

Graciela Etchart
01/31/2001

UE-990473

10:59:37 AM

Re: Proposed WAC 480-100-148/current 076 Service responsibilities - Controversy with PSE.

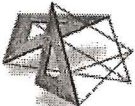


Bob Cedarbaum
01/31/01 07:42 AM

To: Doug Kilpatrick/WUTC@WUTC
cc: Dennis Moss/WUTC@WUTC, Graciela Etchart/WUTC@WUTC, Jim Russell/WUTC@WUTC
Subject: Re: Proposed WAC 480-100-148/current 076 Service responsibilities - Controversy with PSE.

My comments in blue.

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Doug Kilpatrick



Doug Kilpatrick
01/30/01 12:41 PM

To: Graciela Etchart/WUTC@WUTC
cc: Bob Cedarbaum/WUTC@WUTC, Dennis Moss/WUTC@WUTC, Jim Russell/WUTC@WUTC
Subject: Re: Proposed WAC 480-100-148/current 076 Service responsibilities - Controversy with PSE.

See my comments in Red below:

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Graciela Etchart



Graciela Etchart
01/30/2001 09:41 AM

To: Bob Cedarbaum/WUTC@WUTC, Dennis Moss/WUTC@WUTC, Doug Kilpatrick/WUTC@WUTC
cc: Jim Russell/WUTC@WUTC
Subject: Proposed WAC 480-100-148/current 076 Service responsibilities - Controversy with PSE.

PSE is the only stakeholder that has problems with this rule. In my opinion, they have softened their position quite a bit from the last round of comments.

Given that we now have to answer to their comments, I would like to have a kind of discussion group about this controversy. I would like to have the opinion of all of you about each of the concerns raised by Puget. The disagreement is limited to certain paragraphs. I will accept your advice and suggestions for the final draft.

*log i. file per
WUTC
RMS
Graciela*

I hope to make the discussion easier to all by organizing the information by paragraph in dispute, as follow:

1. proposed language,
2. PSE's comments,
3. current language (=old rule, PSE refers to it quite a bit), and
4. my thoughts, if any. I have reviewed each draft of the rule to find out the when and why of the changes that were incorporated.

(1) Subsection (2)(a):

Proposed language

Each electric utility:

(a) Must install and maintain equipment within its system that may be necessary to operate the electric system. The commission may require the utility to provide additional equipment in connection with performing special investigations, if economically feasible;

PSE's comments:

The Proposed Revisions would require an electric utility to “**install and maintain equipment within its system that may be necessary to operate the electric system.**” The Proposed Revisions do not define the phrase “necessary to operate the electric system.” Because this term is not defined, the exact limits of this obligation are unclear. PSE recommends that the Commission reject this portion of the Proposed Revisions and retain the language currently contained in WAC 480-100-076 regarding an electric utility's responsibilities for the installation and maintenance of equipment.

Current language:

... each utility **shall install and maintain at appropriate locations within its system such equipment as may be necessary to determine the operating characteristics of the system.** Additional equipment may be required by the commission in connection with performing special investigations if economically feasible.

My thoughts:

I cannot see a substantial difference between the proposed and the current languages. I have not problem going back to the old version, but I cannot understand what is their problem either. What am I missing?

Doug's comment: It appears to me that the change in language has modified the utility's responsibility from monitoring (determine the operating characteristics of the electric system) to actively controlling (operate the electric system). PSE is apparently concerned that they don't know how we want them to operate the system. I don't remember where this change came from. I suggest we go back to the original language unless we have a trail that leads us back to a decision to make this change.

Bob's comments: I agree with Doug as to the impact of the proposed language. I.e., going from monitoring to actual operation. If Staff's intent was to make that change, then the proposed language should be kept. If Staff's intent was to maintain the current meaning of the rule, then

the proposed language should be tossed, and the current language retained. I expect Staff is in the latter position, but this is a policy call if you meant the former.

(2) Subsection (2)(b):

Proposed language:

Each electric utility: ...

