't know whether or not this comment was made previously with regard to gas meters. But, as we discussed it internally here, it

was acknowledged that there is generally not a safety concern associated with electric meters. Gas meters, if there is a leak, that is an immediate concern. Something you want to take care of immediately. Having the name of the provider of that service on the meter was seen as a way to help customers or any third party know who to call about the leak. Since that was not a similar concern on electric we acknowledged that and said OK we don't want to have any burdensome requirement there that does not really provide any benefit, we withdrew that from the electric language. But I still think for the gas safety that Staff still have this concern with regard to the gas meters and providing as much information as possible to third parties or consumers. You know, who's service territory are we in? Who do we call for a gas leak?

DM: Phillip, I wonder if I picked up perhaps an alternative from your comment and from the underlying concern. The underlying issue seems to be safety. An alternative might be to publish a sticker, perhaps on the meter face that indicates that if someone detects a leak to call 911 or perhaps the company name and date on that type of sticker so that when they're talking to the 911 operator and the 911 operator asks who the gas company is we can call that have that information. Do you think that's an alternative that might be cost effective without requiring you to actually change the meter face itself or something like that?

PP: That would probably be more cost effective, but I guess I'm not entirely sure that if somebody backs a big truck into a meter and there's gas spewing out, then you're really hoping the first thing a person is going to do is run over there and try and wipe the dirt off the meter and find out who to call. Nor should they do that, is what we were thinking.

JR: In that situation. But in other situations I really think the safety people do have a concern. Where they do look at the meter. Maybe there's a leak inside the house. They get the bill. They know who their provider is, but I think that this is one that they're probably not going to want to let go. You don't think there's a safety concern and our engineers think there is a safety concern. So I think we will probably keep this in here in some form.

DM: Perhaps one fashion it could be kept in would be to present the utility with some options, alternatives, among which it could select.

JM: I don't think the rule, the way it's written, precludes your option.

DM: It might need some clarification. I think that's something to consider.

JM: I'm in the meter shop and the gas labels, tags, are riveted on to the body of the gas meter. We couldn't do a retrofit of those in the field because you don't want to be drilling into a gas meter while the gas is in it. The sticker idea might work, however we found that probably, I would bet almost 10% of the meters, are painted over by the homeowner.

They're quite dirty out where they are because they're lower down where more dirt is flowing around. So it would be difficult, either way, to come up with something. It's a costly proposition either way. Because we'd either be constantly sticking new labels on, and with AMR that would be probably once every three years on a corrosion check. Like Phillip said, we're weighing the costs of that large of a program versus how many times it actually gets used.

DM: Does anyone have any other alternatives they would like to suggest that could be taken back to the safety folks? It sounds like, from what Jim said, that gas safety folks apparently feel fairly strongly that there needs to be something that would give the person, who perhaps damages a meter or otherwise just comes upon a leaky meter...

LL: I'm a gas customer with PSE and I get all the information with the bills. I've received information about earthquake awaredness and what you should be doing in case there's an earthquake. Shut off your meter and call 911, as I recall. And I don't think we should be doing something different here. If there's not an earthquake you do one thing, but if there is you do something else. We should be consistent I think. To me it would be more valuable to have a sticker that I could put on the front of my phone book or a card that I could put in my phone directory by my phone at home, rather than something on the meter.

DM: The suggestion would be to give the homeowner, maybe as a mail insert to a bill, one of these peal and stick type of things for their phone directory or perhaps they could have two and put one on the meters themselves, if they wanted, to as an alternative to having the company being responsible for identifying the meter.

JR: I'm just thinking that that might not cover the situation where you have somebody walking down the sidewalk and hearing a leak. To me it always comes back to that meter.

DM: We have a couple of ideas then. We have the sticker on the meter for which the company might be responsible and then Lynn's suggestion of the possibility of a bill insert that would give the homeowner the responsibility to place a sticker in an appropriate location. Or maybe it would be a tag with a little wire at the top or something.

480-100-126 Meter Readings, Multipliers, and Test Constants

DK: My comment on this was that we added this sentence after the October 13th workshop where this was suggested by someone from the industry. This is on 126 where someone suggest removing sub 4, just striking out the last sentence. In my notes I couldn't determine who it was that suggested it.

LP: I don't think that was our intention. I think in the revision, before we put in something,

that we should make reference to the standard where this would be a requirement. I don't think we intended that you remove it.

DK: I guess I don't understand your comment in this version.

LP: I think what happened is that when we sent one set of comments and several drafts and maybe we got crossed with one draft to another.

JR: That might be our fault too, where the redlining might have come across where it really shouldn't have. It may not have be intended to be redlined.

LP: I think my comment was that sub 4 is fine. But the comment was something about the recorder under glass, and I was trying to review, in my own mind, what we're talking about there. And I think I just wanted to bring out the idea that most meters now don't have a chart. Just to bring up the idea that there's a recorder under the glass.

DM: It appears then that the prior comments haven't been taken care of with the current draft.

LP: It wasn't our intention that you get rid of 4.

JR: When we cut and pasted these documents a lot of the hidden codes would follow them. They may be at the end of a sentence that we grabbed so things like that happen.

DM: I think we've achieved understanding on that then, that the sub paragraph 4 would remain in the rule as previously drafted.

LP: I have an additional comment on that and it may be a general thing. This ANSI C12.1, there's a whole series of things where C12 has 9 or 10 standards related to electricity metering and I wonder if it would it be appropriate to just say see C12 standards related to electricity metering rather than point out to C12.1? What brings me to this point is that in C12.10, for instance, outlines the requirements of what the manufacturer puts on the label on the face plate of the meter and all those things, and I think we had some discussion earlier about requirements of what has to be on the meter. So, while it may not be in C12.1, it's in C12.10 which is all kind under the umbrella of C12, and maybe we could just say "related to C12 electricity metering" as a general and then that would cover all those standards.

DM: So the suggestion is then to broaden reference from the very specific reference now, which is C12.1 to just C12. Staff will consider that.

480-100-136 Accuracy Requirement for Electric Meters

JM: The first comment there in that first paragraph, one is "inspecting for the correctness of

register ratio and the register constant" on the meters that would physically be part of the meter and if it was correct when you put it on, it would be correct when you take it off. When you initially buy the meter, and later on your saying we have to make sure they all have the correct register. What it would involve would be taking off the glass, physically counting the gears. It's very, very difficult to do and I'm not sure that anybody does it. The only time that we do it would be when we have a high bill complaint and we're out actually there and the meter registers properly, but the read might seem to be exceedingly high or low and a journeyman would do the counting at that point. But it would be very costly on returning the meters to service because probably 10 or 15% of the meters that we send out for installation are ones that have come back from other jobs.

DK: I don't have any problem with the general comment that what you're saying is that some of the language here in B is redundant. I have a suggested amendment to sub A that would cover this in a more general fashion that may be acceptable. It would read "All meters must be in good order and adjusted to register as nearly correct as practical prior to being put into service or returned to service following testing or other work." Then we could remove B.

DM: On to sub-part 2.

JM: I don't know that PacifiCorp had any issue with this. It wasn't out intention to have it struck.

DM: PacifiCorp's intention was not to strike ii.

JM I would kind of like to have, this gets down to a lot of detail and maybe what John was mentioning, on the previous section there, of maybe making some generalized statement in here would be more appropriate. Because we're getting fewer and fewer of those types of devices that this would even apply to. And perhaps, like Doug you brought up before, kind of a general statement about what you're trying to get at here rather than saying a disk will rotate once on five minutes when more and more meters are getting away from that type of device. If you just put in a general one liner of saying what was the intent or something.

DK: When we worked on re-writing this what we did, of course, was take the existing rule and merely try to make the language understandable and clean. The concern that we've had on moving forward on some of this was there were a couple of other statements having to do with recording meters and keeping charts and things like that. Initially we kept that language in the rule because no one had indicated to us that absolutely no where on the system was there one of those meters. I believe at the last workshop all of the industry folks acknowledged that they don't have those any longer so we can take that off. My concern here is deleting language that may apply to something that you do still have in the field. I know you're moving towards more modern equipment that is less and less

mechanical and more electronic. But until you get to the time period where you can say, those are old hat and we don't use them anymore, it seems that the instructions with regard to how to identify what is accurate is still applicable. So we have sort of an evolution that's going on but we're not completely evolved yet.

DM: So as I understand Doug's comments, they are to the effect that so long as we still have some of these older types of meters, actually in the field and operational, that the rules that have been in place for a considerable period of time would remain in place, all be it somewhat clarified.

JM: I appreciate that but, however, some of these, and I know where you're coming from, it's difficult to take things out that may be really germane to the industry. But some of these things get down to the point of being like our work practice. This would be a statement like, "well the mechanical meters will creep no more than...." that's a work practice. That would something that a technician sitting in front of that meter would be aware of. But into a Commission administrative code rule, I would suspect that you would want to have something a little bit more at a higher level. Don't get down to the minutia of what a technician would want to detect with that meter, but something a little bit higher level. Then the Commission has the right to look at our work practice. Well, how do we do that at any time? That was what was kind of bothering me about a lot of this stuff. You can come down and see exactly the process and the procedures that we use to do this, but I think what would be constructive here would something that would be applicable forever and wouldn't get out of date but it would get at the point that your trying to strive towards. Maybe that's a tall order to try to do.

DK: I'm willing to consider how we move forward on this and to try and come to some resolution on that. One of the elements that I believe was part this, I wasn't here when these rules were written so I'm trying to read into some things, but I know that there is some concern in the public that the electric companies are the ones who maintain the accuracy of meters and this is their cash register and some folks in the public see these as a potential for the fox to be guarding the hen house. My interpretation, based on those conversations and looking at these rules, is that this may have been an attempt by the Commission to write rules that help to address that concern, if the rules are very specific about the levels of accuracy and procedures that were to be followed. This may be part of the reason that they are so specific. I think we are moving into an area of evolution in both the technology here, as well as the way that the Commission may be interested in regulating the companies on this issue. I think it's a good point of discussion. I'm not sure how it fits into, at this time, the path we're already traveling. But I'm willing to have that discussion and I guess I don't have a solution to say that we would adopt or propose at this time.

DM: To summarize, the general suggestion is to take one step up and broaden the rule to a more generalized statement and that in the course of monitoring activities of the

companies the Commission would be aware of the actual practices to implement that standard. My suggestion, because I sense that no one has alternative language in mind this morning, is that there might be some in the next few days or weeks so some further one on one discussion on this point might result in some language.

DM: Let's discuss all the way down to E.

JM: The meter nameplate has two currents. It has the rated current and the test current and this is an ANSI standard. This is what Loren was talking about, the ANSI C-12 series. It's a standard nameplate that we're buying. The way this was written, you were using the rated current which would on a standard house meter would be 200 amps. So we'd be testing at 100% of rated current. The industry standard in all test boards, full load current is full load test current and that's 30 amps on a 200 amp meter. In fact we don't have any test boards, I suppose there are some available but I'm not sure of any that could even get to 200 amps of current. So I was going through and just kind of correcting that through here. Even when we were making our comments, I was getting confused. I noticed we had an iteration in ours. This gets into the detail where it's all laid out in the ANSI C-12, all this type of information. Maybe, just a comment that it maybe should say "shall be tested in accordance with ANSI C-12" maybe that would be the comment to do that "at full load and light load currents."

DM: The suggestion is then if there's a general reference to ANSI C12 then in general, for the various points that we've discussed so far in all of C-E.

DK: I don't have any problem with that. It sort of intermingles with Loren's comments on the rule in general. In terms of talking about test current value, I don't have any problem with that at all. That's a good change and a good suggestion to be clear about what we're talking about. You folks have more experience and understanding about that than I do and so I don't have any problem with that at all.

In trying to redesign this with referencing ANSI C-12 the only question that is in my mind at this point that's significant is whether or not by referencing the ANSI standard, that if the Commission is delegating it's authority to ANSI for this kind of thing. I know there was another rule in here where we had some language like that where we were talking about a specific ANSI, or some other standard, that we wanted to have language in there and the comment was made to me that the Commission cannot delegate its authority to promulgate rules by making that kind of language change. So this sort of gets into that.

DM: That raises a legal question and touching pretty closely to the answer there that the legal constraint is that when we refer to standards, and so forth, it has to be as published as of a specific point in time. That avoids the delegation of the problem. If that standard changes and the desire is to be most current, then we would have to open the rulemaking

again. There's a middle ground on that problem so that you can refer to it in that way.

BF: In addition to the legal issue that Doug brought up there's a practical side which is for those of us who don't work in the meter shops and don't have access to the C-12 standard. It would be nice if maybe on your website, or maybe through a link, it's easy to get there. And this comes up from the preservation of records rule where you reference how long you need to retain records. I went to the website and I couldn't easily find it. So from a practical standpoint maybe the website, or in some way, we can get those standards for those of us who need to read the rule but don't have access to what the experts have.

LP: Following on with what John was mentioning about the test current, if you look hard and fast at the face plate of the meter to find the test current, it's test amps. So this is the difficulty in getting into too much detail here is that on the face plate it says TA and good language it really means test current. But if you look at the face plate it says TA. So I don't know how you resolve that, whether you just say it's the vernacular that us meter guys use and just say test amps even though we really mean test current. So that when somebody goes up to a nameplate they can see exactly what that value would be.

DK: A suggestion there. If we do stay with the language here that has the specific information in it, perhaps we could use a parenthetical test current and put a parenthetical TA.

LP: That would be great. Thank you.

DM: PSE's comments on F. Is that a suggestion to delete that?

JM: It was F and G. It wasn't really to delete it but to move it. There's a section under the safety rules on instrument transformers. I think I brought this up. I'm not exactly sure why it's in the safety rules, but when you start talking about the instrument transformers, I thought it might make more sense to move it to the 100-151.

DM: If you were looking for this rule that's where you'd look?

JM: Yes.

DK: Generally I don't have a problem with that. My only comment here, at this point, would be to say that it does split, somewhat, the meter requirement part. Because F says "all meters used with instrument transformers must be adjusted....." If that doesn't cause confusion to move that to the instrument transformer section, I don't have a problem with it. It's either you group it with one part or you group it with the other.

JR: If 151 immediately followed this it wouldn't be an issue. But when 151 goes out and it's in the safety section then maybe that's more of what the issue is.

DK: Well, yes, it's safety and standards.

JR: All the meter accuracy goes back to standards too.

DM: John, the comment is that the instrument transformer section 151 would more logically follow the accuracy requirements section? Rather than being separated by some of these other sections?

JM: I think so, yes. Because I'm not sure the standards section really does apply to the transformers. It more is to the meters themselves.

PP: Is that the next one in order? When it really appears in the book, I think that is the next one in order. Not laid out like this, but I'm assuming they won't be laid out like this.

DM: Arrangement is certainly something we want to be sensitive to and I think we have that suggestion down of moving that up to immediately behind the accuracy requirements.

Another alternative that occurs to me, just in general, is you can always have cross-references. If your concern is that one person will look one place and another person will look another place for the same information, then you can certainly provide a cross-reference.

PacifiCorp has some suggestions on 3.

Same comments would apply that it may be that a reference to follow ANSI C12 may be adequate without this detail and Doug's thought in response to that, in part at least, was that some of this may be published in here more for the benefit of the consumers who are reading these rules and like to see these specific standards.

480-100-176 Statement of Meter Test Procedures

DM: PSE has a comment to delete the name of the testing laboratory language in sub-part 3.

JM: If we have it in our tariff, the name of the testing laboratory, and we change laboratories because of failure to perform, or something, it might just be more economical to notify the Commission of the name of the testing laboratory rather than making it in the tariff, or annually notify with their certification, or something like that.

DM: So your suggestion, as I understand it, is instead of requiring the name of the testing laboratory to be stated in the tariff, it might be better to simply require that the current testing laboratory or laboratories you're using would be something that would be reported to the Commission on a continuing basis. We won't try to craft any language. I think that concept is straightforward enough.

DK: I took a look at the rule the way it reads. It says that the company needs to have its own meter testing equipment and have its own standard for calibrating that equipment and that if it doesn't do its own work then it should have a laboratory that does it and mention what that laboratory is. I did take a look at the current tariffs for all the companies and none of them mention a laboratory. Therefore, I assume that they all have their own meter shop and they're all doing that work. I don't disagree with the general concept that there's maybe some specificity needed here, but the question in my mind is, how often do you think the company would be changing laboratories? They don't even use them now, but ostensibly, they could in the future. And, what would be the requirement in terms of a tariff filing update? I don't know that this is a lot of work in terms of changing the tariff filing.

PP: It's obviously not that big of a deal because we don't use a laboratory, at least not now. It just doesn't seem like the kind of thing that would fit into a tariff. Not that is doesn't fit at the Commission. Like John said, we would be happy to tell you if we do start using one, who they are and every time we change, we'll be happy to tell you. But it just seems like a peculiar thing to put in the tariff. It's not a big deal either way.

