

Electricity and Gas Rules Review Workshop

Docket Nos. UE-990473 and UG-990294

June 24, 1999

9:30 a.m. - 2:00 p.m.

Attendees:

Bruce Folsom, Avista
Renee Webb, Avista
Lynn Logen, PSE
Lois Douglass, NW Natural
Lisa Rasmussen, PSE
Phillip Popoff, PSE
Karl Karzmar, PSE
Royal Drager, PacifiCorp
Robin Cross, PacifiCorp
Onita King, NW Natural
Gene Cardon, PacifiCorp
Evan Sheffels, Public Counsel Law Clerk
Matt Stevenson, Public Counsel
Michael Karp, Energy Project

WUTC Staff:

Dennis Moss, Facilitator
Tani Thurston
Pam Smith
Penny Hansen
Graciela Etchart
Marjorie Schaer
Jim Russell

DM: Introduction: This is a continuation of the stakeholder meeting that we started a couple of weeks ago. We got through most of the rules, but we had five left over items that we didn't touch on at all. In addition to those five we'll talk today about one that we also talked about last time and that is WAC 480-90-046 and the corresponding electric rules is WAC 480-100-046 that's Application for Service. I have been asked that we touch on that one today as well as these other five.

Last time, when Jeffrey Showman was the facilitator I know he went over a set of ground rules for participation and I've looked over those this morning and just will quickly re-state the ground rules for success in this type of a meeting. (went over ground rules).

LR: Do we have an agenda?

DM: I can give you an agenda very quickly. The agenda is fairly simple today. We didn't publish a separate agenda. We have the agenda from the original meeting and that was available. We will be looking at rules 90 and 100-046. Then we'll look at five other rules. We will look at 90-072 and corresponding rule on the electric side of 100-072 - Payment Arrangements. We will look at 90-96 and 100-96 which concerns Complaints and Disputes. Next we will look at 90-106 and 100-101 and that's Form of Bills. Then we will look at 90-116 and 100-111 - Refunds of Inaccurate Metering. The last one is 92-211 and 100-311 which concerns Business Offices. We're limited to that part of the agenda today. If we have time at the end, we can revisit issues that have been discussed earlier.

We're scheduled until 2:00 p.m. We may be able to move through this by noon and break at lunch and not return. Is that something everybody else would like to shoot for as a goal? Or should we just keep more relaxed?

LR: I think we should take as much time as needed.

DM: OK

WAC 480-90-046 and 480-100-046 - Application for Service

TT: We talked about this rule last time and we talked more on what is required to identify the customer. When I was looking at this rule again, I had questions about what kind of information is actually required to establish a service order. I know the name and address and the customer's phone number. But, are there other things the company looks for from the customer and needs from the customer to order a service?

RW: On our application for service we will ask for their employer. That's one of the conditions of waiving a deposit. If they've been employed, we ask them where and how long, in case there was need for verification of that. There are also times when we'll ask for nearest relative information. That is a follow-up or a contact person in the event that we can't get a hold of the customer of record.

TT: Do you ask for the type of service, residential and commercial or that type of thing? Or, does that not matter?

RW: If it's a commercial account we will ask for some additional information. We're going to set it up in the name of the business versus the customer of record. We ask who the key people are that will be responsible for payment of the bills, then also, how to get a hold of them.

GC: We will ask for social security number, we won't require that but we'll ask for it and we will also ask for a driver's license number. That not only helps us establish the identity but for tracking them down later for refunds. That also helps out if we need to turn them over to a collection agency.

TT: Is the driver's license required? If they don't give their social security number, do you require their driver's license number?

GC: I don't know that we require that. But we try to get that.

TT: Do you actually use application forms? Because the rule speaks to the company may require an application form to be completed. Are we into that or not?

RW: We do not have a form that the customer fills out. Our computer system is designed so that the customer can answer the questions that are asked and we fill it in on line as they are speaking with us over the phone.

GC: We pretty well do the same thing inasmuch as we have business centers rather than local offices. I believe in the last one we also talked about the ability for a field person to verify....

TT: Yes I had that. So someone to actually go out to verify who's actually out there. But I didn't know about the forms. I'd like to know if we needed to update that. We may need to.

DM: Maybe we can define the question this way. Does anybody use forms?

Lois: We do use forms. We would like to continue to have that. We like to have the signature on file.

TT: Is that a requirement for you to have that signature on file?