(b) Must promptly notify all affected customers of a change to the service that would affect the efficiency of operation or the adjustment of the customer's equipment. If an adjustment to the customer's equipment is necessary, the cost may be recovered in accordance with the utility's tariff, except that, when the customer has been notified of a change in service prior to receiving service or when such change is required by law, the customer must bear all costs in connection with making changes to the customer's own equipment.

PSE's comments:

This section of the Proposed Revisions would require electric utilities to notify "all affected customers of a change to the service that would affect the efficiency of operation or the adjustment of the customer's equipment." PSE notes that this portion of the Proposed Revisions differs from the existing WAC 480-100-076 in that the word "substantial" has been removed from in front of the word "change" in this portion of the Code. The reasoning behind this change is unclear. In that regard, it would be difficult to imagine a time when an electric utility would not be making changes – usually minute and momentary – to a customer's service that would affect the efficiency of operation. Such changes are inherent in the operation of an integrated electric distribution system. To require an electric utility to inform a customer of each such change would be unduly burdensome to the utility and an unwelcome and annoying imposition on the customer. PSE recommends that the Commission retain the requirement that electric utilities inform customers of a change in service that would affect the efficiency of operation or require an adjustment to the customer's equipment only when such changes are "substantial."

Current language:

In case any **substantial** change is made by the utility in the character of service rendered, which change would affect the efficiency of operation or the adjustment of the equipment of customers, all customers liable to be affected shall be promptly notified by the utility and, where adjustments of such equipment need to be made to permit use under such changed conditions, such adjustments shall be made, and the cost thereof shall be equitably adjusted between the utility and the customer; except, that when the customer has been advised of such contemplated change prior to his taking service or when such change shall be required by law, the customer shall bear all cost in connection with making changes in his own equipment.

My thoughts:

I have gone through all previous drafts and I do not know why the word substantial was deleted. It must have been an involuntary mistake. I have no problem adding the word **substantial** back. Comments?

Doug's comments: I agree. Although I find it interesting that PSE, who's comment above is that

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they don't know what we mean when we ask them to "operate the electric system", has no problem with the vague concept of "substantial".

Bob's comments: the word "substantial" is a key element of the current rule. While that standard gives the company some discretion in applying the rule, I assume that staff meant to retain the standard, so "substantial" should be reinserted. Any abuse of company discretion is always subject to Commission enforcement action.

(3) Subsection (2)(c):

Proposed language:

Each electric utility: ...

(c) Must maintain its plant in such a condition that will enable it to furnish safe, adequate, and efficient service and meet applicable state and federal standards.

PSE's comments:

This section of the Proposed Revisions would require electric utilities to maintain their plant in such a condition "that will enable it to furnish safe, adequate, and efficient service and meet all applicable state and federal standards." PSE objects to this provision to the extent that it suggests that (as yet unidentified) "applicable state and federal standards" impose requirements in addition to, and distinct from, the provision of "safe, adequate and efficient service." PSE recommends that the Commission **remove the phrase "and meet all applicable state and federal standards"** from the final rule.

Current language:

Maintenance - each utility shall maintain its plant and system in such condition as will enable it to furnish adequate service.

My thoughts:

The expression meet all applicable state and federal standards was incorporated to make it parallel to the gas rule. It may be more appropriate to say industry standards, simply, delete the sentence. Comments?

Doug's comments: Again I do not recall the conversations surrounding the inclusion of these words. We could either remove the language or modify it further to state that we want them to meet all state and federal standards that relate to safety and efficiency of service. I assume the gas rule doesn't specify which standards we mean either.

Bob's comments: I continue to be perplexed why PSE contests a rule that only states that a company must do what it already is required to do. Here, statute requires safe, adequate and efficient service. Other statutes or rules, I assume, also establish other state and federal requirements. Your proposed language just emphasizes those other requirements. Perhaps the only problem with the proposed language is enforcement if a company violates, say, some rule from L&I. Can the Commission penalize the company for that violation just because our rule says the company must comply with other state rules. I suspect we could not, so I suggest we remove the language since it doesn't really add anything (of course, the same could be said for the entire rule-- it isn't really necessary since safe, adequate and efficient service is required by

statute). Or, Doug's suggestion to refer to safety rules may be good compromise.