LP: When you say the name, or maintain meter testing equipment, is this certification or actually have somebody else do all your standardization?

DK: In this section it talked about who does the standardization. Who does the meter calibration? And it said that you need to describe what your procedures are and then it had the option, the way I understood the language of it, was that if you don't do that work, have in the tariff who does that work.

LP: You mentioned that all of our utilities do their own testing. But there's also part of this that's the certification, the traceability and that business that the Commission is interested in. Do we want to clarify whether it's really maintaining the meter testing equipment, or the certification of your basic reference standard?

DK: Well there is a separate discussion of reference standard. It's in the next section under safety and standards. So I think there is a distinction there between, who do you go back to get your final reference from and this section here says that you need to have a statement of how you do your meter testing. Again I think this goes back to the public interest statement of, how is the public sure that what the companies do is accurate and bias in their favor for some reason.

LP: This would be like we would contract with a standards company that would go around and would test our meters for us?

DK: That's the way I understand this in this section. This is who tests your meters and makes sure that they are accurate.

LP: So it's kind of like a meter service provider would come in and test the meters? OK

DK: I haven't had any discussions with the companies about whether or not they're moving in that direction or would ever think about moving in that direction. I know this is sort of a critical element for the companies as this is your cash register. My assumption is that you want to keep maintaining your own cash register. But maybe that's not the way it's going to be in the future.

DM: I wonder if this is not another place where it might be useful for some further one on one dialogue?

DK: I think it goes back to some of the other information that we could discuss as well.

DM: It sounds like maybe a little fine tuning can be considered.

KK: I would just like to touch back briefly on the Identification of Meters in 480-90-141. In particular gas meters. The concern here is we have the utilities name or initials on the face plate or on the meter. I'd like to suggest that another option be placed on there and that's "or phone number" which is probably more important than either of those other two.

The other thing is, as a practical matter, there's only a handful of gas companies operating in the state of Washington and there's a rather large awareness of who these companies are and where they operate. All of the fire departments are very aware of which gas companies are operating within their district. Probably at the time that this rule was originally written there was not a universal emergency phone number, such as the 911 networks that we have today, that everybody knows to call in an emergency throughout the entire United States. I just think that this probably is out of date to have the necessity of the utilities name on there. Plus the homeowners get a bill once a month from these gas companies and they're certainly aware of who it is that serves them. I'd just like to suggest, or throw out, that maybe we could precede this rule by the statement that, in front of gas utilities that we insert the phrase that "at the time a meter is placed into service" these things be there. But I'm not sure that there's a lot of value to go back and change these things if there's a change in the name of the company. This would be actually an expensive proposition and it would be a pass-through type of an item.

DM: Again, I think this gets back to the question of how to achieve the safety concern and along with meeting the safety concern, yet without imposing great expense in terms of retro-fitting and that sort of thing. And again maybe the 911 stickers is the right thing to send the customers to put on their meters or have the meter readers stick on there when they walk past.

480-100-151 Instrument Transformers

LP: John and I were looking at this table and perhaps it's not germane anymore. Our utilities have metering accuracy instrument transformers and this overall percent accuracy perhaps isn't applicable any more. The table doesn't really add anything. We're required to have 3/10 percent accuracy instrument transformer and requirements for accuracy of the meter and type of thing. Perhaps it isn't necessary.

DK: I would bow to the practice and understanding that you have with regard to this. When we did this to begin with we tried to update the rules and say are these still applicable and we're expecting to have comments, specifically with regard to sort of what are the ANSI requirements that you guys deal with all the time. And if this was not in compliance with what modern requirements are, then we sort of expected to get some comments back from you. I think it's fine if this is information that is not necessary or is in direct conflict with your practices. Then I would hope we could figure that out and either eliminate it or update it as appropriate.

LP: John was accurate in his comments in section 5 there. The accuracy requirements you've already stated. Perhaps this was at a time when in metering accuracy, you actually had to test each instrument transformer at the site and the 3/10 accuracy requirement wasn't really in vogue at that time. So you tested each one and at that time when you added them up, that had to meet this total accuracy. So with a manufacturer's test results on file for each instrument we can have a trace of the test done on each instrument. I think that gives us a certain assurance of the accuracy.

DK: I would ask if you have proposed language of how we would fix this. Are you saying we need to eliminate this section on instrument transformers altogether?

LP: Just section one.

JM: The fifth paragraph, my comments down there, that covers that if the instrument transformers are within .3 percent and the meters are within 2 percent, you're covered there.

DM: My understanding is that Subsection 1 could be eliminated in favor of Subsection 5 being included in this particular section and that that would address the same underlying concern that Staff has.

480-100-161 Portable Indicating Instruments and Reference Standards

DM: Part 2 we have a suggestion on this from PSE suggesting some additional language there.

JM: Some additional. The line crews have a voltage sensing meter with an analogue dial. It's essentially there to tell them if there's voltage there or not. They do test them to make sure that you get a deflection when there's a voltage. But to calibrate those probably isn't

necessary and it could be quite costly to be pulling those in on a periodic basis. And there are other instruments that we use. What we were asking for is where we think the calibration is important when we're actually checking exactly what the voltage is for a quality of service on a customer inquiry or just a maintenance issue. And those instruments we do calibrate. So I was just trying to break out... Right now it says "all portable indicating instruments" and trying to add that quality of service clause in that.

DK: I don't have a problem with adding that in there. I read this initially that 2 and 3 were supporting Subsection 1 which does say "portable instruments used to determine quality of service." So, if that's not clear we can add that phrase to sub 2 and sub 3 to make sure that there is no confusion.

JM: Another small comment. I didn't catch this the first time, but it follows on in 2 that "instruments that are found appreciably in error at zero" and we probably just want to delete "at zero" in sub 2. If there's zero voltage, it doesn't really matter. It's what's the error at 120 volts, or whatever, the customers voltage is what we're trying to get a handle on.

DM: The suggestion is to strike the language "at zero" and staff will do that.

And some language change with respect to the qualifier to determine the quality of electrical service that can be reflected in part 2 and perhaps part 3 as well. Clarifying of language.

MD: I don't have the benefit of a written comment so I'm just going to throw this out there based on what the gentlemen from PSE said about the voltage tester. We use the high voltage quite often and we rely on their accuracy. If we don't have an accurate tester it could be difficult for us to determine the voltages that we are working on other than if there's some mapping problems or so forth. So it is important to have accurate testers. I don't know if this is the spot for this where you're talking about meters, but for that piece of equipment, for the language, it's really important to have an accurate tester and have it calibrated right.

DK: It sounds like that is in direct conflict with what you just said John? Excuse me. Your comment is accurate, but is it accurate as to whether or not there is voltage or is that accurate as to exactly what the value is?

MD: What the value is. For trouble shooting that is really important because we have situations where you have back-feed and we may not have the total nominal voltage out there in the system if you have a back-feed situation. You need to know that. That piece of equipment has to be accurate and accurately calibrated.

JM: I think we might be talking about two different instruments because the one I'm thinking

of is really just an analogue scale. It's not so much the accuracy, as the precision. You cannot get very precise figures with it anyway. And what we've been doing in the past is just testing it to make sure that it's showing a high voltage or no voltage. There are instruments that the crews use, and I'll agree they need to have, that are accurate. But there are some that are just an indicator, if nothing else. You can use the word accuracy, I guess, but it's really an indicator light of a go/no-go situation.

LP: To follow on with what John was saying. There are two different issues. One is this device called the wiggy, for lack of a better word. It kind of tells you if it's 120 or it's 220 or it's 480. It kind of tells you which level you're talking about if you mis-wired a transformer, you can tell the difference. But if you get a digital volt meter out there, it is a precise measuring instrument. So are we talking about this wiggy which gives you kind of which voltage level you're talking about or a digital volt meter which is calibrated and traceable. Our standard practice is that the crews do have a digital volt meter for each crew but, in general, they use the wiggy because it's quick and they know they can get kind of trouble shooting information from it.

JM: I think that goes back to the quality of service.

DK: My response would be, which meter are you talking about? We started off talking about portable indicating instruments and the companies said that we have certain instruments that we want to have high precision of and certain that we don't. Now there seems to be a question on that too.

LP: In my mind I was thinking digital and I wasn't even thinking of the wiggy type of thing.

MD: The wiggy is strictly a voltage tester. We don't need it to measure the voltage accuracy. We do use (not clear on tape) in high voltage. Those have to be calibrated and accurate.

DM: There are some instruments that we need to be insured that they are highly accurate and others are more indicators and not really measuring. I don't know to what extent that those need to be in sync in the rules, but it sounds like there might need to be some distinction in the rule. Perhaps there may be some good way to identify and distinguish between them without having to list a whole bunch of different instruments and tools.

LP: From an electric utility standpoint, that's our most important product, is the voltage.

DK: I know there's a concern about which instruments we're talking about. I can try and be more precise about that.

DM: This might be a situation where Doug would like to call on some of you as resources as he goes forward with finalizing this language.

Comments on sub part 3?

LP: When we combined these sections in the first reading, I got the sense we lost the one-hour standard issue. The whole part of my comment was to open a dialogue and spending a lot of time in the strikeout about portable indicating instruments and that's not really what the one-hour meter accuracy issue is. It's the one-hour standard. So that's why I kind of put in the reference standards in standardizing equipment. That's consistent with the ANSI language. We should have something in here that talks about the one-hour standard certification or testing that you kind of elude to, but it doesn't come out and really state it. That's what my confusion was.

Doug, just for your information, if you go to the section in section 3 in the ANSI C12.1 standard, that section covers the idea of the portable one-hour standard that is in the field and basic reference standard for the utility and so on. It takes different forms but that is a good, high level, type of discussion about what a standardizing laboratory is.

DK: I'm willing to talk more about this and get it worked out. I don't want it to be confusing and I see that it still is.

DM: There will be some further work to make sure this is clear and tied appropriately to industry standards and ANSI.

DK: My initial thought in sitting here is, perhaps it is appropriate to go back to two separate rules. One that describes portable instruments and one that describes standards so that there is no confusion here that I see we have created.

Financial records and reporting rules

480-90-xx8 Financial Reporting Requirements

TS: I think these rules are generic between gas and electric and only the 480-90 has been presented here, so these will apply to electricity as well. The FERC Form 1 is a Federal Energy Regulatory Commission form.

From PacifiCorp, I'd like to know if the form 1 is allowed to be done on something other than a calendar year basis. As far as I know it is a calendar year reporting form.

CR: But what we would like to be able to do is to file all reports with all commissions on a fiscal year basis. That was the intent of the comment.

TS: Recognizing that desire, I think it probably isn't possible and we have needs for comparable information from the various utilities so that we can have data all in the same time periods. I don't think it's burdensome to just have it 12 months ending December

31. You prepare it for other reasons anyway.

The other part is that the Commission's fees are due at a particular point in time based on calendar year ending revenues. That's set in RCW, in the laws themselves. So that would be filed regardless.

DM: It sounds like on this one there's not any real room for flexibility to give the alternative of the fiscal year as suggested.

TS: Not for annual reports. It is provided for on the Commission basis reports which require a lot more data.

ML: The budgets were also switched over to a fiscal year.

DM: Budget rules have also been shifted to a fiscal year. This seems to be agreeable to the industry.

CR: Yes. It sounds like we don't have much option.

DM: It sounds like there's not a whole lot of flexibility on this because of certain requirements that are independent, perhaps, of some of the accounting that takes place.

This goes back to 3, quarterly reporting as opposed to an annual report. The suggestion from PacifiCorp is whether those quarterly reports are necessary in addition to the annual reports.

TS: We do use the monthly data which has been filed monthly for the past decade or so and we're changing that to make it a quarterly report with the monthly data. We do use that information, so we'd like to continue receiving those reports. So as far as just striking them, I'm not sure what the basis is for your desires are there.

CR: The people doing the reports just questioned whether the information is valuable for you and is used. It sounds like you're telling me that that is the case.

TS: Yes it is. We're using it currently.

CR: OK. I'll report back.

ML: Specifically related to PacifiCorp, and because I'm doing the rate case right now, I have your reports sitting on my desk and I've looked at them everyday over the last four weeks. That's just to give you an idea of how often I've been using them in the rate case.

CR: I'll pass that along. Thank you.

DM: This is along the lines of our previous exchange, that this is something that the Commission finds useful and has a need for. So even though all the comments have been taken into account, it appears that those requirements will stay.

TS: On number 2 under Annual Reports, this is the supplement to annual reports for identifying services to Washington only customers. The form 1 and the form 2 apply to company-wide information and we want to have the information (turned tape over)....which is the revenues and customer count and total unit sales on a customer class basis.

ML: Dennis, just to let you know so you understand what's going on currently. Under another part of the rule we have the right to ask for anything we want. Every year we've been sending out requests for certain information. Particularly the last two years after FERC dropped some customer statistics from the FERC annual report. So we've been submitting extra pages to the companies. We don't want the ability of that stopped just because Puget is a state-only company and we put something specific like that in the rule. Sometimes some people say, well you didn't put that there but you added it over here, so it must not apply in that case. So that's one of our concerns. We want that information from all the companies.

480-90-181 Retention and Preservation of Records and Reports

BF: Should this NARUC document be a public document? It would be nice to have this either on the Commission's website or a link to NARUC. If it's not a public document we certainly understand. We have copies clanking around our building and we'll just keep looking for those. It would be nice to have the regulations to govern the preservation of records referenced on your website, either as a stand alone document or linked so that if somebody asks me what documents need to be retained, I can quickly provide an answer, more quickly than finding our two copies of this somewhere in our building.

JR: We have a weekly rules meeting and I'll bring that up to the rules folks. But that's something that our IS people will have to consider in their budget.

BF: I'm really asking only if this is a public document easy to put on your website. Don't break a leg over this.

DM: If it's easily accessible then we can certainly take that idea to our Information Services staff and Jim has committed to do that.

JR: Another thing you communicated to me yesterday or the day before was the bill stub issue. That language was dropped for some reason and that may have been an error. We're still looking at that.

TS: I did look at that, but I'm not sure what it's purpose would be in the first place. But if the companies are doing it and it's not problem, we can put that back in there. I didn't get a chance to think about it's intent.

BF: This is an interesting story and I'll make it real brief. Somebody came up to me three days ago and said "My gosh, it looks like there's and X number years retention period for a document and we're keeping bill stubs for only seven months, do we have a problem?" So I pulled out the rule, in a panic, and found out that there was an exclusion for bill stubs for only four months. So, I was quickly able to say, "no we don't have a problem." But then I went to look at here and I found out it was missing. So I assumed that you intentionally dropped it because it was referenced in the NARUC document. Hence my tortuous logic, it would be nice to have this on the website so I could have quickly found it.

TS: That is part of what I haven't had a chance to do is to look at the NARUC document and see if it is addressed there. So, from your point of view, the four month is a good thing because otherwise you have to keep them for decades.

BF: Right, unless it's referenced in the NARUC handbook along those lines. We were all ready to go and rent out more shelf space and rooms.

DM: Sounds like this is a point that will be followed up on by Staff and the suggestion is, that unless the four month retention requirement for bill stubs is included in the NARUC standards for reference, then that should go back into the rule so it's clear to the industry.

480-90-xx9 Purchased Gas Adjustment

JR: We had a comment from cost management services about requiring the utility to file a PGA at least once in any calendar year or at least once in any twelve month period. We had some discussion at the last workshop about giving some flexibility in the window and I think we're still of the opinion that there should be some flexibility and not requiring it every twelve months. I think there may be a need to extend it to thirteen or some number other than twelve months because we've run into a lot of situations where PGA is a month late because a company hasn't finalized it's contracts. So we do see the need to keep it flexible. Cost management services isn't here today to respond, but that's kind of where we're coming from.

ML: What you're saying is that we're willing to modify the language in our section 3 indicating that that must filed in every calendar year but not necessarily within twelve months. It says "A gas utility must make a PGA filing at least annually" which would imply every twelve months.

JR: "At least once in any twelve month period." He wants to add that language. This rule

practically should read, you file a PGA every year and if you don't think one is necessary, give us the reasons why. I don't know that we want to tie it to twelve months. We can still talk about this internally but I think there should be some room in this rule for a little flexibility. I definitely don't want to tie to a specific date, like every company will file December 1st. I think Cost Management Services might have advocated that in the last workshop, but I don't think that we want to do that and I don't think the companies would want that either. Now I'm thinking that the language will probably stay as is.

KK: We would prefer that more flexibility were allowed in this rule. Twelve months is kind of rigid. Companies are, as a practical matter, interested in making sure that they send the right pricing signals to their customers and, from a conscientious standpoint, try to make these filings timely so that they are sending the right price signal and that price signal is more important than the timing on this. So, if we can lengthen that twelve month rigidity to something more flexible, like eighteen months to a year and a half, to allow some leeway, we'd appreciate it..