Lois: It's not always a requirement. If we have a situation where there may be fraud, or we think there is fraud, then we will ask for a signature or some form of ID. But we do have customers come in and fill out forms.

LL: We don't require forms if it's an existing service. But if they're requesting a new service to be constructed, especially a large commercial service, we do require a rather extensive form with loading and that type of thing, if you're dealing with an office building or something like that or motor sizes. We need it to do the engineering.

DM: So, if I'm hearing you right, there may be special circumstances where a form is required and other circumstances where it's simply not needed?

LL: That's right. If we have, for example, a single family residence on a street that already has power on the street and we are just going to run from the transformer to the house, I don't believe there's any written application required for that. It's done over the telephone. But, if it's a parcel of property and it's going to be developed for a residential plat, then we would require an application for that, specifying how many lots and of course attached to that would be a copy of the plat that was filed so we would know

where all the property lines are and things like that.

DM: If I'm hearing her then from Northwest Natural and PSE as well is that it's an option that you would like to have available and open to you on a continuing basis.

DM: Anything else on that?

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

DM: The Commission had previously received some comments from Cascade and Northwest Natural on the gas side of this particular rule.

PS: The payment arrangements and responsibilities. There are a few issues that have come up due to the mergers and the combined billings. I wanted to address with partial payments, what happens when a customer makes a partial payment? How have you guys handled and then of course, along with that is if the 041, what do you do about the other, how they're allocated?

DM: How do we handle dual billing at the companies where there's a deficiency?

LR: Currently, I don't know if you're aware or not, at PSE we're still operating off two separate customer systems due to the merger. We've been able to perform, what I call, a miracle. We're able to take information from both systems and allow the customer to receive one bill. So, in the event the customer pays a partial payment, that partial payment is allocated based on the percentage of each energy bill. For example, let's say a customer owes us a total of \$100, \$75 is electric and \$25 is gas. Then they send us \$50. Twenty percent of that \$50 payment would be allocated to gas and 75% of that payment would be allocated to electric.

That's currently how it's handled. We had to handle it that way because of the nature of the two separate systems. What we look forward to doing in the future, when we have one CIS system, which should be available mid next year. We kind of looked at what Pacific Gas and Electric was doing in California. They applied partial payments to the customer's account balance, because they believe that, if the customer owes \$100, regardless of \$25 is owed on gas and \$75 owed on electricity, they still owe the company \$100. The partial payment of \$50 is applied to the \$100 and that's split between the two energy types.

PS: Under that system what happens if it's delinquent, do you disconnect both services?

LR: Exactly. Normally the electric is disconnected first if it's not paid and the gas is disconnected second. With other gas and electric utilities that we have talked to about how they handle this partial payment, combined utilities have told, this is what we do.

DM: And you're looking to that practice for the future?

LR: Yes.

RW: Our current billing system bills separately for the electric and gas and combines it onto one bill currently also. Payments that come in are applied to account balances, similar to what Lisa was referring to. However, our practice of disconnection is in reference to the electric. The reason for that is, what we'll do is we'll go out and disconnect the electric meter, for the most part, and leave the gas on. If we were to disconnect the gas, the arrangements for the customer to be home and schedule and make sure there is an adult there is a very challenging thing to meet. If you just disconnect the one service it makes it lot easier on the customer getting the re-connection completed.

LR: Let me make my statement a little clearer too with Pacific Gas and Electric. They disconnect the electric first. Then they wait seven to ten days. If the customer does not call for re-connection of service, they make the assumption that customer is no longer there. Then they follow up with the disconnection of gas. You absolutely are correct bringing up the issue of restoration of gas service is a lot more difficult.

BF: I would just like to add that we would be concerned if we had to divide our billing system up into two different fuels, gas and electric, and then split stream revenues to one of those, because that would cause us to incur a lot of cost to change the system we currently have. So, we are hopeful that the current system would remain the same, otherwise we would have quite a cost attached to making any necessary changes to reflect any changes in this rule.

DM: I want to be sure that everyone understands because I find myself a little confused. I thought I had heard from Renee that you do maintain a separate gas and electric, but then you send a single bill. Maybe I misunderstood how you do it.

BF: That's exactly right and that's what she said. When it comes to monies coming in it goes into one pool. It isn't segregated.

DM: So that's an accounting issue within the company?

