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July 2, 1999

VIA FAX AND U.S. MAIL

Carole Washburn
WUTC
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

RE: *Energy Rulemaking* – Docket No. UE-990473

Dear Ms. Washburn:

Enclosed please find the Public Counsel comments for filing in the above case.

Very truly yours,

SIMON J. FITCH
Assistant Attorney General
Public Counsel



BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the

Rule Making Proceeding on Chapters 480-90
and 480-100 WAC – Rules Related to Natural
Gas and Electric Companies

DOCKET NO. UE-990473
UG-990294

COMMENTS OF PUBLIC COUNSEL

Public Counsel appreciates the opportunity to participate in the Commission's electricity and natural gas rules review. We look forward to working with all stakeholders to ensure that the rules meet the needs of consumers in these areas.

Our comments at this early stage of the process focus on two broad areas: existing consumer protections and possible service quality performance measures. Public Counsel strongly supports maintaining consumer protections that already exist in rule, with a particular concern for deposit and credit requirements, service denials, and service terminations. In addition, this forum presents an opportunity to consider alternatives to current regulation in areas such as service quality and billing information which could benefit both customers and companies. Below are some areas of particular interest to Public Counsel with our initial recommendations. We intend to submit more comprehensive and detailed comments as the rulemaking proceeds.

I. Existing Consumer Protection Rules

• Prior Obligation--WAC 480-90-056 and 480-100-056

Public Counsel strongly supports the retention of the current rules regarding prior obligation. This rule is the single most effective mechanism to protect service to low income customers and should not be weakened. While we understand a concern that some customers may be taking advantage of this protection to avoid paying utility bills they could in fact afford, absent a compelling showing that this concern cannot be mitigated in any other way, Public Counsel is loathe to modify a strong rule that protects all Washington consumers.

●Deposits--WAC 480-90 and 100-051

Public Counsel is reluctant to allow an increase in the current deposit requirements. To increase deposits beyond current levels may place an unwarranted burden on customers. Low-income and elderly customers living on fixed budgets will be particularly burdened. It is not clear that raising the deposit level will in fact have any effect on the amount of money collected by the utility, since these customers may not be able to pay. Thus an increase would only serve to keep customers off the system.

The current rules also contain several exemptions for customers from deposit requirements that Public Counsel believes to be valuable. If some are rarely utilized, perhaps customers need to be better informed of their various options.

●Establishment of Credit--WAC 480-90 and 100-051

Public Counsel opposes the use of credit reporting agencies to establish a utility customer's credit worthiness. Current mechanisms exist to allow the utility to determine whether a deposit is required, and these mechanisms have a demonstrated record. Conversely, there are considerable concerns about the accuracy of credit bureau data, and the linkage between utility bill payment and credit rating is dubious at best.

●Identification/ Customer Screening

Public Counsel believes the potential practice of requiring identification prior to connection raises fundamental questions of fairness and equal protection. Further, we are concerned that any system premised on an individual's discretionary judgment of when to require the customer to prove his or her identity is open to potential problems, particularly when that decision is integral to ensuring access to a basic service such as electricity or natural gas. The Commission should exercise considerable care in this area, with particular attention to existing consumer protection law at the federal level.

●Payment Agencies

Customer concerns about diminishing access to actual, problem-solving, customer service agents need to be thoughtfully addressed in these proceedings. Washington consumers have a recent and unpleasant history with the reductions in local service in other regulated industries which creates a considerable reluctance to embrace similar changes in the energy industry.

In particular, Public Counsel is concerned about customers who wish to pay their bill immediately to avoid disconnection but are unable to do so in person. We support provisions ensuring that customers will not be disconnected during any interval between when they have paid and when the company processes that payment.

II. Service Quality and Customer Service Performance Measures

The establishment of comprehensive performance-based minimum benchmarks for service quality and customer service, with effective penalty and enforcement provisions, should be considered in this forum. The electric industry in particular is moving towards more performance-based measures of service quality that provide the company with consistent targets to achieve and consumers with meaningful guarantees of minimum service. Public Counsel has worked with Puget Sound Energy and Pacificorp/Scottish Power on service quality and customer service issues across a range of specific measures. We believe that similar provisions could be enacted in the energy industry, and indeed across the range of regulated utilities, where a common standard of minimum performance makes sense. Telephone answering performance is one example of a customer service measure amenable to benchmarking in both the energy and telecommunications industries. Public Counsel intends to work with other stakeholders as this rulemaking proceeds to develop potential measures.

•Form of Bills--WAC 480-90-106 and 480-100-101

During the most recent legislative session Public Counsel supported the initial language in SB 5933 to provide consumers with more information on their electricity bills. We continue to be interested in changes to the utility in ways that benefit consumers.