Also, while we're talking about the PGA monthly reports, we've modified our financial reports from having to file them monthly to filing monthly reports, quarterly. Here again, the company would be interested in modifying paragraph 4 to make it consistent with the other monthly reporting requirements and change it so that it reads "A gas utility must file quarterly a report of monthly activity in account 191" simply for consistency and because the company is not desirous to release any financial information in between quarters in which it has released publically it's financial position.

JR: I can understand the consistency part but, however, given the volatility of gas prices today, your balances can really fluctuate from month to month and that's why we left it as a monthly reporting requirement.

ML: This was actually something that Staff asked for informally and we wanted and you have been providing it. But this is just information that Staff would like to know where companies are at on a more prompt level than the 60 days after the end of the period. All we're looking for is where the balance is at a point in time and the action that has taken place in that. That's what we're trying to have so we know what it is. It's kind of like getting the gas prices. To me it's valuable to know what the gas prices are, maybe not necessarily every day, but to know what they are on a monthly basis. It's also valuable for me to know where each of the companies is with respect to their balances on their PGA as we go through the year. And the more flexible that we are on how often you have to file the PGA the more I like to have that information filed regularly. If I knew that you were going to file every year, by the end of the year, my need to have the balance on the PGA might be even less and I might find less need to see it because I know you'll be filing the PGA. The original problem that I had was, I'd ask Staff what are their balances? How much are they over or under collected? Nobody knew how much you guys had over or under collected. That was where our problem was, was where the

companies were at. As we monitor these companies and you monitor the PGAs, in particular the two companies that have incentive packages, that's just important information for us as we follow through on these companies, to have.

JR: That's such a big part of your costs too. It's probably a third of your costs in gas prices.

KK: We understand that aspect of it and we have been supplying this information monthly, except for the incentive information. The incentive information I think we've been doing quarterly, which is consistent with not releasing that kind of information in between quarters. Here it's asking for that information monthly. Also, we're certainly willing to provide the monthly data, but still would like to not release that prior to the end of the companies quarter that it's released the general financial information to the public. Even though there can be large swings in the balances on a monthly basis, that's not necessarily indicative of what's happening for the year. It takes more than a fluctuation of one month to trigger the need for something like an adjustment filing. It's a much longer period of time that we look at. Again, it would be the companies preference to file this quarterly, and file the monthly data, but quarterly after the information has been released.

DM: The companies accounting and financial interests are such that it would prefer to file these monthly reports on a quarterly basis and Staff has expressed a need to have a more frequent update of information. With those points in mind then, it sounds like there's a tradeoff too, between the flexibility that the companies would prefer on the periodicity for filing PGAs and again the more regular reporting of some of the underlying information that would be pertinent to those.

KK: If staff is still going to insist that this be done in between quarters, we'd like to file this, or at least not be precluded from filing this, information confidentially.

DM: I think our existing rules will allow for that.

ML: Currently what you're filing isn't and people are requesting this information. This is stuff that two or three people want these things given to them monthly. You will then be asked if certain people can see them. Some are your customers and some are your competitors.

DM: That might ultimately require the confidentiality to be tested according to the public records act if the company feels strongly about keeping it private. But that's something that's outside of the rulemaking process.

Consumer rules

480-090-xx7 Gas Customer Notification Requirements

PH: Right now what my intent is, is to repeal 480-80-120 which is an existing customer notice

rule and replace it with the drafts that you have in front of you right now.

We're going to start with Subsection 2 first within the rule. That's the after Commission action proposal. It would be for the non-recurring charges, municipality, and ordinances and things like that. Just taxes, PGAs, and so forth, and that these notifications would only go to the affected customers on the first bill after Commission action.

This a little different than is written in here, is the 30 days prior to Commission action proposal for increases in rates for various services or general rate case or discontinuance of a service. One thing that we talked about in the telecommunications industry is 30 days prior and also, given the flexibility that if a company is filing something that they know that is going to be suspended, that the companies could notice their customers during that suspension time. Just as long as customers receive their notification of what's in front of the Commission for proposal. If you know it's going to be a formal hearing process, such as a general rate cases generally are, then the formal hearing notice would come into play at that time.

MK: I'm just trying to get a sense of "only affected customers." What would be some examples of those.

PH: There's certain services out there that these companies offer that would only affect a certain group of customers depending on where they're at. For example, it's a B & O tax. It's just certain customers that have impacts, not all.

SK: Say you increase in a rate just to a certain class of customers. Like just to industrial class. You wouldn't be required to, as now, you wouldn't have to notify everyone, all your customers, just your industrial class customers.

PH: Just those who may be impacted by the proposal.

MK: I'm trying to find a line of distinction for rate spread about who pays for what and who gets noticed. Even though there's a particular action of service for one class, it could affect the others in other ways they might want to know about.

SK: So like a rate re-balancing among classes but it...

PH: But usually in a rate re-balancing is basically a rate increase for some and rate decrease for others. So in the proposal, those who are receiving an increase, just because it's a revenue neutral filing to the company, it's not necessarily a revenue neutral filing to the consumer. So those consumers who might receive an increase based on a revenue neutral filing should be notified of that proposed increase.

MK: I know there's extra cost involved in notifying customers, but I also know that there are

PP: So you just expanded the prior notification requirement?

JM: We dropped one and added a different one.

PP: We had two comments. It's kind of difficult to determine in the language that the Staff had proposed where it talks about where "feasible residential and commercial meter set assemblies must be installed." What we tried to do was to provide some language that would modify it to mean that this is where the standard installation should be in that location. We've had a lot of internal discussions and we always like that to be the case. But it's not always the case. And it's not just because it's physically impossible. What some of our sales folks have explained is that, especially when you're dealing with multi-family situations, these developers and builders are in there to take care of business and if they have to go around modifying stuff too much, you won't have gas. We do have standards that are approved by the Commission on how to do those things safely. We were kind of hoping that Staff would consider softening that language a little bit to make it sound like this is what "should" happen rather than what "must" happen.

One of the other issues is that we were a little bit concerned that really the developers and the builders, these folks haven't been informed that.... The way that the rule is written I'm not sure that it would require them to do something different. It depends on the prior notification and then what comes after that. What happens after we notify you. And is that going to somehow impact the whole developers schedule and that sort of thing. Our first set of comments were designed to see if you all would be willing to modify the language a little bit from "must" to "should" which really does kind of follow the rest of Staff's language because then, where you talk about where it "must be done" and they you say "where it can't be done." So there's the "should" issue.

The other one is the prior notification. Once again we have standards that are approved by the Commission on how to do these things safely. It's not that we don't want to tell you that we're out there doing this. We keep records on them because we have to go back and inspect them anyway. We know where they are and we keep track of where they are. We weren't entirely sure why you needed to know in advance.

JR: I'm not familiar with the engineering. But these standards that you mentioned, are they actually filed with our engineers and approved?

??: (Unclear on tape).

JR: Is that required by the safety rules, that you file those standards?

??: Yes it is.

DM: It sounds like this a point to be taken back to the engineering folks here at the

issues that all customers would be better off knowing that they have the option of participating in a process that they may not know about if it affects them in any way as far as, rate spread comes to mind, to participate in the rest of the process. They'd have no other way to know about this. Yet there's some items clearly (not clear on tape) I'm not sure where that line is but when you say "only affected customers" I get concerned about who's making that call and on what criteria.

SK: It's our intent that the proposed rule reflect our current practice. We've had more experience with the sort of filing that you're talking about here in the telecommunications industry than we have in energy so far. But in instances you describe, Staff has argued that all customers should receive notice and generally I think that has been the practice. So going forward that would be our view as well. Having said that, it's not been our experience, to date, that that's a very frequent occurrence in the energy industry. As a cost impact, I don't have a crystal ball. I don't know what the future looks like.

??: There is just so much change in this industry and we're not going to come back to these rules again for many, many years, so I'd be careful about the definitions of....

DM: The concern is that perhaps the degree of specificity in the rule, in terms of identifying those instances in which certain customer classes might need to be notified. We don't really have any sort of fine tuning type of suggestions, but Staff will take that into account.

SK: I would like to add that the Staff's proposal is based on two main principles and that is that customers have a right to understand in advance what proposal may affect them and, to the extent that it's the sort of proposal that public participation is feasible, that notice ought to happen early enough so that participation is possible. So there are sort of the two principles that we would keep coming back to when a company says we'd like to do this, what notice would be required. We tried to use those to guide this proposal, as well. So in your example, it would be our view that customers should know about something that might affect them.

PP: I just wanted to get a couple of clarifications of what's on the flip chart and what's in the rule. The first, you have the bulleted is increase in rates, but you didn't mean any rates did you?

The second one is on the discontinuation of service. They way it's written up there it seems quite reasonable to say, there's a customer, you currently buy a service, you're not going to be able to buy that service any more because we don't offer it and it seems pretty reasonable that we ought to tell them that they can't buy that any more. That doesn't seem like a problem. But when it's written in the rule it's, restrict access. What I'm concerned about is, for example, if we wanted to restrict access to one of our water heater leasing programs, so we don't want to add any more customers to that, does that mean

that I have to send out a bill stuffer to every residential customer saying "you can't buy a service you don't buy any more." Do you know what I mean. That was the difference between discontinuing a service and restricting access.

PH: Wouldn't your second example be grand fathering a service? Meaning that if the customers who are existing on that service, that you don't want to offer any longer, made a change or tried to change that service, they wouldn't get the same rate or type of service as was offered.

SK: But continue as a customer until they made a choice to discontinue.

PP: So in that case, so we've got say, the water heater deal. We're going to freeze new customers out of that. So who's the affected customer who gets noticed?

PH: Isn't that grand fathering service? Meaning that no new customers can have the same service as those existing customers? So what the requirement would be, in my mind, would be letting those customers know that if you change this service you will no longer be able to receive it as it is currently being provided to them.

PP: So the customers who are currently on the program that's going to be frozen, are the affected customers. Not all residential customers.

PH: It could be after notice too, because just as long as they know if they do anything or change a service, or whatever, they're not going to be able to receive what is currently being frozen by the company.

PP: But this says before.

MK: Using that example, that's exactly the type of example I was thinking of. So there's a water heater lease program. And in the one scenario you just notify those who participated in the water heater lease program. However, I would argue that all residential customers should get notice because some may have been planning to go that route, were really close to doing it and made decisions accordingly, and would need to know that information.

DM: The underlying concern I'm hearing expressed here is that the rule is somewhat ambiguous in terms of who is required to do what, when, and there may be a myriad of circumstances that can't be captured, perhaps, in rule language. I wonder is anyone has a suggestion and I'm wondering too, is the practice that the companies coordinate with your Staff on these things? In other words, we're going to discontinue the water heater program, who do we need to notify? Or is that something that doesn't occur?

PH: It's not mandatory but we're available to assist. Occasionally we get a few calls from

companies who have a unique situation out there that they want some guidance on notice, so we work with them on it.

DM: I'm just wondering, one possible solution that comes out of this discussion in terms of the underlying problem and the practice of at least coordinating on occasion would be some language that would require companies to somehow coordinate whenever any sort of change is going to take place and then it would be a matter of five minutes on the telephone perhaps. If that's a viable suggestion, maybe it's one you could take into account? Does anyone have any alternative suggestions about how to relieve the perceived vagueness or ambiguity or lack of ability to be precise as to particular events that would trigger this? Do you have any suggestions?

PH: Actually, in my experience in this, when companies grandfather service, whether it's this industry or telephone industry, I've never heard any situations from consumers that wanted to get that service once it was grand fathered. Because generally when companies do this, and this is a general statement, not all the time, there's usually another service that's close to what they're discontinuing. So, I just haven't seen it as a problem.

DM: I think the lesson to take back is that maybe there is some perception in the industry, and other interested stakeholders, that there be some mechanism to make more clear when the notice is triggered.

PP: My other question was what you have labeled there as increases in rates. You didn't really mean any increase in rate that is in the tariff book, right?

PH: The way it's written right now is, it's an increase in recurring monthly rates. Which means that if it's a service out there, and the company just wants to file for an increase in one particular service, instead of filing a whole rate case, that's when this would come into effect. Then those customers on that service need to be noticed of the increase.

PP: Like the monthly customer charge kind of thing on residential service.

PH: Exactly. That would be all customers that were affected by the monthly customer charge.

This is the subsection that has the content of notice and covers everything that we're asking to be put into a customer notification for increases. Most of the time, from companies in this room, this has never been an issue. Same kind of information generally goes out.

We kind of put together a table from the 1999 filings for all the companies; electric and gas companies. We wanted to see how this draft, as written, would impact the companies. (Passed out table). The top line is the number of filings received in 1999 here at the Commission from each of the companies listed. The second one is the number

of filings that did not require notice to the customers. A lot of times contracts and things like that because they're two willing parties. The third cell was when notice was required and whether it would be required after a Commission action, such as pass-throughs, things like that, or the 30 day prior. The only three that would have fallen under the 30 day prior notice were general rate cases, which actually could be noticed during the suspension period. So we just wanted to give you some information and actual numbers based on the types of filings received here. It's Staff's intent under this proposal that the increases that are proposed that affect customers be noticed. For example, if a PGA came in and it wasn't an increase, but rather a decrease in a consumer bill, I'm not as concerned with you noticing a decrease. I think it would be good PR, but if it was an increase such as the PGAs we've had this year, then those need to be noticed to the consumers. Same for conservation filings. If they're increases in conservation rates they should be noticed. If they're decreases, it's not my intent to require notification. Other than that, this is just something that I wanted to pass out as additional information.

SK: Just to emphasize something that we've said, it's our view that this draft, with one exception, that Penny is about to talk about, is just like the requirements that we had of you all in 1999. So to the extent that you expect the same sorts of filings and the same number of filings in the future, this is what it might look like in terms of how often you might have to give out notice and how many might be pre-notice and how many might be after Commission action notice.

PH: There is one policy change that I think PSE and Avista might appreciate. It is non-recurring charges. There was a few filings where we made you notice those prior to the actual proposal. In reflecting on the situation, and the customer comments and things regarding these kinds of situations, we decided that after Commission action would be acceptable on those types of filings because then the customer will know that if they do this there going to pay this. Such as late payment fees or reconnections, disconnections, so on and so forth. So that is a change from existing policy.

SK: We're not setting the bar any higher except with one exception.

PH: Well, we do have one exception to this and it kind of came out of the PGA situation and Commissioners' concerns. What we'd like to do is a public education prior to a company filing a PGA filing. Basically what the education would be, it could be a newsletter, there's no time frame, it just has to be prior to filing, explaining what a PGA is. We found that the public doesn't understand what PGA means. It doesn't understand how it impacts them. They think that the companies are out there just to get more profit and so on and so forth. When this all kind of came to light this year, because of the PGA filings, the Commissioners were quite concerned about our current practice, about after Commission action notice to consumers, because it did not allow for adequate time for the consumers to prepare for an increase. We were seeing some 17 percent increases because of the cost of gas. So what we're proposing is that both would be required. An

educational notice in your newsletter a few months prior to and then after Commission action, whatever the actual percent would be notice to customer on a bill. With that said, this is just a draft of a proposal that when we were talking to Commissioners about their concerns, what they thought would be acceptable. They're just looking for an example of the what the purchase gas cost adjustment is and why the companies file for this. Because what happened this year was this special year in this realm, is PGA filings were made and went through the process. Then what I think added to the confusion to the customers was then a lot of rate cases were filed and people were thinking, well you just got a rate increase and they didn't understand why. Well, a PGA filing is way different than a rate case filing. So with that said, this is just draft. This is something that they're looking for. It could be modified. But it's as simple as what we just passed out, of explaining to them why you're filing such a filing.

BF: Penny, I have some clarifying questions just to make sure that I'm clear with what we went through. If we could use net metering tariffs as an example for filing purposes, I would like to walk you through three scenarios. The first is a brand new net metering tariff where, if a customer installs a small scale generating facility, he or she can basically run their meter backwards and get some payment from the utility. I guess my reading of this is that a net metering new tariff would not need to be noticed out to all of our residential customers? And Doug, I'm looking to you for some guidance too. New service recurring only if you choose to play? Of which we have one customer.

PH: This would be gut reaction off of this, not knowing a lot about the net metering situation. Under my proposal, new services are not required to be noticed to consumers because it's, I believe, companies are going to go out there and advertise those new services to their customers and when that customer signs up for that service you're going to explain what that service does and how it works. Now say you've got a proposal in here and you have, after the service is not new any longer, and you have customers on there and you want to increase or do something that may affect that customer, then the rules would come into play that just those customers, on the net metering, would need to be noticed.