(4) Subsection (2)(d) First paragraph:

Proposed language:

Each electric utility: ...

(d) Must make all reasonable efforts to avoid interruptions of service and, when such interruptions occur, must endeavor to reestablish service with the shortest possible delay. Interruptions as used in this subsection do not refer to the discontinuance of service to those customers receiving service under an interruptible service schedule.

PSE's comments:

This section of the Proposed Revisions would require an electric utility to "make all reasonable efforts to avoid interruptions of service, and, when such interruptions occur, must endeavor to reestablish service with the shortest possible delay." PSE is concerned that this language may interfere with utilities' ability to take sequential, cost-effective steps to address localized service issues. **PSE recommends the Commission retain the standard from the current WAC 480-100-076 that utilities "shall endeavor to avoid interruptions of service . . ."** Moreover, the term "shortest possible delay" is also unclear and is over-broad to the extent that it suggests that speed is the sole factor to be considered in reestablishing service. **PSE recommends that the Commission retain the standard from the current WAC 480-100-076 that utilities reestablish service with a "minimum" of delay.**

Current language:

Interruptions of service - each utility shall endeavor to avoid interruptions of service, and, when such interruptions occur, to reestablish service with a minimum of delay.

My thoughts:

We have discussed the "make all reasonable efforts" versus "endeavors" before. In my opinion, we should keep the "make all reasonable efforts" for the reasons we discussed in full before. I cannot see why the company prefers "minimum" delay to "shortest possible delay." Isn't the shortest possible also the minimum? I may be missing something here too.

Doug's comment: I agree with you on this one. All reasonable efforts is the language we should stick with for exactly the reasons we've discussed before. Simply endeavoring may not include other reasonable efforts that the company should be making. I also agree with you on shortest possible being the same thing as minimum.

Bob's comments: each of PSE's suggestions is intended to lower the bar from the proposed language. That's a policy call on staff's part, but I would think you have the upper hand on these issues.

(5) Subsection (2)(d) Second paragraph:

Proposed language:

When it is necessary for an electric utility to make repairs to or to change its facilities other than meters, the utility may, without incurring any liability, suspend service for such periods as may

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be reasonably necessary and in such a manner as to minimize the inconvenience to customers. The utility must individually notify police and fire departments affected by such a suspension. All customers affected by a scheduled interruption associated with facilities other than meters, will be given notification through newspapers, radio announcements, or other means at least one day in advance.

PSE's comments:

PSE recommends that the Commission retain language similar to the current WAC 480-100-076 that states **that interruptions to service necessary in conjunction with modifications or repairs shall be during working hours when practicable.** Retaining such language would balance the benefits of minimizing inconvenience to customers against the additional cost to them of paying for work performed outside of normal working hours.

Current language:

When it is necessary for a utility to make repairs to or change its facilities the utility may, without incurring any liability therefor, interrupt service for such periods as may be reasonably necessary, and in such manner as to minimize the inconvenience to customers, **provided that, when practicable, such interruption shall be during working hours regularly maintained by the utility.** Police and fire departments affected by the interruption shall be individually notified. All customers affected by a scheduled interruption shall be given notification, through newspapers, radio announcements or other means, at least one day in advance.

My thoughts:

The reference to "during working hours" was dropped in the first pre-draft by whoever did it, not sure who. I think the company has a good point, given that we are talking of scheduled interruptions for repairs and maintenance. I have no problem adding "**provided that, when practicable, such interruption will be during working hours regularly maintained by the utility**" back. Comments?

Doug's comment: Again I agree with you. Scheduled interruptions should for the most part be those that they plan to accomplish during their normal workday hours.

Bob's comments: seems reasonable to me.

Thank you!