



SERVICE DATE

MAY 20 1999

STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 753-6423 • TTY (360) 586-8203

May 19, 1999

**NOTICE OF WORKSHOP
(June 3, 1999)**

RELEASE OF RULE MAKING DISCUSSION PAPER

Re: In the Rule Making Proceeding on Chapters 480-90 and 480-100 WAC --Rules
Related to Electricity and Natural Gas Companies
Docket Nos. UE-990473 and UG-990294

TO ALL INTERESTED PERSONS:

These rule making inquiries examine the Commission's rules relating to regulated electricity and natural gas companies. The Commission will review the rules for content and readability pursuant to Executive Order 97-02. The review will consider:

- Need;
- Effectiveness and Efficiency;
- Clarity;
- Intent and statutory authority;
- Coordination;
- Cost and fairness.

The review also will consider whether substantive changes or additions are appropriate for electricity and natural gas regulation, including, but not limited to, the following subjects:

- consumer protection and information;
- accounting, finance, and least cost planning;
- electricity and natural gas safety, metering, and standards.

Our ultimate objective is to propose rules that:

1. are clearly written, in plain English;
2. are understandable by all audiences;
3. are presented in a comprehensive, well organized, and informative document;
4. clearly state policies and procedures – including memorializing those currently in effect;
5. facilitate voluntary compliance with the rules; and
6. clearly define the rights and responsibilities of consumers receiving service from regulated electricity and natural gas companies.



To achieve these objectives the team will need input and advice from a wide range of interested persons -- public involvement is extremely important to the Commission. Stakeholders, including members of the regulated electricity and natural gas industry, consumers, and other interested persons are encouraged to participate in all aspects of this rule making. Opportunities to participate include filing written comments and attending workshops.

WORKSHOP

NOTICE IS GIVEN That a workshop in these rule making proceedings has been scheduled for 9:30 a.m., Thursday, June 3, 1999. The first attachment to this letter is an Agenda for the June 3rd workshop. The workshop will be organized into several sessions so that persons interested only in certain topics may attend for part of the day.

DISCUSSION PAPER

Commission Staff has released the attached Discussion Paper addressing rules regulating the electricity and natural gas industries under review in these rule making proceedings. No rule drafting will begin until stakeholders have had an opportunity to express their views. The team believes that effective communication will best take place in an atmosphere of information sharing. Consistent with that belief, the Commission's rule making teams have drafted this discussion paper and is distributing it to stakeholders before the initial workshop.

The discussion paper presents a series of issues by general topic, by rule. The topics were identified by review of comments received from stakeholders and from the collective experience of Commission Staff working with the rules on a daily basis.

The discussion paper is intended as a tool:

- to notify stakeholders of the topics;
- to allow stakeholders to offer additional comments; and
- to stimulate and focus discussion at the first workshop.

We recognize that the discussion paper is a lengthy document, but please review it carefully and provide comments on its content, either in writing or at the workshop. The rule making team will analyze comments received and use them to inform and guide us during the remainder of the rule making process.

You may submit comments through any of the methods listed below:

- (1) In writing, by mailing comments to: Secretary, Washington Utilities and Transportation Commission, P O Box 47250, 1300 S Evergreen Park Drive SW, Olympia, WA, 98504-7250; Attention: Docket Nos. UE- 990473, UG-990294.
- (2) In person, by attending the workshop scheduled for June 3, 1999, Room 206, 1300 S Evergreen Park Drive SW, Olympia, Washington. [If you need directions to the Commission, please call 360-664-1160.]
- (3) By fax to 360-586-1150; Attention: Docket Nos. UE-990473, UG-990294.
- (4) By e-mail to: <records@wutc.wa.gov>; Attention: Docket Nos. UE- 990473, UG-990294.