BF: So, scenario number two is, if we decrease our net metering payment, which would be an increase to the customer, if we have one customer on the schedule, we would just need to notify him or her?

PH: Yes.

BF: Moving on to special contracts.

PH: I agree with your comments. It's contracts, in my opinion are two willing parties, and I don't think contracts need to be noticed out to all customers.

BF: Could you maybe summarize, and this would be repetition and I apologize, maybe the top

two or three sort of non-general rate increase tariffs or PGA notices that would require notification based on your experience? What would be the top three types? For customer notification on 30 or 60 day prior notice.

PH: To tell you the truth in the energy industry there's not...It would be for specific services. Instead of filing a general rate case, you have services available that they can generally choose from and there's so many different types of customers. When I say customers, I'm talking residential, industrial, commercial, I'm talking the whole customer. So, with the various services you offer, say you need an increase, or believe you need an increase on one of those particular services. One doesn't come to mind, to tell you the truth.

BF: How about insufficient check charges. Where at $7.50 and we all know that that's too low.

PH: That would be a non-recurring charge and that would be after Commission action noticing all customers, so that the customer knows that if they send in an NSF check to you this is what they're going to have to pay.

LL: We had a situation like that and it's listed there on the first handout from Penny. The street lighting filing that we made. In that filing we had proposed to increase the pole charge for rental poles from a $1.70, I believe, to a higher rate. That particular rate had not been changed since it was grand fathered on November 20, 1975. We applied the general rate increase to that pole rental. Whatever our general rate increases had been, we applied those percentage increases. We filed that along with a decrease in the cost of the light itself. The overall filing was a net decrease in revenue. In order to get the filing through, we had to take that pole increase out, even though we are now starting to offer new poles, at a substantially higher price, we couldn't have the increase on the old poles without noticing sixty days ahead of time, like you were saying. We weren't willing to withdraw the filing and re-file it again.

BF: But then that went only to the pole rental class.

LL: Right. But we'd already filed it with a date to be effective. So it would of had to of been suspended while we noticed and it would have been six months before it went into effect and we wanted to be out there in the market with the new poles right away. So we had to take the increase out of the old poles so we could start offering new poles. Now we could do a separate filing for those old poles after noticing people. Then do the filing and re-do it. Even though at the time we made our filing, we didn't have these new rules in effect.

PH: Because we're working on Commission policy, one thing you could have done is extend your effective date. We don't want to suspend filings if we can work with the company to accommodate these things. Another thing is when these rules, if they end up getting adopted, there is a waiver for circumstances. If there's a circumstance out there that's

justifiable of why less notice would be appropriate, then we're going to act on that. So I just wanted to make those clarifying comments.

LL: We were aware of those options, but we didn't want to wait three months, approximately, to start offering poles with our area light rentals. Especially since we were also passing through a reduction in our light rates themselves, which affected many more customers.

BF: When it comes to Waiver for Statutory Notices (WSN), would this rule kind of slow down WSN's? In the past, the Commission seemed to grant those as a matter of course. Would this kind of get in the way of that?

PH: It's not the intent to get in the way of that. It's one of these things that if you file a waiver for less customer notice than the current rule says, and you have a justifiable reason, I'm not going to sit there and say that we've got to hold this for 90 days and think about it. As long as it was reasonable.

On the PGA are there any questions on that, because that is a difference. A new requirement.

LL: So this would be an annual requirement? So every year prior to filing that PGA we would have to send out this notice?

PH: Yes.

PP: We will get back to you on this proposed language. Do you want something that says specifically what the language is? Were you proposing some specific language?

PH: Actually I wasn't. This was just an example of what the Commissioners are looking for as the education to the customer.

KK: I think Penny, my only concern would be that, the example that you're showing up on the board, you're showing that we were expecting that there would be an increase between 5 and 10 percent. In order to give notice two months on this educational, sometimes we don't truly know what our increase is going to be because there's two parts that go into the PGA. Part of the parts of it is the upcoming increase to reflect the change in the markets, but then there's also the deferral part, which you've mentioned in this, which is adjusting for prior gas cost differences. A lot of times we don't know. What if we say 5 to 10 and it ended up being 17 percent?

PH: Then you could do the filing and say the Commission found.....

KK: I would almost rather see there be some kind of language saying that consumers should be looking at what trends they're seeing in the market and giving them that education to

look at that. If they're seeing the gas at the pumps going up, well it might be reasonable to expect that their natural gas will go up next year. I see a five to ten percent, or putting in a range, as being potentially a bigger problem when the customers come back with a bigger increase than if it was less. Then obviously they wouldn't care.

PH: I think the whole intent from listening to the Commissioner's and talking with them about this specific issue was they liked the range because they wanted to give that consumer an idea of what the impact could be, not exactly what it will be. Because we heard a lot from people about rate shock from this last round this year because they were higher than normal. If you put in the information that Staff's going to investigate this and after Staff's investigation could be higher or lower, depending of what was found, then I think that covers that situation.

DM: This issue is, as I understand it, is a disconnect between the availability of information that would give the company a reasonable ability to state that it's going to fall in some certain percentage, and the Commission's desire to, on the other hand, give the customer some sort of sense of what they're looking at. So I'm wondering if anybody has suggestions in terms of timing, or how to state the potential impact, or some other element of this that would address those.

PP: Even if there were just some softer words, like it looks like in the coming months gas prices will be going up. Or we could say significantly or reasonably stable. Then the concern, and this may be capturing one of Kathy's concerns, that we of course would have too, is that you're now creating expectations for customers that are now unmanageable. Because we've looked out in the market and you have no clue what prices are going to be in next six months with all of that volatility. So if we go out and we tell customers, boy it looks like gas costs are going up or down, at least that's kind of ball-parkish and that's OK. That's my only concern, especially with a percentage range. Then if you get the percentage range so big, then it's meaningless, 5 to 35 percent, that's not particularly helpful. So even if it were just left without a percentage ranges but some kind of qualifier, what direction do you see the market going in, or that kind of thing might be helpful.

PH: I think that might meet the concern.

BF: Penny, if I heard you correctly, the driver for this is a customer's concern that utilities are making a profit off of PGAs? I'm not sure that this explanation really addresses that head on. Costs to a business person usually implies fair return or a profit. So I'm wondering if that's a goal, to have that more clear. Maybe to rework some of this language.

PH: The language is definitely re-workable. It was a ten minute sit down thing just to kind of show what they were thinking. But on PGAs, as I understand it, is not one of the filings that companies earn profit on. It's actual costs. So if you can make that clear to your

customers, I think it would be beneficial.

DM: As far as specific language is concerned, it sounds as if this is language that has been recently drafted, and it sounds like there's a need for some discussion on this particular point of the specific language. that maybe should occur outside of the stakeholder meeting. What sort of time frame would you envision for that?

PH: I'm not intending specific language. The company's can draft language that meets their needs that's clear to their consumer to tell them what's going to happen and that they're getting ready to file a PGA.

DM: So the rules then would just require some statement and then the companies, with the first instance at least, determine what that language is?

PH: Exactly.

JR: Would you like to see that language before it goes out to the customers?

PH: I'm thinking it might be useful for the first round because once it's there it's there for good.

DM: In terms of the proposal, which I now understand it to be, that there would be language in the rule that would require some sort of informational notice to the customers educating them about the PGAs. Is there any objection to that? So conceptually it appears that the stakeholders are on board with this concept and the language itself can be worked out.

LL: I have general comment on the post notification, having to do with city taxes. At PSE for electric service, we gross up the ordinance rate, in accordance with our tariff, to cover the state utility tax and the Commission fee. So the customer has received notice in newspaper that the city council has affected, say, 6 percent city tax. In the city of Lakewood we put a notice on the bills. We sent out the bills and the notice and in the bill said "we're charging you 6.67%" and people here at the Commission heard about it. I heard about it. Our call center heard about it. We currently don't itemize the fact that there's 6% city tax, and that .67% is added on as the additional things. Now, we've done some things with wording to indicate that what's on the bill is a, even though we show the actual percentage, it's the effect of the 6% city tax. But the customers have been noticed of one thing and now we turn around and notice them of something else. It's very confusing for customers.

PH: I think that the notice is not the problem. It's the content of the notice and how you explain that to consumers. If it's out in the newspapers saying that Lakewood just increased taxes by 6%, that's what their expecting to see on their bill. But when you start adding in other things and not telling them that you're doing that, of course they are

going to be calling confused. So when you're doing your customer notification on that particular issue, you should be explaining that, if you are going to change that percentage that's been in the newspapers.

LL: I personally send a number of detailed letters explaining this. Those customers still went to the city council meetings and complained that we were charging more than the 6% than that that was passed by the city. Even though it's been explained in detail on their individual bills showing the calculations and everything.

PH: It's their right to do that.

LL: I agree it's their right, but it makes it very difficult when we're required to call attention to the fact that we're adding this on to the bill.

PH: Actually what I would do as a company, I would say that the city of Lakewood increased their taxes to 6% pursuant to ordinance whatever and if you have any questions call. I wouldn't add in all the other taxes to that unless you clarified why you were doing it.

LL: We required to disclose that by the RCW to show the rate that we use. We have to show that on the bill.

PH: So then clarifying statements would have helped that situation.

LL: Possibly.

SK: Are you suggesting that it would be better to not include a bill message explaining why the tax rate changed or why the bill went up?

LL: Yes. Because the customers have already been noticed through the public notice in the local newspapers and things like that that the tax ordinance has passed. We didn't experience any difficulty, or I'm not aware of any complaints on this ever coming across in the close to 30 years that I've worked at Puget. But people have complained about the city tax and the fact that what we charged was different from the city ordinance. I just thought I should throw that out because it's something that we have not done in the past and it's resulted in a number of calls, not only from Lakewood but from Kenmore and other cities that have recently implemented a tax that didn't have a tax in the past.

SK: This is sort of on the edge of 695?

LL: Yes.

SK: It's our experience that these sorts of post notification notices reduce the number of calls because they provide an explanation for why something may have changed on the

customers bill.

LL: That may be the case. It could be that it's all 695 related.

MK: Earlier on in this discussion I raised the issue about affected customers and Staff came back with a couple of principles used in deciding who gets noticed. I'm wondering if these principles hold to special contracts as well? If you could just speak to that a bit.

PH: Are you referring to any special contract that's existing?

MK: Just in general, special contracts. Clearly what I'm getting at is special contracts that do affect other classes of customers over the long-term with rate spread. I could take the example away from here and use it with Bonneville with some of their PSIs and how some of those decisions have affected their other customers and so forth, if it's more comfortable.

PP: There's certainly a long-run and a short-run and a dynamic aspect to special contracts. If you wanted to tell other customers that the Commission approved a contract that, in the long-run, will result in lower rates to all customers. If you look at what the new special contracts rule is, that's what it requires, is a showing that it results in lower rates to all customers. There doesn't seem to be a need to notify everybody that in the future that rates won't go up because somebody else is covering fixed common costs. I don't know why all residential customers would want to hear that. Once again, if it's a special contract, clearly the customer we're negotiating with knows. Especially with the new special contract rule, there's probably more information being made public than has ever been required to before. It's not like that we're going to be able to hide that we've filed a special contract. I'm not entirely sure what kind of general notice provisions there would need to be.

??: I just want to hear from Staff how you would interpret examples of special contracts (not clear on tape)...all residential customers generally be notified? Or just the special contract customer?

PH: When we were doing this draft, contracts, in general, whether they're special contracts or contracts, I viewed it as willing partners of the contract. Special contracts are included in that in my opinion. As Doug and Jim were kind of talking, they had some valid points there.

JR: I would say that the customers would be notified when the company files for a general rate increase and shifts those costs or a reduction. Phil made a point, that they could actually lose those revenues in total, but they're signing a special contract that they are receiving some amount of revenues. I think I would be of the opinion that they are receiving notice when the company files a general rate increase, although that's probably

not in the notice, it's embedded within the issues that are in that rate case.

SK: Mr. Karp, I'd just say that the principles have to require some balancing for practical realities and costs and it's been our view, and our experience, that the sort of notice that Jim refers to in context of a general rate case where this would be carried out, is the appropriate place to provide notice to residential customers. We hadn't given it a lot of thought. If you want to provide additional comments about why that's important and warrants the cost, we'd be open to that. But, we don't see the direct connection necessarily, ourselves and we have not gotten comments from customers saying "I wanted to know about this but I didn't get a chance to." Other industrial class customers have all the resources available to them to find out this information. So they are in a much different position than your residential customers. So that was some of our thinking about why we looked to exclude special contracts from the notice requirements.

MS: Penny. I'm reading your handout on filings and a footnote one says "the company may notice customers during the suspension period." Is there some requirement in the rules about when during the suspension period or....

PH: As long as it's 30 days prior.

MS: So they could, hypothetically file for a rate case, wait until the ninth month of the Commission's process, file the 30 day notice at that point and customers would know...

PH: And they'll be available to choose whether they want to participate or not. It's the same standard. This isn't the rate case. Formal rate case notice requirements are different. That's already in a WAC (480-80-125). So, if you're talking about a formal case, it's different. If you're talking about a rate case that happens to hit an informal process, that would be fine too.

MS: I guess I'm having trouble understanding what you consider an informal rate case to be then.

PH: If a company files a case in front of the Commission, you're working with Staff and it seems like it's going to go through the informal process, which is the Open Meeting process, and it's suspended during the Open Meeting process, not set for formal hearing process, then during that suspension period, knowing that it's going to be suspended because a little bit more work needs to be done, then those customers can be noticed at that time, which gives them adequate time to be involved in our processes here at the Commission. And they know what the company is proposing.

SK: This has not come up much in the energy industry. It comes up more in water and solid waste.

MS: So we're talking about something like what the Commission did ???? the last time?

PH: Exactly.

DM: Penny do you have comments or does the industry have more comments?

PH: I have no questions on the comments received.

PP: One of the really important aspects that we didn't cover was the timing on what prior means. In our comments in the filing letter, we provided some ideas, certainly we're not wedded to them at all, but some ideas about what we can do to increase the amount of information that's available to customers in a way that meets what Staff's stated interests are that works within the 30 day statutory notice period. Another way of looking at it is if prior notice, 30 days notice, means the last customer gets notice 30 days before it takes effect, you could really sort of re-word that rule to say that utilities must use direct mail notice that ends with 30 days notice, unless they've already provided customers with notice. I guess that's one of the things that several folks have commented on, about extending the timing requirement. Because the existing rules, and we're certainly not defending those as being the best way to go about informing customers, it works within the 30 days statutory requirement because you post the stuff at your pay stations and your business offices and that currently, and for the past umpteen years, has been the rule and that's what we've done and that meets the 30 days requirement. Like I said, I think we certainly agree that that needs to be changed. But what we're trying to do is figure out a way that we can change that that it still falls within that 30 days time window.

DM: And that specific suggestion was included in your written comments?

JR: They're on page 56.

SK: I'd say that given what's happened in the industry, in terms of business offices and changes in society, I don't think that the posting of a tariff revision in a business office, to the extent that you still have them, meets the spirit of the statute. The Commission has been working down the path that it is on now with customer notice with a rule for the better part of 15 years because it found that the posting requirement was inadequate to create any sort of awareness on the part of consumers about what company had in mind. We've gotten some indication from your comments that you're obviously very concerned about the proposal of 30 days prior notice for those instances where it's required. We're a little surprised at that, because it's our impression that you were already doing that. And we would like written, from you, information about what your practice really has been in regards to prior customer notice. It's hard to understand the comments in the context that this is a practice that has already been going on. So if this is not a practice that has been going on, we need to know that. We need to know that in understanding the cost of this rule to the companies. From everything we understand, this rule, with the

exception of the PGA, puts into rule the practices that we've been asking you to follow for the better part of 10 years. If that's not what's been going on, then we need to know that. And we'd like to have that in writing, if we could. It's easier to keep track of those things.

LL: In every filing that we've made, to the best of my knowledge, we've included a paragraph as to what notice we've given to the public. Often times, in fact most times, we include the notice that is posted in the offices. And if we're sending a separate notice to the public as a bill insert, we've stated that in the letter. So it has been in writing. But in most filings we've only posted in offices.

PP: Which is the requirement of the rule.

LL: Correct.

SK: Right. But you can see from the table, I don't know if 99 is typical of the past or the future. But it just was last year. So we're talking about a limited number of instances where prior notice would be required under this rule. So we're trying to reconcile what our experience is with the comments from the companies about all these additional costs and we're having a hard time making them line up logically.

PP: I think in our comments we put in something that it's about $450,000 a year and that was primarily why I was a little bit confused about the PGA prior notice. So that certainly affects that. We had a 1% rate increase that I would have thought would have shown up on here, but for maybe some reason it wasn't. But that would have been one. And the one that we changed, because we didn't want to slow down the approval process, would have been two. It certainly would have been less than $450,000 year, because the PGA was a whopper. The 1% would have been a big chunk of that also.

