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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Carole Washburn  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Dockets 990294 and 990473 Gas and Electric Companies Rulemaking Regarding Refusal of Service/Prior Obligation

Dear Ms. Washburn,

Once again, the Energy Project appreciates the opportunity to comment on the proposed rulemaking regarding a change in the "prior obligation" rule. We just reiterate that we believe the cost of this change is disproportionate with the benefit it will provide to other ratepayers or to the utilities themselves. As stated previously, we believe this policy shift is more likely to result in increased disconnects of customers who have no resources, than it will catch customers who are truly abusing the rule (i.e., using it to dodge paying their utility bill). We believe the difference of intent is significant under normal circumstances, but even more so given the rising costs of utility service.

Should the Commission decide to approve some version of the modifications being suggested which limit a customers access to protection by this rule, we strongly encourage you to include some additional considerations. While this is not a pilot like other programs recently accepted, this rule change should have a sunset at which it is to be re-evaluated based on additional information gathered during the period it is being implemented. The utilities should be directed to document their activities to demonstrate that there has been a reasonable benefit to rate payers from the changed policy. Some information that will be useful to evaluate the success of the program are:

§ the level of disconnects and reconnects compared to the current policy;

§ better data showing the number of repeated instances invoking the rule by the same household (HH);

§ the reduction in the cost and number of warning notices sent to alleged abusive customers that can be reasonably attributed to the policy change;

§ the reduction in the cost of collection, bad debt, and/or write-offs, or other related costs to the utility that can be reasonably attributed to the policy change;

§ more specific arrearage information, such as the number of HH in arrears, by vintage (e.g., 30-60 days, 60-90 days, more than 90), compared to current, and the average amount in arrears per HH.

§ the nature and variety of payment plans offered by the utility, and the number of attempts to set up payment programs with each disconnected customer;

§ the number of customers who are put on payment plans each year, the number who default, the reasons for which they default, and the recourse left when they default;

§ the number of referrals of discontented, disconnected customers to the UTC complaint process or for arbitration.

Disconnection is the hammer in the utility's tool kit. We don't believe it is a particularly effective one and recommend that the Commission direct the utilities to investigate other tools that might be more effective with the variety of payment-troubled customers they serve. We contend that low-income households are like any others in that they want to be responsible for their bills; they just have far less means to do so. Adding disconnect and reconnect charges make a high hurdle still higher. They not only take away funds that the customers might use to pay the bill, but some part of their cost is also borne by other rate payers. It is in the best interest of the utility and its rate payers to offer payment plans and programs which work with a customer's ability to pay and encourage regular payment. Thank you for your careful consideration of this issue.

Respectfully,

Chuck Eberdt  
The Energy Project

Chuck Eberdt  
The Energy Project  
314 E. Holly St.  
Bellingham, WA 98225  
360-734-5121 x332  
360-671-0541 fax  
chuck\_eberdt@oppco.org