NOTICE

TO CONTINUE RECEIVING NOTICES AND INFORMATION ABOUT THESE

RULEMAKINGS -- The Commission wants to ensure its mailings are sent to persons who are interested in these topics and want to receive that information. ANY PERSON WHO COMMENTS will continue to receive notices and information. If you do not submit comments but wish to remain on the mailing list for either or both of these rulemakings, please advise the Records Center by any one of the following methods: (1) send a note with your name, address (or a copy of your mailing label), and telephone and fax numbers referencing Docket No. UE-990473 and/or Docket No. UG-990294, and the words "Please keep me on the mailing list"; or (2) E-mail your name, address, telephone and fax numbers, referencing Docket No. UE-990473 and/or UG-990294, and the words "Please keep me on the mailing list" to records@wutc.wa.gov. Please note that all information in the mailings will be accessible through the Commission's Internet web site at <<http://www.wutc.wa.gov/>>. **THOSE PARTIES WHO DO NOT RESPOND MAY NOT RECEIVE FURTHER MAILINGS ON THE RULEMAKINGS.**

Also, please feel free to refer questions to the rule making team leaders:

Jim Russell/Natural Gas, at 360-664-1318, or by e-mail at <jrussell@wutc.wa.gov>; and
Graciela Etchart/Electric, at 360-664-1310, or by e-mail at <getchart@wutc.wa.gov>.

Thank you for your participation in this important process. Your ideas and comments will help us meet our goal of improving these rules.

Sincerely,



Carole J. Washburn
Secretary

Attachments

Agenda

Electricity and Natural Gas Rules Review Workshop

(Docket Nos. UE-990473 and UG-990294)

June 3, 1999

9:30 a.m. - 4:30 p.m.

Washington Utilities and Transportation Commission -- Room 206

1300 S Evergreen Park Drive SW

Olympia, Washington

- | | |
|---|-------------------------|
| 1. Introduction, ground rules, and questions:
Jeffrey Showman, facilitator | 9:30 a.m. - 9:45 a.m. |
| 2. General provisions and possible new rules - Group discussion | 9:45 a.m. - 10:30 a.m. |
| Break | 10:30 a.m. - 10:45 a.m. |
| 3. Concurrent break-out discussions: | |
| A. Electric/Gas Safety; Metering; Engineering Standards | 10:45 a.m. - 12:00 p.m. |
| B. Accounting; Finance; Least Cost Planning | 10:45 a.m. - 12:00 p.m. |
| Lunch (on your own) | 12:00 p.m. - 1:30 p.m. |
| 4. Consumer Protection and Information | 1:30 p.m. - 3:00 p.m. |
| Break | 3:00 p.m. - 3:15 p.m. |
| 5. Consumer Issues (continued -- if necessary) | 3:15 p.m. - 4:15 p.m. |
| 6. Wrap-up and next steps at the end of each session | 4:15 p.m. |

POSSIBLE NEW RULES (General):

(Discuss During 2nd Agenda Item; 9:45-10:30a.m.)

Alternative Forms of Regulation

- Should a rule on Alternative forms of regulation be adopted? (Avista)
- Do we need a rule since it's the Commission's General policy to consider alternative forms of regulation? (Staff)

New Energy Environment

- Should rules 480-90-026/041/061/096 (or others) be modified to suit today's energy environment? If so how? (Cost Management Service/Staff)

CONSUMER PROTECTION & INFORMATION RULES:

(1:30-4:30 p.m.)

WAC 480-90/100-041 Information to Consumers

- What information should companies be required to provide to consumers? (NWIGU/Staff)

General Issues Regarding Customer Notice:

- To what extent are the Commission's customer notice requirements clearly understood by you (i.e., what method of notice is appropriate, when notice is required, the content and time line requirements, etc.)? (Staff)
- What steps should we consider to make these requirements more clearly understood? (Staff)
- What areas of our current practice do you think are effective and appropriate. (Staff)
- What areas of current practice would you like us to consider changing? (Staff)

WAC 480-90/100-046 Application for Service

- Should the rule define what information customers are required to provide to the company when applying for service? (Staff)
- Is it considered misuse of service when a customer uses service prior to making application for service? (Staff)