DM: What I'm hearing from Staff is that it feels that it lacks certain information it feels it needs in connection with the prior notice rules. I want to give the suggestion that perhaps there could be some dialogue on this specific point individually, outside of this meeting. I would encourage that those that have the knowledge about it to maybe take a couple of minutes during the break to set up a meeting in the near term and get that discussion out.

PH: We'd like it in writing so that we could use it to formulate what we're doing here on how many billing cycles a company has. If you start at the beginning of your billing cycles. How many days notice at the end of the billing cycle does that person get at the last billing cycle. Stuff like that.

PP: But the issue is the 30 day statutory notice requirement.

PH: Yes it is.

480-90-051-Deposit Requirements

TT: I know that one issue was about the three or more delinquent notices. Different companies offered different language for that. The reason we ended up with three or more delinquent notices was because in the existing rules in the deposit section, the deposit requirement, it states three or more delinquent notices. So we ended up with that.

On the establishment of credit part of it, which we essentially have not worked into the new draft, I think it says, one or more or two or more or something, but that was for the establishment of credit which I didn't understand personally, why we had an establishment of credit when the actual deposit requirement was more strict and it had three or more. So we just incorporated this draft rule to deposit requirements and we used the language out of the deposit section of actually requiring what's required for a deposit as three or more and that's why we ended up with that and that's where our position is now.

RW: Where is it that it says three or more?

TT: Under 3d. 3 being deposit requirements. "A deposit may be required under any one of the following circumstances." (d) saying "three or more delinquency notices have been served upon the applicant or customer." That's the existing rule.

RW: So up above where it had establishment of credit and they had originally stated that when you're establishing service that if more than one notice had been sent...

TT: That was to establish service and I didn't understand, because I wasn't here at the time this rule was written, it was confusing to me that we had establishment of credit with one criteria, but to determine if a deposit is to be paid is another criteria.

RW: So you're saying that out of any six month period, if half of the time that they're late, then that's what warrants a deposit?

TT: Yes. We're using the existing language. Establishment of credit refers to for at least six consecutive months and the next previous 12 months. The existing language talks about during the most recent 12 months so we added in the six consecutive months.

RW: So the three or more within the most recent 12 months is now replacing what, more than one in six months?

TT: It's the same language except to add the six consecutive months in there.

VE: There's a difference between establishing credit and requiring a deposit. So the three or more to require a deposit is the same as the existing language. That's what it says now in

3d.

TT: We added that portion of it in the draft rules out of the establishment of credit. If within six consecutive months they have. So the three or more comes from the existing deposit requirements and then we added in the six consecutive months into the previous 12 months. So we kind of combined the two.

PP: We certainly know as much as you do about why this was set-up this way.

TT: And I apologize because when working with this with consumers and the companies it was confusing to me, so I wanted to kind of streamline it.

PP: But the way it works, it seems to me, is that the current rule says that if you have 12 months of consecutive employment then you've established credit. So you've had the last 12 months of steady income with no more than two employers and they have a stable source of income. So, that said, OK you've established credit. But the next part of this rule then says, but if you haven't paid any utility bills to some other utility, if you haven't paid any utility bills, even though you've had a job, we can still require a deposit. That's why it seems like it was set up in those two phases so that you can do any of this stuff on 1, but if you haven't paid any utility bills, then we can still require a deposit.

TT: I didn't understand the relevancy of established credit. It didn't get to requiring a deposit. That's the essence of this rule, is requiring a deposit and when to require it. We combined a lot of it together as the requirements, thinking that that was what the essence of the rule was. So maybe that's the discussion that we need to get to.

DM: Staff's view was that it would be a good idea to combine the establishment of credit with the deposit requirements, there being some relationship between the two and that there should be one standard that establishes....

TT: That's how we've written it from the beginning of drafting the rules.

DM: There seems to be some confusion. What I'm sensing is some confusion in terms of what the criteria are. Are the criteria the same that "established credit" and "requiring a deposit?"

VE: We combined the establishment of credit and deposit requirements in the same rule. Then we just kind of took both of them and came up with a hybrid for what the criteria was. So there's not two separate requirements any longer.

DM: Maybe it would be helpful to restate what the criteria, the single criteria, is.

TT: It's in the draft.

DM: Some of the comments seemed to go to the criteria themselves, in terms of the number of months and the number of delinquent events and so I think it would useful to start with a complete understanding around the table as to what the criteria are. If we're clear on that then perhaps we can talk about any suggestions for changes.

VE: There's kind of two pieces. The first is when you can require a deposit from an applicant, that's in 2. You may not require one if they can meet the criteria in 1 or if they can demonstrate employment or if they own or purchase the premise. That's the first one. So if you have a brand new potential customer, you cannot require a deposit from any applicant who meets those things. The other one is more for current customers, once they have already established credit and you do not have a deposit on them because they've met the criteria and now if they receive three or more delinquency notices or if they're disconnected for a similar class of service, you can require a deposit. Or if they don't have a guarantor.

RW: Wouldn't it be fair to say that if, in the past, anybody within the last twelve months that didn't currently have a deposit, but they had three notices, if we were able to collect a deposit from them that we would still be able to do that if within the last twelve months, as stated in the existing rule?

TT: Don't we have a portion about an additional deposit request?

RW: But I thought you were trying to make it consistent?

VE: I think that's what we did. I don't think we have one for... I think that's what number 1 does in the...

GC: Most of the other sections refer to a twelve month period of time. If consistency is the goal then with the delinquent notices being over a twelve month period of time rather than a six month period of time, would be more consistent.

TT: So just leave out the six consecutive months? Is that what the main issue is, is the six consecutive months? Staff will look at that.

One of the companies, probably Northwest Natural, redrafted the language more in an active sense. I kind of took that and rewrote it again. This is what I'm looking at right now, hopefully to make it a little clearer, because sometimes that word "unless" even caused us some aggravation. (Passed out language in a more active sense.)

MK: Is there any reason this shouldn't read "A gas utility may collect." Why are things in a "you may not collect" it just seems like it's harder to decipher and read this way.

TT: I think that's what I'm saying is that I redrafted that in an active so that it is "may"

instead of "may not".

VE: We'll do that for the next draft.

TT: Is that a little better? Except that we may take out that "six consecutive months."

LL: The prior rule said that the customer had to have prior service with a utility for at least six months and that requirement has been dropped. So, if they have service for one day then we can't request a deposit. I think we need to put that back in to have some length of service to say, yes you're to pay or no you're not. Otherwise we have no idea.

TT: Under establishment of credit it says "prior service with the utility of a same type as that of which service is sought with a satisfactory payment record as demonstrated in 1a", so that's where you're going to as far as the twelve months and the six months, right?

LL: Prior service with the utility in question during that next previous twelve months or at least six months.

VE: We said within the prior twelve months.

LL: But not for at least six months. In 1a.

VE: They could of in the last twelve months had two days worth of service or something. (Turned tape over).

TT: I hear objections of including the six month consecutive. So we're going to consider dropping that part of it and just make it the previous twelve months.

RW: But does the customer have to have service for twelve months?

PS: No because it's just within right now.

TT: That's what Lynn just pointed out. So we will clarify that.

VE: The current one is they had to of had service for six months. So we'll likely keep the current.

TT: We'll have to think that through again and let you know.

DM: Is there anything else on sub-part 1 that we need to discuss?

RW: When it defines the payment arrangements that are allowed. When a customer cannot pay the deposit right up front, originally the rule stated that they would pay 50% of the

deposit. The verbiage that's now in the rule, with this revision, indicates that they'll make arrangements.

TT: That was oversight on our part and we're going to change that to have it say "pay 50%" and then the arrangements on the other half of it unless the company and customers can come to another agreement on payment arrangements.

PP: We had a comment on 1b which defines a guarantor. One of things that we were a little bit nervous about is that even if we go to the three late payments in twelve months, currently we could require a deposit for a customer who has one delinquency notice, more than one in six months. We were trying to provide some language because it seems reasonable for a guarantor to have a slightly higher risk profile than somebody who pays a deposit, especially one that pays a deposit now. That's why we proposed that the guarantor, that is they're one of our customers, that they had service with the utility with no late payments. Because there ought to be some higher level of credit worthiness for somebody who's vouching for somebody else. Because right now I don't think it's specified what makes a guarantor. We can determine what makes a guarantor right now.

PS: I think we've always held it to the same standard as they have never had to meet a higher standard and I don't think we've ever had any trouble. I've never had any complaints that the guarantor hasn't come through with what they've guaranteed.

TT: We've had very, very few guarantor issues. Out of five years, I may have just had one as far as how to do it, not as far as the requirements or that you've had problems with guarantors. We felt like there was no real reason to make the requirements any stiffer for them.

PP: Why would you change the language at all if the current language is fine?

TT: More for clarification. But not to make that more restrictive on the guarantor. And to more clarify of what's expected of them when they're required to pay and what they're required to pay.

PP: I think the current language seems fine. So I don't understand why you'd need to change that.

TT: Do you oppose anything that the draft says now?

PP: I guess I just don't understand why you're changing it if the existing rule works.

PS: I don't think we are changing it. We are clarifying it, but historically it's always been the same criteria as with the deposit.

LL: My experience has been that the present language allowed some flexibility to the utilities in determining what a satisfactory guarantor was. I recall a couple of situations where we refused to accept a guarantor where it was an elderly person that we felt didn't understand say guaranteeing a grandson's bill while he's living in an apartment at college. It was someone who was low income and we felt that we shouldn't accept the person as a guarantor. So we said that that is not a satisfactory guarantor to us.

DM: Lynn, is the flexibility that you perceive in the existing rule been removed with this language?

LL: I think the customer, in this case, can come back and say, here's what is satisfactory credit. I don't know whether they would or not if we refused. But they could do that. The WAC rule says is all they have to do is establish satisfactory credit and my grandmother has perfect credit and you should accept her.

TT: How do you actually determine if a person doesn't understand what his or her responsibilities are though?

LL: By talking to them on the telephone.

PS: Wouldn't they then make that judgement at that point when you talk to them?

VE: No, she still wanted to.

TT: And you guys denied her?

LL: Right. In looking at the account and looking at the payment history on the account, it may be someone who always pays her bill but makes arrangements every month. So there aren't notices that go out, but obviously she's timing her payments with her social security payments, or something like that and there's a lot of things that could go into making that decision.

MK: From a consumers viewpoint, I'm much more comfortable with having a definition rather than leave it at the discretion of Staff and the utility for something that's such an important thing in people's lives. To just leave it to that kind of interpretation really is somewhat dangerous. I'm very uncomfortable with that. I would be much more comfortable with having some kind of clarifier that was put out by the Commission.

TT: So you're a little uncomfortable to have the company just determine based on the conversation. Whether they understand the responsibility of that?

PS: Lynn, did that complaint come to the Commission, or was that one that you guys just handled? Because if it would have been a Commission complaint I think we probably

would have gone back to the satisfactory and if the grandmother was insistent...

LL: I don't believe it came to the Commission.

PS: I would think that if it had been something that I was handling, if she called me and said "I want to be a guarantor and Puget Sound Energy won't let me" and she met the requirements, I probably would have pushed to allow her to do that, unless that you could find that she's unable to make her own decisions.

LL: We don't mind not having this perceived obligation that we have, but we do deal with a fair number of customers that call in when they end up getting that bill, because somebody hasn't paid. That's a very difficult bill to collect. It makes for an angry customer, in many cases, maybe all cases. Because they blame us, not their grandson or whoever they've guaranteed.

DM: Lynn, does it strike you, following up on Phil's comment, if there's going to be a criteria which Michael indicated from a consumer standpoint, would you be more comfortable having a stated criteria, that it be one that establishes a higher credit standard and that might alleviate this problem?

LL: I don't have a big problem with that. It makes it a lot easier for us. You meet the credit standards, you're a guarantor, and we're going to cut off your lights if you don't pay instead of somebody else that you're guaranteeing.

VE: If PSE could come up with some language that they propose. This was our attempt to define what a satisfactory guarantor was. I agree with Pam, in that objective criteria. Then the company would not have to make decisions about what the individual at the company believes a customer does or doesn't understand.

DM: Why don't we leave this part this way then, that anyone who is interested in participating in this could propose some language that would establish a standard. And, the standard would also be something that the consumers are interested in.

How about sub-part C?

Sub-part 2?

Part 3?

OK: Most of Northwest Natural's comments here were actually targeted towards a restructuring or re-writing of the rule. So if we're not talking about re-writing the rules there, then there's no reason to talk about these comments.

TT: Actually we looked at your restructuring of that and a lot of her restructuring was placement of some of these rules. That seemed to make more sense to us too, so we were going to work with that and try to incorporate some of your suggestions.

OK: So it could show up in the next draft?

TT: So it was just more reorganization that seemed to make sense to us as well. So, if you have questions about that, you might want to look at her comments.

DM: So, this draft does not reflect changes that staff intends to make in that regard, but you anticipate that the next draft will reflect that.

Anything else on this rule?

CR: I have a couple things I would like discuss on the deposit rules if we're going to open it up. The first thing was a suggestion by PacifiCorp if we want to make the payment arrangements for the 50 percent, I think that was in Section 6, we recommend that that be for residential customers only. I'm not sure that we saw a need to make payment arrangements with non-residential customers. And the same would apply to number 7, that was the alternative to the deposit. So for those non-residential customers, if they cannot pay the deposit, I'd really question how the company would want to work with them on that.

TT: We took your suggestions on that into consideration and felt that essentially this rule is for residential customers. I can't remember if it was you or another company that suggested moving the part for deposits for non-residential to a separate section? So we're going to look at that too and maybe make this rule for only residential and clarify that.

CR: On number 10. The mailing out of state. I've said it before, but I've just got to say it again. You've got these regional centers set up for mailing and for us to mail from Vancouver, Washington versus Portland, Oregon, would add more time to our customers in Yakima, Washington. If we were to go across the river and drop off in Vancouver, which we could do, in Vancouver they'd get it on a truck and they'd send it back to Portland and we'd lose a day. It's just nutty. I would rather we not add the additional days for mailing out of state because I'm not sure there any validity for having the 3 days that you guys are coming up with.

VE: Wasn't one of your suggestions to kind of do a regional thing and if it's outside Washington, Oregon, and Idaho? Wasn't that yours?

OK: No, that was Northwest Natural. But just a concept.

TT: Is that a doable alternative?

BF: Does that include Northern California?

TT: No.

BF: Sacramento is part of the same area.

DM: My concept of it is, and I think some of this is coming out of the telecom stuff too. The telecom companies tend to use these regional mailing centers that may be in Kansas or Alaska, or some such thing. It struck me in all the prior discussions that we've had that you all are talking about, that OK, we're based in Portland and so we're mailing out of Portland. And maybe there's a company in Idaho or Montana or one of the other adjacent states. Onita's suggestion of being able to establish a regional criteria for the six days or whatever, and then beyond that there would be no objection, from this industry group I gather, to having an additional three days. Whereas in the telecom industry it might make actual good sense to have the extra days because they're mailing it from the Cayman Islands or wherever.

VE: Washington, Oregon, and Idaho would be acceptable.

CR: That seems reasonable because with these regional centers that you have that's how they operate and there's a big geographic area.

Just for a matter of simplicity, I don't know if you guys want to do it or not, but rather than having the language all throughout the rule as it is with "by 5:00 p.m. of the sixth business day" maybe we could just make it by the seventh business day, or whatever. I've included that in my comments too. But everywhere where you have by 5:00 p.m. of the third business, maybe just say by the fourth business day or whatever that equals out to.

TT: What does that do though?

OK: To me I just thought it was a simpler way of thinking of it. I always think of business days. I don't think of 5:00 p.m. the prior business. It was simplicity. In all our other states we do business in it's business day.

JR: Business day is defined as Monday through Friday 8:00 a.m. to 5:00 p.m.

DM: So in that sense it would be redundant. If you say business day you've already said by 5:00 p.m.

GE: Bruce when you said Northern California was that a joke or were you serious.

BF: We are thinking of, or already have, made arrangements to do some mailings out of

Sacramento. So that was not said in jest.

RW: Nancy Holmes may have some additional information about mailing notices that she may have had comments on, but she is not here.

BF: And as we are looking at mailing centers, we are looking at cost and quality. So, if we were to go to Sacramento instead of Portland, the idea would not be a lower quality of service. It would be based on a bunch of factors that we think would work out best for our customers. So, I was serious about Northern California.

GE: I thought so.

BF: Maybe we should get more information and get back with you after talking with Nancy Holmes.