BF: It would be an accounting issue within our information system inside our computer programming and we would need to change some practices at some actually great expense to reflect to separate pots of money coming in.

DM: Let me be sure I understand one last point and this goes back to what you said Renee. You said that your practice is similar to PSE's practices. Lisa was explaining that you do allocate between, using the mathematical example she used where the \$100 is owed, you don't do that?

BF: No, but it would have the same effect. In both instances the customer would have payment owed in both fuels. While we don't have the straight percentage split, it would have the same end result that PSE has.

DM: OK

MS: What would you do if you had a customer that sent in \$50 and wrote a note that said, "Please apply this first to my gas and not my electric?"

BF: We would apply it to the gas account as the customer requested.

MS: So, that they are trying to manage the fact that they are out of money and they may have to go without...(tape is unclear)

BF: It's our understanding that the common practice is that customers can dictate where their money goes. So, we're following that general philosophy.

MS: Is that true for PSE also?

LR: Yes it is. At this time it is, yes.

MS: The place I've been involved in has just become...(tape is unclear)...we would be looking at them as both a basic service provider and as someone who is selling a phone services...(tape is unclear)...we've taken a position there that, as long as the basic phone is paid for they cannot be disconnected....(tape is unclear) .as long as the basic phone is paid for...somewhere in your...(tape is unclear)...at some future point...(tape is unclear)... particularly with gas customers paid for basic service and purchased from you or from someone else their other gas. What do you do in those circumstances?

BF: I have three responses and I'll try to make each brief. When it came to our pilot program More Options for Power Services (MOPS) and we had a third party energy provider, they ended up cutting their own bills to the customers for that very reason. That's answer number one. Answer number two. When we offer new products and services, the payment hierarchy has that coming in last. If a customer makes a partial payment, the payment goes to the regulated services first. My third response is, we are going to sit down and chat with staff, in the very near future, because we are examining, what we call the one bill concept, convergence of Telco, electric, gas, new products and services. With that comes a whole host of issues, including payment hierarchy and the like. We do want to sit down with you, sometime in the next month, before we go much further. We're just starting this concept, maybe looking at the year 2000, but we do want to sit down and go through some of the details.

PP: I just wanted to ask one clarifying question with the telephone example. If you fail to pay your long distance part of the bill, then who's caught short? Is it local phone company that's caught short, or who takes the loss?

MS: It's my understanding that the local phone company is providing a billing service and they get paid for their billing service but that ATT and whoever's out there not getting the money is the one that has the collection burden. Is that correct?

PS: Yes that's correct.

TT: Normally the local service is covered as long as there's enough payment to pay that. Then the long distance part isn't, but the customer may be totally restricted. So there may be some disconnection issues there.

PP: So then it's the long distance provider that's caught short?

TT: But there are times when the local phone company pays that anyway. They've already paid the long distance company. Then it's the local phone company that still gets caught short because they're to recoup their payments to the long distance company.

PS: They have elaborate billing contracts. For example, these figures are not quite correct but say they will get anything over 98% that they collect as or whatever. It's to their favor to collect as much as possible.

TT: It depends on how the contract is....

PP: So it's not that easy to address that issue. It would seem to make a huge difference if, say in the gas example, a transport customer, I can't think of where we actually do this, but if we were to bill for some gas supplier and that we somehow pay the gas supplier for the customer and then the customer doesn't pay us....

PS: And the recourse is to the other provider then they can pursue collection? So they might just say forget it, it's going back to that company and if they want to pursue collection they can, whether they choose to or not.

MS: So if you site a contract with that company to do their facility and collection that's something that you do think about. But what do we need in the rule about that? Do we need to put in....(tape is unclear)... I know we've changed the rule in Telecom. I thought we had about four or five years ago. They were allocating to...

TT: Basically just it says that the local service can't be disconnected for nonpayment of the long distance.

DM: Bruce that does bring us back to the question that's in my mind. Based on what you said, you said you wanted to open this dialogue with the staff and I want to know, do you mean in the context of this rulemaking or in another context? I guess I should say, should we be opening these sorts of issues up as part of this rulemaking process? What do you contemplate?

BF: We contemplated outside this rule process to sit down with staff and say, under the existing rules or the then current rules this is how we propose doing it, what should we be aware of? Do you have any concerns with our proposal? We think this fits under your rules and conditions be they now or updated. So outside of this forum.