WAC 480-90/100-051 Establishment of Credit

- Should regulated companies be required to provide payment records within a specified time frame to customers who wish to establish credit with another utility company? [051(1)(b)] (Staff)
- Should the companies be allowed to determine if a deposit is required based on a credit scoring system? [051(3)] (Avista)
- Should Section 8, Alternative to Deposit, be deleted? [051(8)] (Avista)
- Should employment history be used for credit criteria? [051(1)(c)] (PSE)
- Should companies be allowed to require proof of positive identification? (NWN)
- Should a customer be allowed to pick up a deposit at the local business office? [051(10)(c)] (Avista)
- Should the amount of deposit be increased by 1/12th of the estimated annual billing? [051(4)] (PSE)

WAC 480-90/100-056 Refusal of Service

- Should companies be required to provide service to a customer who has an unpaid bill with the company? (PSE/NWN/Avista/PP&L/Cascade/Staff)
- Should the “prior obligation” rules apply only to residential service? (PP&L)
- Should a company be allowed to refuse service to a customer who committed two or more offenses of theft of service or fraudulently obtaining service? (NWN)

WAC 480-90/100-071 Discontinuance of Service

- Should gas companies be allowed to disconnect service without notice for vacation of premises or tampering with the utility property? [071(1)(f) and (2)] (Cascade/Staff)
- Should companies whose bills and/or notices originate from outside the state be required to allow additional time for payment? [071(1)(a); (2)(a)(i) and (2)(a)(ii)] (Staff)
- Should additional medical facilities, such as assisted-living facilities be included as facilities that require additional notice? [071(2)(f)] (Staff)
- Are the rules requiring specific information in support of a medical emergency in conflict with any confidential or privacy issues? [071(2)(h)(i)] (Staff)
- Should companies be required to connect or restore service (or disconnect service at the customer’s request) within a specific time frame? (Staff)
- Should WAC 480-100-071(1c), discontinuing service for increased use of electric service, be deleted? (Avista)
- Should customers who have defaulted on medical emergency payment arrangements be allowed to declare a subsequent medical emergency in order to be restored or to avoid disconnect? [071(2)(b)(ii)] (Cascade)

WAC 480-90/100-072 Payment Arrangements and Responsibilities

- Should the company be required to offer a one-time six-month payment arrangement prior to disconnecting service for non-payment? (Staff)
- How should companies who offer both gas and electric service allocate partial payments to customer’s accounts? (Staff)
- If a customer is delinquent on one service (e.g., gas), should the company be allowed to disconnect another service (e.g., electric)? (Staff)
- Should a customer be allowed the same length of time to pay back a delayed bill as it took the company to generate the bill? (Staff)
- Should 480-90/100-072(3) and (4) be revised, or perhaps deleted, along with all references to the winter moratorium? (Cascade/NWN)

WAC 480-90-081 Service Connections

- What is the "point of delivery" that delineates the responsibility of the customer and the gas

company to furnish, install and maintain the piping and fittings. Is it at the meter, the entrance to the building, or some other point? (Staff)

- Assuming that outside piping and fittings are beyond the point of delivery, ie. pipes to a second building on same meter, should the utility be required or allowed, for a charge, to maintain the outside piping and fittings? (Staff)

WAC 480-90-086; WAC 480-100-081; WAC 480-90/100-091 Service Entrance, Service Entrance Facilities, and Access to Premises

- Should language be included to require companies to restore private property to its original condition? (Staff)

WAC 480-90/100-096 Complaints and Disputes

- Should the term "complaint" be defined for the purposes of this rule? (Avista)
- Should a process be defined, including time frames, for a company to respond to and resolve consumer complaints received by the company by telephone, letters and/or electronic mail? (Staff)
- Should companies be required to provide interim updates during a commission complaint within a specific time frame? (Staff)

WAC 480-90-106; WAC 480-100-101 Form of Bills

- Should more or less detailed information be required on customer bills (e.g., units of measurement, cost per unit, tax percentages and amounts, mid-cycle billing rate changes)? (Cascade/Staff)
- Should the number of consecutive estimated meter reading billings be limited? (Staff)
- Should the rules continue to require that "bills for utility service shall be issued at intervals not to exceed two months"? (Cascade/PSE)

WAC 480-90-116; WAC 480-100-111 Refunds for Inaccurate Metering

- Should the six month refund limitation be revised? (Staff)
- Should the rule be expanded to address causes of inaccurate bills other than fast metering (e.g., slow or stopped meter, over-billing and under-billing)? (Avista/Cascade)