480-90-071 Discontinuance/Disconnection of Service

BF: I think you've noticed on page 20 that there's a lot of blue ink that comes from us. Just in summary, as we understand the intent and implication of the rule, we would need to lay out an awful lot of money to change our computer systems and other systems for what is really about less than 2% of our customer base. So we just want to make sure that you know that that would be a natural consequence of this rule going into effect. Maybe we could be grand fathered in, I don't know. But we just want to make sure it's clear to this group that this number is not fictitious, this is a real number. We've asked our computer service folks twice and each time the bids came in about the same. So, I just wanted to emphasize that.

DM: The idea may be that the rule could be put in place as suggested in Staff's draft but you would essentially have a waiver, but that on a prospective basis, if you were going to make a change in your accounting system, for various reasons, this would be a part of it. And similarly if there is some other convergence that occurs in the state, then that duly converted company would have advanced so that when it puts its new accounting system into place it would accommodate this?

BF: Something like that, yes. We just don't think this would be in our customer's best interest to put this rule into place now and we'd be willing to do just about anything to delay this as it affects us.

TT: I need some clarification.

BF: I'm talking about combination utilities, "gas service may not be disconnected for any amounts owing for regulated electric services."

TT: You're asking to be grand fathered in. So is that for a temporary time until you can get your system in place to accommodate this?

BF: We're asking that this section be struck in its entirety. Should the Commission Staff feel strongly about having this rule go into effect, I would fall back and try to offer a compromise.

TT: Which is?

BF: It's not written here, but basically to give us a delay, as Judge Moss said, until there is some future trigger that would make us change our system for something else and can have more benefits across customer classes.

TT: Are you saying a delay to be able to change the system? Give you time to change the system to comply?

VE: I think what he is saying is a delay. They won't change any systems until and unless the time comes when they want to change their systems for some other reason. Then they'll incorporate this at the same time.

BF: That compromise was not included in our comments because that was something that we wanted to talk about after we went through the merits of this proposed change.

DM: As I recall the gist of the written comments was to the effect that $5 or $6 million cost would be incurred by the company that would presumably would be passed through to all customers in rates, yet there are only 2% of your customers potentially affected.

JR: Bruce I have a question on the $5 million. Is that to change your accounting system to allocate dollars between gas and electric for every customer? Or just for customers that are going to be disconnected?

BF: To do the latter you have to do the former. To be able to do that for 2% of the customers it has to be a complete programming change across the board.

JR: You couldn't do that by hand, so that whenever you have a customer that you're going to disconnect you can't go back and calculate it by hand?

BF: We could but there's a cost associated with that which we haven't calculated. 2% of our customer base is still....

RW: Let me try to explain how we visualize this affecting a customer. Later in the rule they talk about if a customer makes a partial payment and you were to receive a payment that is not designated as to which service to apply that to. You'd have to record keep on each

service, how much was to have been applied, either at customer discretion, or prorated if they had not decided which service to apply it to. And, in the event that you get down to a disconnect, you'd have to know what those balances were all along. You couldn't not program the system and, at the time of disconnect, go back and try to calculate that.

MK: I support Avista's reasoning on the lack of cost effectiveness on spending that kind of money. But I also am confused about where we ended up. We were trying to establish the link. If I understand the rule was not to cut off both fuels. There would be an option for folks there so they weren't without both gas and electric, instead you have to choose one or the other.

VE: You would disconnect electric right now.

RW: Currently we do disconnect electric. It is more cost effective and more convenient for the customer.

MK: Our point was that the link between electric and gas for furnaces. I'm wondering, did it leave off where you're going to propose some other language of compromise or something else? I wasn't clear, because, if so, we'd still like to work with you to see what we can do about if we can come up with something that can meet both needs.

BF: I think that does make sense. When I said we would do just about anything to avoid spending $5 million here, Renee and I had a little side chat and talked about could we just do what you're suggesting. And Renee nodded her head yes.

MK: There's not going to be many in that category.

RW: So if we identified a low income customer, disconnect their gas rather than their electric? Is that what you're saying?

MK: Yes. I just wanted to be able to talk to you a little more.

??: Or let them choose, I think is what he is talking about.

DM: What do we need to do to the rule in order to accommodate this?

TT: So what you're saying is that this would only affect low income rather than across the board on the customers, everyone who is in a situation.

RW: We haven't been able to identify who exactly is low income throughout our service territory and track that. So this could be a problem.

BF: We could have SNAPs notify us or one of our CARES reps. I think this is workable

under your model.

MK: I think it's doable. But the whole point is that there is the connect between the two fuels in practice. The problem is they'll go without both fuels rather than one unless we can just problem solve that.

TT: I'm kind of concerned about discriminating between low income and everyone else. That no one else has the option to make the determination of which service they want disconnected, but the low income can.

MK: But the legislature has allowed for that discrimination, as you know in it two sessions back, for low income rate discounts, for example, and has seen that as in the public interest.

PS: Is there anyway we could say "if requested" so it would take manual things. If a customer requested that that type of treatment.

VE: If you leave it to the customer to request it, unless they know it's an option, they won't make such a request.

RW: If we were to put notification on say the disconnect notice that indicated that normally your services would be disconnected if you're a combination customer of both gas and electric, your electric would be shut off unless you contact the company and prefer to have you gas disconnected. Again, there will be programing changes needed to track that, because we'd have to have some sort of flag that says "don't disconnect electric, per customer request" that would stop us from doing it. Because the file notice comes out before you're actually in the field. The customer may not be home if we went to the door to ask them. So, there would be a small piece of programming versus a large piece to accommodate something like that.

TT: If it can be done for the low income why can't it be done for everyone?

RW: I agree. If we were to say that that's the viable option here then it would be across the board, that everybody would have the same information on their notice.

BF: The theory would go that that would be cheaper than a $5 million accounting change. But it would still be more expensive to the general customer base than our current practices.

TT: My other question then goes to the rule itself. Maybe this is what you're asking for a waiver of the rule and maybe with this condition. But the rule itself talks about that. The notice has to be issued and the amount for the service, so we're talking about amount for electric service on the electric rule. The gas rule says the amount for the gas service on

the notice that's due, can't be done?

RW: Currently, no, we can't do that.

BF: But it is on our very first bill that they get. It's very clear how many therms they use. How many kilowatt hours they use and what the associated amount is due for both fuels.

TT: But not on the notice.

BF: Exactly

TT: So that's still an issue that can't be complied with. And can't be complied with in the existing rule right now? Right? In the way we have the draft rules set up it says that the amount owing to prevent of disconnection of service has to be on the notice, for electric service. That's to comply with the electric rule. The same with on the gas rule and Avista can't comply with that right now because your system is not set up that way. Isn't that in the existing language now? So you're having trouble with it right now.

BF: To our knowledge, it's not in existing rule.

VE: It's not explicitly and I think it depends on how you look at the rule. If you take the electric rules to apply to the electric side and the gas rules to apply to the gas side of the same company, then it exists now. But it's not as clear as what's in there. What Avista does is they take the gas and electric and put them together and kind of apply both sets of rules to one ballot.

TT: For example, on the gas side, it says "all notices must accurately state amounts owing for services which are subject to disconnection". That's pretty explicit to me.

VE: I think their theory is that they comply with that because you can tell how much you owe, it's just not only for gas or only for electric.

DM: Sounds like this is a problem that may be limited to Avista.

PP: We'd just be a little bit concerned about a rule getting out of hand that says that any customer who is going to be disconnected gets to choose which fuel they get shut off for, especially if they owe us for both. That's certainly one of the things that we were concerned about.

VE: You bill separately already, separate gas and electric.

PP: No, if they haven't paid their bill, then they haven't paid their bill.

MK: Would this be one of those issues that, like you recommended in the past, that a small representative group try to just work out a solution.

PS: We'd always like to look at proposed language. If somebody wants to give us proposed language.

MK: I was thinking of a conference call.

DM: We've certainly identified some problems here and I think these were also identified in the written comments. Perhaps rather than spend more time on this now, I think we've got some of the problems out and one of the problems is that the rule, as drafted, would impose fairly significant costs, as least on one company, yet that same company is interested in working with the concept of establishing a means by which customers who fall into the category that Mr. Karp's constituents have concerns.

BF: Are there any other parties that would like to work on this besides Public Counsel, The Energy Project, and Staff. I don't want to be exclusive.

??: We would.

KK: Top of page 19, 2b. After conducting a thorough investigation the utility determines the customer has vacated the premise, we can disconnect service without notice. What is a thorough investigation? The only thing I can see is having the meter reader, when he's out there, to go peek in the windows, and I don't think that's appropriate. I don't know what kind of investigation we can do. The bill's unpaid, we go out there, it appears to be vacant. There's newspapers stacked up, whatever, that type of thing. I wasn't sure what was met there is all.

TT: Has any correspondence been sent out? If it's a rental, have you tried to contact the landlord to find out?

KK: We wouldn't always know that. Perhaps we've had returned mail, that type of thing. But we don't know.

JM: I think this might originated from us in the last draft. We have situations where this is quite common in the return mail and we've sent out the notices and gone through the whole process. It's real obvious that there aren't people living in the residence. So we wanted a recourse to turn the service off.

MS: On page 23, 6(a)(ii). I believe that the earlier draft was that you can't be disconnected for anything other than basic utility charges. I know that's the case in the telecom side. Is there a reason that this is not embedded in this piece here? I think current language is, what's in there plus "no customer shall be disconnected for amounts owing that are not

related to basic utility charges."

TT: Well we have it that they are not to be disconnected for non-regulated services. That's already stated in this rule.

MS: Where is that?

TT: It should be up front.

PP: Is that just for combination utilities though? We had this discussion earlier in the accounting rules. Are you talking about on page 19 in number 4? Because it only applies to combination utilities then if you put it there. So non-combination utilities would then, by implication, be allowed to do it if you put it there.

MS: I'm not wedded to where it lives, I'm wedded to the concept.

DM: As I understand the suggestion is that the rule as a whole would not allow disconnection except for arrearages owed for basic utility services. If the company sells postage stamps on the side and you owe money for that, that's not a basis for discontinuing service. The way the rule is currently structured, that is in place for combination utilities but not for non-combination utilities. The idea would be to expand that coverage to all utilities.

VE: We'll do that. That was our intent. We'll clarify that.

TT: On the medical emergency we had made a provision there about how many times a customer could request a medical emergency. We were kind of trying to help the companies out a little bit here. I think it was PacifiCorp, expanded that from twice in six months to once in twelve months. That got us a little bit confused. If this is not an issue, maybe this is really a non-issue about abuse on this. Maybe we should just delete that whole thing out or something. Once in twelve months, I guess, is more restrictive.

CR: I think on page 23 our comments are "no more than twice in twelve months" then you've got only twice within 120 days.

CR: I didn't see which restriction you were doing.

TT: If it didn't go for sixty days, I don't think they always have to go for sixty days, do they? They can go up to sixty days?

CR: I think they go as long as the term.

VE: I don't think we have any requirements on it now.

TT: They have to be renewed and they can be renewed as many times as they want.

CR: What you've changed it to is no restrictions. Because if it was every sixty days and you could do two in a 120 days period....

TT: I guess maybe we didn't understand that. I guess I thought that maybe sometimes they were only thirty days, depending on what the doctor said.

480-90-056 Refusal of Service (comb. W/121 Resp. for del. Accts).

CR: Our comments on section two we added the word "residential" and that word should have gone instead of in section two in section three to apply to the prior obligation. That was our intent. We put it in the wrong place. Our position is that if we have prior obligation we think it should be limited to residential customers not non-residential customers.

TT: Is there any other comments towards that?

RW: Not that in particular. But I have a question. The verbiage that has now been put into these draft rules about the utility may not refuse to an applicant who has two or less prior obligations in one calendar year. What happens to the person who has three?

VE: There were several comments about that. On the third prior obligation, we want to make this clear. and apparently we didn't and we need to clarify the language. If you have two prior obligations and then you have a delinquent account and you're disconnected, then the company can withhold service until that amount if paid for the third disconnection, not for the first two.

DM: So there will be some additional rule drafting language to capture that?

VE: Yes. That was our intent.

KK: Just a comment that 480-100-056 reflects the rules about us having individual meters for individual units in a multi-family situation, that type of thing. We need to make sure that those are picked up again in the electric side. Just so we don't copy this straight over.

PP: Under 1c for when a utility may refuse to provide service on page 16. We propose that we drop the "other customers properties from theft or damage" because there are times when you may require a customer to do something that protects their property. For example, you might require them to put in a relief valve or something because of the specific situation and the way they're configured. If the other customers is left in there then they could turn around and say you don't have the ability to tell me to do this because I'm not going to hurt anybody else, it would only hurt myself. So I think by

dropping "other customers" I think that then includes the specific customer.

MS: Public Counsel has put in their comments on this three times and I'm not going to spend any more time arguing our position verbally because I think we've done that. But by not doing that it's not to let you know that I think that what you've done is the right way to go.

TT: Are you speaking specifically to prior obligation?

MS: Yes.

MK: (not clear on tape) I've spoken to Ron Roseman repeatedly who couldn't be here, but this is their major issue. I just want people to understand that just how important this prior obligation rule is to us. Again, to echo Matt's comments, we keep looking for ways to address it. I guess I wanted to say that I'm not sure why you wouldn't try to have the stakeholders get together to work out something on this rather than just leave it at that, because that doesn't feel very satisfying to feel so strongly from a number of parties on an issue and then just let it run its course. It leaves us with the only recourse of the Commission directive rather than trying to see what we can work out with the Staff and the other stakeholders.

DM: I can only comment to that, that the opportunities abound for having input and interaction and if you feel that there is not something that is being understood or new suggestions or ideas that can be brought forward, certainly there is no impediment to you doing that. On the other hand, if it's a situation, and I don't have a full appreciation for all of these situations, but if it's a situation where Staff is saying that this is something that we feel like we have to do and there's no way to address your concern, then it may be that the best opportunity for you is to bring that directly to the Commissioners at the Open Meeting and express that there where the Commissioners can certainly come down one way or the other or say go back and work harder on this.

MK: Since this is a change then it seems to me that the burden is on the Staff to fully demonstrate. (Not clear on tape)... the message is we're willing to work with you still to see if we can talk through this, if you're open to that.

DM: You can certainly take that up with Staff individually outside of this room in whatever fashion appears calculated to make some progress.

480-90-xx6 Customer Proprietary Information

DM: The Northwest Industrial Gas Users had some comments on xx6 and they are being distributed now.

JR: They didn't get reflected in the document. Our main concern is that this does not supercede the Special Contracts Rule. That definitely was not our intent.

VE: There were two comments that were similar and another set of comments that were similar to that and we will add that because it was not our intent.

PP: I'm not entirely sure, and maybe this is something to address in the Special Contracts rule, but I'm not entirely sure why you'd have different information that you would have to disclose on different parties. This is one of those on special contracts that you pretty much know who they are because they pretty much want to be able to flex their political muscles, so they'll show themselves. But it seems peculiar to have a rule that says you can't tell who anybody is unless they're a big customer. It's not that big of a deal to us, but does seem kind of odd to have these conflicting policy directions.

JR: Phil, I did pass your comments on to Fred who is the lead on the special contract rule, so he is aware of this.

BF: We would like some clarification on what the intent of this is is from a detail standpoint. I think Avista Corp. doesn't oppose this new rule, but the question becomes, how far does it reach. Specifically, if information is in the public domain, such as name, address, phone number, that information is something that is in play, as long as it's not associated with usage information. That's our understanding of the rule.

VE: The purpose of this rule was so that customers had more control over their own information and what the company did with it and who it was released to. I believe that includes name, address, and phone number. If it's in the public domain and you get it somewhere else, that's a different story, I guess. But, the idea is that by virtue of our relationship, I'm a customer and you're a company, what should you or should you not be able to do with that information, unless I give you authorization to do so, which I know was your comment and I agree. If the customer has agreed to let you use that information, that's different, because they've made that decision. But, absent making that decision, it should be the customer's control of the information.

BF: Would it make sense for you to go through some of the comments and kind of say where you agree and where you disagree? Just to help clarify with us what we have?

VE: One of the things that I thought that Avista added "unless authorized by the customer" and we're fine with the intent of that. That if a customer authorizes you to use that information then that's fine. They have control. I would also like to point out that we'll probably put some sort of language that they have to affirmatively offer it, it's not a negative option.

BF: That's fair.

VE: Some of the other comments were, "unless such information provided to other providers of such services in a non-discriminatory manner." The intent of the rule is really a privacy and a control concern. It's not, although competitive concerns are always a concern, it's not solely it. So that one we probably would not include.

Cascade made a distinction between regulated and un-regulated service. I thought maybe we could have some discussion about that. My assumption is what Cascade met by that it that is, if you're a customer then I can market any regulated service to you.