- DM: Does anybody have any comments on should we be considering broader these broader issues? Staff?
- TT: It might be something that we want to take under consideration.
- DM: That's something that could be taken up, perhaps, outside the context of our meeting today. Maybe it breaks some new ground and should be given some thought as we move forward. Anything else?
- PS: This is something that we don't have in the gas rules and it's something that we have considered and that is offering customers, prior to being disconnected, one time six month payment arrangements. I wanted some comments. We do it in telephone and it just allows an opportunity to the customers so that they don't have to be disconnected. Then they have to pay the re-connection fee. It gives them a one chance, an opportunity.
- LR: On all the notices we send to customers we always say, please call us for payment arrangements in order to avoid that disconnect. That's something that we don't want to do. It creates, certainly expense to the company as well as an inconvenience for the customer. I would prefer if we could continue to do it that way, continuing offering these payment arrangements to customers. We do, I know on the electric side, about 45,000 to 60,000 payment arrangements per month. So we do a sizable number of payment arrangements. If we can have that flexibility and just leave that notation on the notices I think that would suffice.
- TT: Lisa are there times when a customer may call and they are not allowed to make a payment arrangement?
- LR: I would have to say that's a rare occasion. There must be some really valid reasons why we would not make a payment arrangement. To give an example when this possibly could happen, because we track how customers have completed prior arrangements. If we see a whole page on the PC of delinquent payment arrangements, we probably would not be as open to making payment arrangements because of the customers prior performance in this area. But with the volume of payment arrangements that we do make, my gut would tell me that 99 9/10% of them we do make a payment arrangement with.
- PS: I guess I think all of the companies do very well with payment arrangements. But I think at times they may be too steep, and usually you want to clear up the bills in, what two or three months, and I think sometimes that might be too much for the consumer. They call us and many times we are able to work with you guys and make six month....
- LR: I really believe that's an exception though and not the rule.
- DM: Anything else? Robin?

- RC: We work with our customers as well as PSE does for making payment arrangements. The exception would be a customer that has used prior obligation and defaulted on prior arrangements. Those customers we are not going to work with.
- RW: When I first read that question I failed to notice that this was prior to disconnecting service and my first comment was, or first thought was, it makes sense to definitely work with a customer who's been disconnected to work out how they are going to make payment on the delinquent balance and to work with them on that payback of their unpaid bill. We definitely agree to working out a specific set format of arrangements. However, I feel though it's very important that in the event that a customer defaults on a payment arrangement that it's agreed upon that we should have the right to disconnect for that. Even though they've been disconnected, if we reconnect the account and agree to an arrangement of six months or three months or four months to pay back this delinquent balance and they default and do not make the payment that the account should be disconnected again and the customer should be required to pay that default of what they had agreed to for either reconnect or for a condition of leaving the service on in either case.
- DM: OK
- MS: What do you think about the specific comment Pam made of having in the rules a one time six month payment arrangement before disconnect? Would anyone have problems with that?
- RW: I would agree in the event that we could require the amount that they were delinquent for as a condition of reconnect.
- LR: Renee are you saying though that you're agreeing with this six-month payment arrangement in the event that the customer has been disconnected and to get the service reconnected again to make a six-month payment arrangement? No, open up a six-month payment arrangement to all delinquent customers.
- PS: This is prior to being disconnected. So the person owes \$150 and they're about to be disconnected and they call us and they say I can't do it in three months, say if I have six, so I call the company. A lot of times it happens informally. And I say how about six months and they say, OK current plus six months to get it paid off.....
- LR: Just to state my opinion on having a blanket payment arrangement for six months that the utility is required to offer to all delinquent customers. I disagree with that. As again, I stated earlier, on a number of payment arrangements we make on a monthly basis.
- GC: One of the problems that might occur if we look at a mandatory six months. We need to look at the customer's ability to pay. If they're in a delinquent status because they are not able to pay then we need to look at that and it's in our best interest also, to make the arrangements that they can keep so that we don't incur additional costs to disconnect and

sending notices and that difficulty. But if it's because they are unwilling to pay and we are required to go out six months, then I can see possibilities of our accounts receivable increasing for no particular need. I think we have done at PacifiCorp a pretty good job of looking at customers ability to pay and I would not like to see us required to go six months on every single first payment arrangement.

TT: What about the scenario of six months, but if they miss one payment then a disconnection can take place?