WAC 480-90/100-161/171 Complaint Meter Tests

- Should the commission require companies to perform meter tests if such a test was performed prior to a complaint filed with the commission? (Staff)

ACCOUNTING AND LEAST COST PLANNING (LCP)

RULES:

(10:45-12:00 noon)

WAC 480-100/90-031 Accounting

- Can the rule be organized better by splitting it into two rules, one on accounting systems, the other on reporting requirements? (Staff)
- The rule prescribes use of the FERC Uniform System of Accounts. Does this imply the rule automatically adopts changes made by FERC to the Uniform System of Accounts (USofA)? (Staff)
- Is section (4) (electric rule) concerning variance from FERC accounts, necessary? (PSE)
- Does section (4) refer to departures from the FERC USofA and the need for a commission order to do so? (Staff)
- Should this Commission's deviations from FERC USofA be incorporated into rules (i.e. AFUDC, tax normalization, etc.)? (Staff)
- Must the rule refine or adopt FERC definitions of large and small utilities? (Staff)
- Should the rule define "results of operations" as used in the rule? (Staff)
- The FERC Annual reports are prescribed. Should additional data not specified in the FERC form be required? (Staff)
- How are "acceptable allocation methods" determined? Must a utility submit its allocation method as a part of an annual report? (Staff)
- Is the "Commission Basis" report necessary on a semi-annual basis? What type of adjustments to the "Commission Basis" report are required? If filed only once per year, which annual time period is best? (PSE, Avista, Staff)
- Can the reporting requirements of the state commission and federal agencies be coordinated for content and timing? (PSE)
- Is the report of monthly actual results necessary and useful? Should quarterly reporting be adopted? Can this report be eliminated entirely? (PSE, Avista, Staff)
- To obtain other data must the Commission formally order the utilities to submit a report or is a Secretary's letter sufficient? (Staff)
- Is the clause on annual budgets properly placed in this rule? Is it necessary? (PSE, Avista, Staff)

WAC 480-90/100-032 Accounting - Political Info. & Political Education Activities

- Should other "normally" disallowed costs be specifically identified in rule (i.e. charitable contributions or other Commission ordered costs) as not allowable for ratemaking purposes? (Staff)

WAC 480-90/100-043 Advertising

- Should rule be revised to specifically allow recovery of advertising costs which create ratepayer benefits which exceed the cost if the utility can demonstrate such benefits? (Cascade)

WAC 480-90/100-181/211 Filing of Records and Reports and the Preservation of Records

- Is the NARUC publication Regulations to Govern the Preservation of Records of Gas, Electric, and Water Companies the appropriate guide for the preservation of records or is there a more appropriate FERC guide? (Staff)

WAC 480-90/100-191/251 Least Cost Planning

- Should these particular rules be examined in a proceeding separate from the remaining portions of Chapters 480-90 and 480-100? (PSE)
- Should these rules simply be updated to reflect current state of the filed plans and current state of the particular industry (limit scope of changes to current rules)? (Avista/Staff)
- Should distribution planning (distribution reliability issues) be incorporated into rule? (Staff)

METERING, SAFETY, AND STANDARDS RULES:

(10:45-12:00 noon)

Electric Metering Rules:

Net Metering (Possible New Rule?)

- Is it now appropriate to establish by rule some of the requirements that Staff and the Companies reached agreement on during negotiation of those tariffs. (Staff)

WAC 480-100-086 Meter Location

- Should companies be required to install meters away from windows, doors or overhangs for safety reasons? (Staff)
- Is locating a meter free from vibration an issue? (Staff)

WAC 480-100-121 Meter Charges

- If more than one meter is installed at the customer's request should the customer be billed the cost of the additional meter(s)? (Avista)

WAC 480-100-126; WAC 480-100-156 Meter Reading, and Multiplier and Test Constants

- Should we combine the rule on meter reading with the rule on multipliers and test constants since the issue of multipliers is mentioned in each. (Staff)

WAC 480-100-136/141/146 Initial Accuracy of Meters, Accuracy of Watthour Meters, and Accuracy of Demand Meters