JM: I think the intent was that marketing to our own customers for regulated services. Was that included in the rule? Because if you interpreted it that way, it would limit us in that respect.

VE: If we interpreted it.....

JM: They way we wrote the comment.

VE: So you're suggesting that for your own customers you should be able to market regulated services?

JM: Yes, or even new products.

VE: New un-regulated products?

JM: I guess you could go that far.

LL: The language that PSE offered, kind of covers that. That if it's authorized or regulated, you ought to be able to market those services.

DM: As I recall the gist of those comments, from several industry participants, was that the company may come up with a service that's actually very customer friendly and would benefit the customer in some way and that if the company is constrained from using this information at all, that it couldn't even notify it's customers of these newly available services. And that is distinct from non-regulated services or products that the company might offer, that for competitive and other privacy reasons, that would not be authorized for use for that purpose, as I understand the comments.

VE: I have to give it some thought. I'm especially opposed to using the word "un-regulated" so that you could market regulated services. I have to give that some thought but, I read Puget's comments. I didn't understand the difference between authorized and non-authorized. I didn't know what that meant.

LL: Authorized would be anything that would be sanctioned by the Utilities Commission. A

company could be allowed to offer services that are not regulated. So those would be authorized.

VE: What are some examples?

LL: Carbon Monoxide leak detectors. The company offers those for safety purposes, but they're not regulated. But they're authorized. Appliance repair is authorized.

JR: These authorized services, you actually come in and ask if you can sell those and the Commission gives the blessing that you can include those revenues and expenses?

LL: There has been debate in hearing rooms, or maybe clarification as a result of hearings specifically on the company's appliance repair program and carbon monoxide.

VE: I'll give that some thought. I didn't understand what authorized and non-authorized was. We will give that some thought.

LL: If it's allowed by the Commission then we would consider that to be authorized.

HP: I guess one of the points that we wanted to also make, and we were concurring with some of the other comments there, about regulated versus un-regulated. As the rule is written it was interpreted by us to mean we couldn't, for instance, target customers who would benefit, for instance, from our warm home fund and offer them some energy assistance, and that's part of our regulated entity. Likewise, some of our conservation demand site management programs, we couldn't offer those to particular targeted customers to say, here you can take advantage of this. You're basically paying for this in your rates already, take advantage of it. So we wanted to make sure that there was some clarification there.

BF: I wasn't clear about the name, address, and phone number. If you're saying that that is customer proprietary information, maybe in the next draft you should include that so that we don't have this same discussion in the future should this rule be adopted as you propose.

VE: Yes.

MS: Just to let the utilities know that we're starting to get comments about this, the privacy issue in general, given how much attention was paid in the last legislature for privacy matters for other industries. This is something that customers are not very excited about.

LL: Is it specifically targeting electric or gas?

MS: We've gotten a few about the big brother effect of your new meters.

PD: The way I interpreted the rule, or thought where the Commission was coming from, is because of the telecos history of selling lists of their customer information to outside parties. That's why I thought the rule was being put there for that reason. Wasn't it an issue with the telecos? And I didn't understand why it was becoming an issue for other utilities.

VE: It comes from broader than that. That is a problem. But, it's just privacy concerns in general and that customers have control of what companies do with the information that they have.

480-90-072 Payment Arrangements

DM: For Avista at least, this seems to bring us back to the issue of having to do some reprogramming so let's start there.

BF: We would just repeat our concerns and say that we'll talk with Public Counsel, PSE, and the Energy Project and include this part in it.

MS: I'm interested in Staff's reaction to Puget's suggestion under 1 about allocating payment to outstanding balances. Does that seem reasonable? Just to let you know, I think that seems reasonable from where I stand. I'm quite comfortable with paying what's outstanding first and then going forward.

LL: On the first sentence to make it clearer, reading on the second line it starts with "billed" "the gas utility must allow the customer the operation of applying the payment" then insert the words "at the time of payment" then go on with "to the service of their choice." Because to do it after the fact is could be quite burdensome. Because if you go out and leave a notice and then they say "oh no, I wanted my payment here" that kind of thing to avoid the game playing.

VE: That wasn't our intent so we will clarify that.

We put in this draft the option for a customer to choose a one-time six month payment arrangement. And we had quite a few detractors in the comments, but no one has mentioned it today.

MS: Is the intent of (a) to provide some vehicle for when the customer and utility can agree on what an appropriate program under (b) is?. Is that what that's for? So if I'm negotiating with my provider and I want to pay over a 36 month time frame and they want me to pay over a two month time frame and we're both stubborn then we end up with the six month time frame?

VE: Yes, once.

MS: Right. But I was just trying to get a sense of why (a) is in there because there are some comments about why we don't need it at all. I guess I'm willing to talk about whether six months is the right time frame. But it seems to me that if the situation is such that the customer owes you some money and you can't agree on what the right time frame is, you're protected by having some fall back position, be it six months, nine months, two months, whatever it is. Rather than getting into a bunch of arguments and a bunch of complaints before the Commission.

RW: I think for tracking purposes, again, it's going to come down to programing our system to be able to track that follows a customer from address to address, whether or not they've ever been offered this one time payment arrangement. I also think that anytime any customer is scheduled for disconnect, if this was in there in the rule, that basically says the first they're ever scheduled for disconnect, don't ever disconnect them, give them six months, right from the beginning. It's just going to be a lot of tracking and programing that's not currently in place that will cost extra money. I think we've been very willing to work with our customers and have given an extended, probably well and beyond six months in many cases.

MS: How do you track the current payment arrangements.

RW: The current payment arrangements are set up so if the customer has asked for a payment arrangement, we plug in what they request and the system knows that they've broken it or what not. It does not indicate that it is a one time, for that customer, type arrangement that follows them all throughout. There's nothing like that in place. If they move from a new address, you'd have to cross reference something back from another address. Right now we have like six or seven different types of arrangements you can select. But there isn't one that is programed called six-month arrangement. We can current bill plus an amount. But unless you knew that that was one-sixth of the account balance at the time, you wouldn't even be able to track what that option is that we utilized when we're extending customers out there for a year or six months or whatever, currently.

MS: I'm just trying to understand how a six month program under (a) from you reaching a six month agreement under (b) right now. That's all I'm trying to understand.

RW: If it's required that we offer it and it's written as a rule, then currently we don't have any way to track it. And so it's going to cost money to track it.

MS: Just to mark all the ones that these are the part (a) rules.

RW: That's it has been offered once in their life and it goes along with them. I don't have a problem, as a company from Avista's standpoint, ever offering customers a six-month payment arrangement. If it's mandatory prior to ever disconnecting any customer, that's something different. If it's written in the rule the way it is, to me it seems as if you could

never disconnect anybody because they would say "wait a minute" and the minute they said "wait a minute" you'd say well I must offer you this arrangement. Am I correct or am I incorrect in that assumption?

VE: Once.

TT: I think our intent is that you just have to offer it once.

PP: In our comments we asked the question of how many customer complaints are resolved by agreeing to six month payment arrangements. It is like the key to solving most payment issues. That was one of the issues we had talking to our folks. It didn't seem like that was some kind of significant thing that would suggest a reason to provide that as a rule that would alleviate most payment issues. When you all are dealing with customer complaints, does negotiating a six-month payment arrangement, how often does that occur? Is that necessary to resolve the complaint? We ask that in our comments.

VE: We don't have any data about that. This rule exists in teleco right now and we use it a lot in teleco and it seems to work fairly well for customers. That's where it came from. Less our experience in electric and gas that don't have this then with teleco that does.

RW: When would the first payment be due?

TT: Normally when we enter into payment arrangements it's negotiated that day. When the customer says I'm getting paid on this date or I'm getting some money on this date, I'll make that first payment on this date. Then it's monthly after that on that date. It usually coincides with a payday. Or after a payday and then they can get it into the mail and then when the company receives it. Kind of that time frame.

RW: So at the point of disconnect if a customer went a month, didn't pay their bill, the second month we're scheduled for disconnect and they say I'm not able to pay, so then the company is then required to offer a six month payment arrangement. It's possible too that they could say "I don't get paid until the first of next month" we would have to wait a third month for one-sixth of their account balance.

VE: They also have to stay current. They pay whatever is delinquent over six months, plus current.

GC: But if the first payment is not required at the time a payment arrangement is made, at one-sixth, then you could be, as stated, three months down the road and then not due until the due date of the next bill which would be, in essence, 50 days after the payment arrangement was made.

TT: I understand what you're saying. Normally, when I handle these, the first payment is

within days within the call to us. That would be kind of negotiated between the company and the customer at that time.

GC: But if we're going to have the rule there, can we have some clarification as to when that first payment is due?

TT: If we have the rule, we still have the bigger issue of tracking. We certainly can clarify that. But the bigger issue is tracking and I don't know if that's an issue just with Avista, and I understand that, or if it's everybody.

JM: It's an issue with us also.

LL: With us also.

480-90-211 Payment Locations

TT: The main issue, I think in payment locations, is notifying customers of payment agency closures. Puget offered some alternatives of directly notifying the customers to reduce costs and streamline the process. I'm not sure that actually gets to the customer, although those are interesting concepts that I'm looking into. I can understand about individually notifying the customers. I was thinking that maybe there could be like a bill insert or some message on the bill or the notice or something, maybe on the bill that says "for information on updated lists of payment agencies please call...." or something as simple as that.

PP: Sort of in the bill package. Either on the envelope or somewhere on the bill.

TT: Or maybe saying "warning: payment agencies change." Something maybe on the back of the bill. Something that may be not a separate letter. I really have an issue with this.

CR: Were you thinking that this would be something that we just periodically put maybe on a bill message?

TT: Not periodically, because customers use payment agencies off and on. At least have that number there so that they can see that maybe they better call this number to make sure that payment agency is still there. And not realize that their payment is due today or tomorrow or next week and then better make sure it's still there. Kind of give them a heads up to check.

CR: We've discussed this internally and it's a tough one to get at. You don't want a mass mailing because you don't want to encourage people to use payment agencies and drop boxes and payment stations, because it's really expensive. Then we thought you could put a notice to customers who frequent the pay stations and drop boxes. Maybe you

could highlight to them, but that's expensive.

TT: Then there's only customers that use it really periodically and then they trust it as kind of a last resort.

CR: A couple things that we're going to do to improve communication is to work on our signage at the pay station that has closed. There's signage there that says the new location is such and such. We'll make sure that that's big and large and that somebody is going to notice that. Like Puget, we have a website, but I'm not sure that a lot of the folks that use pay stations have a computer.

TT: You can't depend on websites because a lot of people aren't into it or not often enough to know what's going on.

CR: A third thing that we do have is a business guide for all our phone service representatives. They have, right at their fingertips, all the pay stations. We do outbound calling. So that's one thing we could tell customers is the pay station near you is this and it's all up to date. So there's some additional things we were thinking about to get notification out.

DM: In terms of helping Staff move toward some rule language, I saw some nods of affirmation at the suggestion that there be something in the bill packet that goes out. It seemed left open to me whether that would be something done periodically or regularly or triggered by an event. Do we have ideas on when that information might be included as part of the bill package?

JM: We right now publish it quarterly, as far as our updated listing, to our customers in a newsletter. Whenever we have a change we put it on the bill and say this one's closed, this one's opened, so all those affected customers get that on their bill at the time that it happens. I think that's worked well for us.

TT: So putting it on the bill gives enough notice. So the customers are not getting it after the closure. They're getting it prior to the closure.

JM: A lot of times it says effective immediately because that's how they notice us. Just as soon as we know it.

DM: Sounds like for the purposes of paying that bill they'd know. Only to the extent that they are in arrears would it be a problem.

PP: We currently do list our pay stations on our voice response unit. So customers can call in now and go to the menu to get to where all of our current pay stations are. We'd be fine with putting a message on each bill, perhaps on the back, or wherever it fits, continually saying for where our current pay stations are, please call.

TT: Unless there's somebody that's not comfortable with doing this, what do I need to put in the rule to state that. What's more comfortable?

RW: How about something like the utility is required to notify the customer that if they make payments at pay stations that those pay stations may change on a regular basis, or routinely change. Keep the customer abreast of the fact that pay station locations may change.

TT: How about the companies must provide information to the customers about updated payment locations?

VE: One of the rules is on the bills, 101, if you put something in there that says that the utilities have to have some statement about that payment agencies change and here's the number you can call to get the most recent information.

PP: It seems like we all kind of understand. It might be helpful just to wordsmith kind of offline and we can come back together, instead of doing it right now.

TT: I'm not real comfortable about quarterly. I'd like it to be monthly. I just want to make sure it's on the bill.

PP: We could do that.

CR: It seems excessive to have it on the bill every month.

VE: Not that you have to list the pay stations but just to say...

TT: Just a reference number, a phone number maybe of where they can call.

CR: Our bill is full.

??: We have our 800 number on there, our customer service number.

CR: (not clear on tape)...we'll have to look into that.

TT: Could you let me know.

CR: Monthly huh?

TT: Yes.

DM: The current information is always available in some fashion. So the idea is then to communicate that on a regular basis. Monthly basis perhaps that this particular

information is available to you in this way.

480-90-xx4 Reconnecting Service After Disconnection

RW: Our only comment is in reference to what was listed in the deposit rule originally that indicated that the customer must pay 50% of the deposit rather than make arrangements as worded throughout. So I'm assuming that the correction would be here also.

VE: Yes

480-90-106 Billing Requirements and Payment Date

CR: Did Staff have any reaction to our comment with regards to the estimated bills. We recommended four consecutive billing cycles in (ii). I guess that's the one that troubled us more than the (not clear on tape)..

TT: That extended out six months or eight months or something.

CR: We bill monthly.

MS: Would a time frame be more reasonable?

TT: And to say not more than four months?

MS: Because if you change your billing practices then you're estimating out.

DM: So the suggestion is to change it to a number of months as opposed to billing cycles to reflect the fact that different companies have different billing cycles?

TT: We could add four consecutive billing cycles, but not to exceed four months from the last meter read.

CR: Then, as you all know what this gets into is a problem where you can't get access when you need to disconnect a customer. We currently do that, we hate to do that, but send the customer a letter notifying them...(turned tape over)...

VE: PSE made a suggestion instead of being issued in intervals they said scheduled to be issued, that's fine.

JR: Do you guys have a position on Avista's regarding the billing information.

DM: The question concerned the Avista comment regarding the showing of the blocks and the rates and everything. Is that a problem for you?

RW: It's a programming thing again where we'll have to reprogram our system. We've had surveys in the past that we talked about in our comments here that customer's have been asked the question specifically if they think our bill is easy to understand and things like that. And we've had very good, favorable comments back regarding the way they believe that it's important to have it easy to understand and that ours is easy to understand. So, I don't know if the customer's are really needing or wanting this and it would be at an expense to the entire rate base to program the system. That goes along with, not just breaking out the rate, but providing usage history information. We currently provide some, but the stipulation of specific number of days in a billing period for the two years versus an average is what we do. So, changing it to meet the criteria listed the way that the proposed rule indicates, will require programming.

VE: What do you have on there now?

RW: Currently on our bill we have the average daily use and the average daily temperature for this year versus last year.

DM: Do other companies publish this information in a different way? How does PSE do it?

??: We show average temperature and the usage to date as compared from year to the prior year, assuming we have the information to give them.

JR: You guys break it out by block too don't you?

??: As far as on the billing itself, yes, we're now with our new system able to show by proration if there's a prorated amount. If there's been a rate change they have, they probably have more detail right now than they've ever wanted in their life, which is showing how much they've used at one rate and how much they've used at the other.

VE: We get complaints because customers can't calculate their bill. That's really where this came from. Where they want to know how many, for instance, kilowatts they used and what the price per kilowatt was so they can calculate it out.

RW: We send out annually that statement that indicates how to calculate your bill and we can do that at any time a customer called and said they were confused and they can't understand how to calculate it. Our representatives will offer it right then and there. So I don't how it becomes a Commission complaint. We would offer that up right up front for anybody that's having trouble. If you were to require that we do that, we already do that. So to me it would make more sense to require it, as a rule, that any customer that is confused about their bill that we provide them with a breakdown in usage right then and there. Try to explain it over the phone, but then send it again and we send it annually to all of our customers and at the time that any customer opens an account.

GC: On the change of payment date, number 3. It would be very difficult to change a billing cycle as we understand it. Currently we read meters geographically so that we're in the same area all at the same time. So if we had opposite sides of town where somebody on the eastside wanted a bill with the westside, that would increase the utilities costs.

VE: But that's a current requirement.

GC: We can currently give them preferred due dates.

VE: That's what we have is a payment date.

GC: This says an adjustment of the billing cycle.

RW: A cycle is different than a due date.

VE: We can change that. Billing cycle wasn't our intention. It was the payment due date.