- Should a rule addressing meter accuracy be combined with rules specifying overall accuracy requirements for kWh and kW meters? (Staff)

WAC 480-100-176 Statement of Meter Test Procedures

- Should we combine this rule governing how meter test procedures are to be established (480-100-176) with other rules covering accuracy of test standards (480-100-201) and portable indicating instruments (480-100-161)? (Staff)

WAC 480-100-181 Meter History Records

- Should we modify the rule regarding keeping of meter history records for clarity only or are there other reasons to modify this rule? (Staff)

Gas Metering Rules:

WAC 480-90-126 Meter Reading

- Do electronic meter readings still show the readings on them for the customer's benefit? If not should the rule address this? (Staff)
- What is the real intent of this rule? Is the intent for the customer to be able to read his own meter or to be able to verify the bill received? (Staff)

WAC 480-90-131 Installation of Meter Set Assembly

- Is the language about flat rates still appropriate? (Staff)
- Should the rule be clarified to indicate that the cost of the meter is a capital investment and its cost properly included as part of the investment feasibility analysis. (Cascade)

WAC 480-90-136 Location of Meter Set Assembly

- Should the language be changed to be consistent with (or adopt) other standards for the location of meter set assemblies? (Staff)

WAC 480-90-146 Initial Accuracy of Meters

- Should this rule be combined with other rules pertaining to meters? (Staff)
- Should sealing devices still be required on all meters? (Staff)

Electric Safety and Standards:

Facility Safety Rule (Possible New Rule?)

- Should a rule be drafted to specify safety requirements for electric facilities? (Staff)

WAC 480-100-151 Instrument Transformers:

- Is there any reason that the allowable error specified in the current rule be changed to reflect updated technology or for other reasons? (Staff)

WAC 480-100-186 Standard Frequency

- Is it appropriate and/or practical for each utility to establish its own standard frequency for alternating current service? (Staff)
- The existing rule indicates that utilities are required to maintain the frequency within plus or minus 2 percent. Is this a reasonable range.? (Staff)
- Is it appropriate to address the issue of permissible frequency variation with regard to a time element or the issue of harmonics? (Staff)

WAC 480-100-206 Reports of Accidents

- Should additional information be reported and should the rule specify a time line for reports as well? (Staff)

WAC 480-100-161 Portable Indicating Instruments:

- Should we consider combining the rule on portable indicating instruments (480-100-161) with the rule defining the accuracy of test standards (480-100-201) since they both refer to meter testing instruments and the reference standards against which these are calibrated? (Staff)

- Additionally, should the accuracy levels identified in the rules be modified to address updated technology or other reasons? (Staff)

WAC 480-100-191 Standard Voltage and Permissible Variation

- Should we rewrite the current rule to clarify language only or should we make substantive changes addressing such things as: (Staff)
 - a) A different standard for permissible voltage variation (higher or lower than the current plus or minus 5 percent)?
 - b) Stricter requirements for voltage spikes and sags (transients) recognizing more sensitive customer equipment now than when the rule was first written?
 - c) Specific requirements for customer induced fluctuations considered allowable?
 - d) Specification of standard voltages rather than allowing utilities to adopt standard service voltages?
- Should we carve off some of the voltage transient issues and address them in a separate reliability rule? (Staff)

Gas Safety and Standards:

WAC 480-90-101 Quality of Gas

- Should the terms quality of gas, calorimeter, heat content, and heat value be defined? And should they be defined in the rule or in the glossary section WAC 480-90-21? (Staff)
- Was section (5) Odorizing gases included to address the need to odorize propane and butane tanks? If that was the intent, does adding odorant affect the heat content of the fuel? (Staff)
- If the intent of adding section (5) Odorizing gases was to address safety concerns, should this section be moved to somewhere else? Should the language of this section be amended to mimic the odorization requirement under the Federal Code? (Staff)
- Does the Fire Marshall's office have overlapping jurisdiction with liquified petroleum gas? (Staff)

WAC 480-90-211; WAC 480-100-311 Payment Agencies

- Should the rule specify requirements for location of business offices and payment agencies? (Staff)
- Should companies be required to notify customers of payment agency closures? (Staff)