480-90-076 Service Responsibility (gas)

JR: Northwest Natural opposes the one day notice. They proposed the following: "A gas utility will minimize the inconvenience to customers when it is necessary to make repairs or changes to its facilities that require the interruption of service. The gas utility must give reasonable notice, both in terms of time and manner, of a scheduled interruption to all potentially affected customers. If a customer is taking service under commercial, industrial, and transportation tariffs, reasonable notice will be given, no less than one week in advance, except in case of emergency, and will be delivered in person, by telephone, or facsimile or may be given by electronic mail if the customer has specified that such notice may be given in that manner."

My initial reaction is that larger customers you are probably going to want to notice in advance anyway because there's such a large load. It would probably be in your best interest to do that. However, I don't know what your reaction is to this language. So if anybody has any reaction to their proposed language, we'd like to get it.

PP: We've had a lot of internal discussions based on Industrial Gas Users comments there and of course we already do give larger customers, where this gas is a really important part of their process, as much advance notice as we can. Because they're going to have to shut their plant down, it becomes quite an issue. It's not like a residential customer going without water, heat during the summer for four hours. Just sort of some concerns about the way that it is structured. Because the way it's set up now on one day, a scheduled interruption then becomes, there's more than just emergency. You rupture a line, that's an emergency. There's other situations that are not emergencies but they are urgent, that you don't have to shut them off right now but we're going to do it in a couple of days.

We've been kicking around, internally, some of those ideas and trying to come up with some different ways of defining those sorts of issues.

JR: I kind of do agree that the current draft language probably should be modified a bit. Because I think notice by newspaper is really not effective for a one day notice. We'll probably modify the language a little bit with considering their proposal. And I can work with you too Phil, and write whatever draft you want to and we'll consider that too.

DM: So it sounds like we'll have some direct follow-up on this.

JR: You'll see that change in the next draft.

PP: I think it's under 6a or 6b. The issue is in the current rule it reads "...when it is necessary for a utility to make repairs or change it's facilities, the utility may, without incurring any liability therefore, suspend service for such periods as may be reasonably necessary." That language is gone and that's a very critically important phrase. I don't know if you intended to drop that without liability language or if that was just lost in the shuffle or maybe it's there and I just missed it. It's in both gas and electric.

GE: (not clear on tape)

BF: There's an issue that has come up since the April 20th comments and that has to do with liability for some of the regional transmission organization structures that are being talked about. I don't think it's appropriate for this group to basically hear about it for the first time and do much about it now. Plus this is probably a Doug Kilpatrick type of issue. I just want to let the group know that we're considering providing some language that I think would be on 076 2c, which would basically be a sentence that would get to some liability issues. Again this is not anything that we'd need to do now, other than I would be remiss if I didn't bring it up because I know we want to explore it, but I don't have language in front of me now. It's my intention to talk with Doug Kilpatrick about this. If he suggests that it's too late to be incorporated here, so be it.

CR: In looking at this letter from Northwest Natural. I think this is a valid point to give a little more notice to industrial customers. I noticed that they've thrown in commercial customers too and that worries me. We have a lot of non-residential customers and call them commercial customers. We wouldn't be prepared to give them this much notice and this personal of a notice. But we would be prepared to do that for industrial customers. I just want to raise that concern.

PP: One other issue, and this was something that maybe this isn't the place, but in PacifiCorp's comments I thought that they mentioned something about the meters, that meters wouldn't be included in that. Our engineering folks have suggested this similar kind of a thing for both gas and electric. There's a difference between, and maybe it's in

another section of the rule....under 2 d?. Those are PacifiCorps comments. We definitely agree with all of those issues on excluding the meters. Because you go out there and do something on a meter for a minute, you shouldn't have to give a weeks notice for that.

MA: We had a question about that. We don't see a real problem of excluding meters. The concern was whether the service person could show up at the residence and do their work without notifying the person they were there and also getting agreement to do that. If we could get some language that would make it clear that that protection existed then we could (not clear on tape).

??: That wouldn't be in a disconnect situation? It would just be in maintenance....(not clear on tape)

MA: It may be that someplace else that this language already exists. But I'm not aware that when a service representative that repair, does the language exist in the rule that that kind of protection that I'm talking about right now. I'm sure you do. I'm sure you go to the door and say, hi we're here. But if the person says no I don't want you to do this. I'm not sure what your response is going to be. If you have given notice previously, then they're aware that you are going to be there. If you haven't, ..(not clear on tape). Most of the time, I think the situation you're talking about is that they request, for example, a meter test. It doesn't make sense for you to have to go and give them several days notice on something that they requested, but you need to ensure that the day you are there, the day you want to do that work that it works.

GC: How would that relate to mandated periodic meter test? We have a certain number of meters that are required to be tested every year. We go out and if we have to notify each one of those customers....typically now they'll go up and knock on the door and say this is what's going to happen. If no one's there, it's simply we have the meter out long enough to do that test and then back in..

MA: That's worth thinking about. I don't know the answer to that. What do you do if you come to the door and say that we're going to do this and they say no that they're in the midst of a business calculation on thier computer and they can't allow you to turn the electricity off at this time.

GC: They would probably be accommodating. But if someone is not there, then having to make sure that we have their permission to do a periodic meter test that's required on our equipment then I'm not sure how.....

MA: We'll give it some thought. That's the concern that we have at the moment. (Not clear on tape).

DM: This sounds like one of these where it might be appropriate for some more one on one

type contact as Staff develops some additional language. As a concept, meters might be excluded from the general requirement for other types of interruptions..

MA: We think generally that's fine.

GE: (not clear on tape)

BF: Is it OK to send information to the Commission concurrently with sending it to customers?

VE: I think he mis-spoke. We're not there yet Bruce. But I will answer Bruce's question and the answer is yes we are agreeable to that. I think that was what everybody was saying. So that was fine.

480-90-161 Complaint Meter Test (combined rule)

TT: The number one issue I think on the Complaint Meter Test rule is the initiating of a meter test and the reporting of the test. The existing rule states that the companies must initiate the test within ten days. We didn't realize that in practical. We always thought in Consumer Affairs it was initiating the report in ten days until Puget pointed that out to us. We'd like a time frame of the reporting, is what we're really trying to get to. We're flexible on that. But, we would like some kind of time frame, both for the company and the consumer to get things resolved. I know that the consumer sometimes can have a hard time with scheduling. So we added 15 days, or something, for reporting, but that still caused some problems. I'd like some feedback on what you feel is an adequate time frame.

PP: One of our concerns was that we're not aware of any complaints that we've had about not initiating and reporting back to customers in a timely manner, under the existing rules. So, we don't understand, at all, why you're proposing to change the rule. I understand that maybe you thought it met something else, but we were pretty clear what it met all along. I guess we're not clear at all why this rule has to be changed. Nothing has happened in the past 30 years that would cause rise for this now not to be a fair, just, and reasonable rule.

DM: It now says 10 days?

PP: It now says, must initiate within 10 days.

TT: There's no requirement for them to report it within a certain time.

DM: And that's what you want to accomplish. What time are you reporting now?

PP: I don't know off the top of my head. When we get the tests back. We have a lot of internal incentives to get this done as quickly and efficiently as possible, because a lot of times a complaint meter test proceeds a disconnect.

TT: Do you feel this is too limiting on your company to have a time requirement?

PP: We think that the existing rule works fine now.

TT: I guess it's because we've always told the customer, incorrectly, I understand that, but we always gave the customer the guideline of "the company is to test and report within 10 days." It gave the customer some information of a time frame that they can expect this to happen. The reason why I guess we never really had a problem ourselves too much with it is because we always gave them that time frame. So now if we were to say they're to test it but we don't know when they're going to report it, there's no requirement. That kind of sets up a bad situation between the customer, the company, and us. I think we'd like to kind of fine tune it a bit to give some expectations out there for the customers.

DM: It seems like the underlying problem, as I look at the written comments is that there's some lack of control when these things go out in terms of getting the information back to reporting. I see PacifiCorp has recommended 20 business days. Cascade has suggested 15 days but then would like to include transit time. Let me just ask whether the 20 days would be adequate?

PP: If you add 20 days without including transit time that may be acceptable. I can bring that back to our folks and talk about it. That's one of the issues that we talked about is if you excluded the transportation time, if there's transportation time associated with it.

DM: There are a couple of different approaches that are possible and I think if you follow up in that way we're probably...(not clear on tape)

TT: For us to tell customers, 20 days without transit time, so then when you add transit time are we talking 30 days? Are we talking 25 days? Are we talking business days? What am I telling that customer? What's the expectation there?

DM: PacifiCorp is telling us 20 business days for all of this. 15 business days exclusive of transportation is what Cascade is saying. Then PSE is really saying that they are not really sure but will get back to staff. It may turn out that 20 days, even including transit time, turns out to be adequate. But you'll get back to Staff with that information.

PP: But our initial thing is that we think the current rule is just fine. Because its worked fine for 30 years. We have another issue. Right now the utilities have the ability to deny additional meter tests. And Staff is proposing to drop that. I assume that was intentional.

TT: It was intentional. Then after I read your comments and I took it back to our AG and said that this is what I had understood that you had told me in the beginning, what the RCW said. Here's Puget's comments. Now advise me. He agreed with you. He said to go ahead and put it back in. It's not conflicting with the statute and we'll just go back and put it back as existing. That's what I'm looking at right now. I maybe misunderstood in the beginning.

PP: I wanted to touch base on the going back only six month thing when a meter hasn't been working properly. We didn't comment that in our comments. But it's not that uncommon of a issue to deal with of how far are you suppose to go back and back-bill customers.

LL: We have, and I'm sure you've all seen it, a memo from the Attorney General's office to the Commission indicating that there's nothing wrong with it that it's the flip side of crediting customers back any period of time. The statute of limitations would limit us to six years on back billings, both debits and credits.

TT: We understood and I think we missed part of it and I think we need to clarify the rule. We clarified that again with our attorney who looked at your comments and pretty much agreed. So we're going to have to clarify that. And I think what our position now is or what we meant to say is if you know of when the meter was not working. Then the payment arrangements should be thus far. But if you don't know and you really haven't a clue when it stopped maybe it should be limited. I think that's where we were really going.

LL: There was a provision in the old rules that if a meter is tested and it was running fast that if you can't determine when the meter started running fast, then you go back six months. I don't remember exactly what it said, but there was a six month provision in the old rule regarding fast meters. So where we were over-billing a customer we would go back six months and prorate as if it progressed uniformly.

VE: I think what we're intending to do in the next draft is, if whether it's running fast or slow, if the company can identify the date or event that caused it to happen, then they have to either refund or charge back to that date. If they can't determine what that date is, then it's limited to six months.

??: No further back than the statute of limitations?

TT: Yes. You mean when the date is known, no further back. But if it's not known, then we limited it. Refunding or billing back to six months.

LL: In other words, if we can show there was a decrease in usage four years ago, we can go back four years then.

TT: Then we had the statute of limitation in there too.

LL: Which is six.

VE: Likewise, if you've over-billed for four years, you have to refund if you can identify when that happened.

LL: Right, we always do. The most difficult situation is a meter mix up or a stop meter and we can go back to when it has stopped measuring.

VE: Right. A stopped meter is pretty easy to identify when that happened.

LL: There's some that do run slow, but mostly they stop.

TT: I'm not sure we're disagreeing. It sounds like we're disagreeing but I don't think we are.

480-90-096 Gas Utility's Responsibility for Complaints and Disputes

VE: As I recall one of them was how we worded "if still dissatisfied" because I think what we wrote was interpreted to mean you have to tell every complainant up front that they have a right to speak to a supervisor and a right to file a complaint at the Commission. That really wasn't the intent. So we'll clarify that so that if they're still dissatisfied you have to give them to a supervisor. And if they're still dissatisfied at that level you have to refer them to the Commission.

LL: Basically the way it was before then, you didn't intend to change it?

VE: No, so we'll clarify it.

480-90/100-091 Access to Premises

JR: The reason why there is silence is that this was actually assigned to one of the engineers, but I can wing it I guess. It kind of touches on some consumer issues.

TT: We're happy to have anything in here. Anything to get closer to something is good and that's fine.

GC: I assume that it's going to say gas/electric and not just gas?

TT: Yes. It's going to refer to both industries individually.

480-90-086 Service Entrance Facilities

No comments.

480-90-081 Service Connections

TT: I think an engineer was handling this.

JR: My initial reaction is that you're correct in your assumption.

OK: Our primary concern was that at one point in time it appeared that Staff was proposing to change where the liability for the utility and the customer are from the point of the meter to something behind the meter. We just want to make sure that that isn't what's going to happen. We have concerns with that.

PP: That was a very important issue for Northwest Industrial Gas Users. We talked with them about those kinds of issues too. That's why it would be nice if the engineers were here because our interpretation was that we're not changing the point of delivery. If they are proposing to change the point of delivery then that's probably a bigger issue.

JR: I think that last sentence there, the service piping and fittings up to the point of delivery. In other words if you have utility owned piping after the meter that that's your responsibility. I think that's what they're saying here. They're still taking the position that if you install piping after the meter, it's your responsibility.

PP: The way that these two sections go together, when you look at number 1 you're saying that the point of delivery is either outlet of the meter or the connection to the customer's piping. I'm trying to think if what that really means is if the customer has piping between our meter and our system. Is that what that defines?

JR: (not clear on tape)

PP: That's what I'm trying to get out of this rule is, what does it say. When it says the point of delivery is either at the outlet of our meter or the connection with the customer's piping, whichever is further downstream. So does that mean that if we have facilities beyond the meter, the point of delivery is now way down at the connection to the wall. I'm not sure what they're trying to get at.

JR: I think that's what they wanted to tell you.

PP: Then we have to maintain our pipes after the meter. If that's what they're saying? That we're required to maintain the pipes we own beyond the meter. If that's what they're saying, then it certainly seems reasonable.

TT: We just want to make sure that that's what they're saying.

JR: We'll maybe tweak this a little to make sure it's clear.

DM: Point to be followed up as clarification.

JR: We would like to publish another draft and then have one more round written comments and then the CR-102 filing before the Commission. After the CR-102 is filed there's still opportunity for comments, but we want to get to the CR-102 stage. I think we are far enough along that we can get there. Currently the internal schedule is to have the CR-102 Open Meeting on September 13th. So I kind of backed into some dates here. There's suppose to be some information sent to us, some working groups getting together. If we could have that done by June 10th then we'll shoot, tentatively to have a next draft out about the middle of July. Would that work do you think? Then comments due around the first week of August. Then our final CR-102 draft would be available on August 20th. That's kind of the time frame I penciled in here, however that's subject to change. We have three rate cases in right now and we're very busy.

LL: Is there going to be enough time between comments and the August 20th?. If we need another workshop, for example on customer notice?

JR: We can always adjust the schedule. Hopefully the new draft that will come out, everyone will be cool with it. We'll just have to see when the next draft comes out. We can adjust the schedule. This is not set in stone.

VE: What would probably also be useful in the written comments is, if you feel like it would be worthwhile to have any kind of meeting on specific issues, that you put that in your written comments so we know.

MS: I wondering how all the people that are in the various working groups are going to get things set up in the next two weeks and then get back to you by the 10th. Since I guess Bruce is going to probably be filing rebuttal at the end of next week and these guys are going to be in for a cross at the beginning of the week after that. You might want to think about another week there.

JR: The whole schedule is pretty tight and I was trying to fit it within the middle of September, but it looks like we might need to slide the whole schedule then.

MS: Maybe it's possible that everyone will get together in small groups and it will work out but it may also be the case that they may need to talk more than once.

DM: Those types of meetings, as I envisioned them, would be an hour here and an hour there type of thing as opposed to this sort of concentrated effort. I would recommend that these informal groups should be just that. You all should get together to coordinate time and schedule. I think its better to establish an ambitious date and then have to let that slip

rather being a little too generous and then maybe letting things slip anyhow.

MS: And that's fine but just so you know that's the environment.

PP: Is the Staff then going to facilitate those discussions to make sure that they get rolling?

JR: How do you guys want to handle the discussions on the consumer rules that you want between the parties?

VE: Staff will get together.

DM: (turned tape over) there were some engineering issues.

JR: I'll talk to Doug and initially say that we'll do it the same way on the metering stuff, subject to Doug's approval.

MK: One other issue on the winter moratorium. There seemed to be quite a few comments on it. I know we had comments there.

VE: A lot of that language came out of the statute.

MK: (very unclear on tape) But in practice when the statute was written there was $2.4 billion totally and there's less than a billion now and program support changes. And the community organizations that are in charge of doing it don't have the resources to do it. It just doesn't match the same way to have it show up in these rules I think and I think it warrants talking about the roles and responsibilities when that's not the case, where they're not able to perform those functions.

DM: You could be a good resource for Staff on those points. There's some tactical difficulties crafting that language to reflect the realities of the world.