RW: I'll repeat it again. As long as you could require the amount of money that they are delinquent for a condition of reconnect would make sense.

OK: We offer time payment plans to anyone who is having difficulty paying their bill and we actually provide a full year payment plan option. But I don't know that we would necessarily want to have a mandatory six month plan contained into the rule.

PS: So, what you're saying is, if they went into a six-month arrangement and missed it and they owed \$100 they absolutely don't get reconnected unless they paid the \$100?

RW: Correct.

BF: This is embodied in our original comments on page five where we actually have language to pick that up. You set up some sort of payment plan and then if there's a missed payment there is language to disconnect service for failure to comply with the payment plan that they had agreed to. Be it two months or six months or twelve months.

DM: So you actually sent some language to staff on that?

BF: Yes. And it follows the Oregon rule to some extent.

LR: Again, just for my clarification. This is an arrangement for a customer that's been disconnected? No it's everything. OK

RW: Originally I was referring to this question. "As a payment arrangement responsibility from a delinquent disconnected customer to start with."

LL: I just have a clarifying question. The one time six-month, is that once in a customer's lifetime, or is it once every year, once at each location that they live at? There's a lot of options.

PS: That's hard to... I would say it would not be once a year. I'm sure you could track the customer down and say something like "six year s ago " I think that would be something we'd have to look at. One per year definitely not. Depending, they have a way of moving around. I think they usually know what's going on.

LL: I guess I would have a concern that I really haven't heard voiced here but inferred to. If we had a mandatory six months, anybody that's going to move and didn't like paying their bills, would call up and make those arrangements, unless we were allowed to disconnect or something like that. If you knew there was a rule out there that you could get six months arrangements you'd not pay as long as you can then get six months arrangement and then move out at some point. Then you have service until you move out. Because we don't serve the whole state or the whole region, any particular company, in our case anyway, they can move to Tacoma or Seattle or Snohomish county and get electric service somewhere else and we don't see them again. Because of privacy, we can't share that information with the customers, plus the rule wouldn't apply to those other utilities anyway.

BF: I think this brings up an interesting point. Staff has talked about having some sort of electronic subcommittee to draft the rule. This will be a classic case of a lot of iteration going back and forth because as Lyn and Lisa and Renee and others deal with this on a real time basis, we're going to need to pick up all of these nuances. So just kind of a heads up that there may be a lot of iteration needed as we draft this and I think all of us would like to help to make it a reality and reflect reality.

DM: It doesn't sound likely that we're going to have a specific proposal today as to how we want to implement this aspect of it, if at all. This would be a subject, for example, that would fall within that sort or procedure.

BF: Excellent

PS: Then there's another thing that we have always done unofficially, but it's never been in the rules and that's, if you're delayed in billing, if the customer doesn't get a bill for a couple of months, we have always given them, and you guys have always been very good about giving them, the opportunity to pay it back in the same amount of time. So everyone's fine with that.

Then Cascade and Northwest Natural had brought up the moratorium. The winter moratorium. I thought I would ask you guys if you could clarify your position.

OK: I'm not really hands on with this so maybe Lois is better to address the problems that we've had. But, like I said, we do actually offer a payment arrangement to all of our customers. In our minds that is sufficient flexibility even for customers with low income issues. And it is more difficult to find the funding and to get to the agencies and the complications of processing that kind of account is becoming more cumbersome these days.

LD: What you find too is some seniors that will not go and apply for assistance just because they're too proud. So if you have this type of growth here and if we were required to offer payment plans to those people that applied for assistance then you would lose those customers that you are really trying to help.

PS: I don't know that the rule would prohibit you from giving arrangements to people.

LD: Yes, but the way it is written is what we're We would like to offer plans to everyone and if we could eliminate these three and four and just say we offer plans to all customers whether they are low income or they need energy assistance. Then not having to go through and figure out whether it's 7% of their wages and kind of communicate with the agencies to verify all of this information. To just open it up and say that we offer plans to everyone and make it easier for the customer and for us to manage.

DM: Lois is that something that would work for you as an option to the present rule? In other words if there were a provision added that would give the company the option of offering the plans to everyone? Is that something that would satisfy your need?

LD: That would help. Yes

DM: That's a possibility then. Anybody else have any ideas on this subject? Anybody else want to comment on this rule?

MS: We just had public counsel join us. This is the kind of rule...(tape is unclear)

WAC 480-90-096 and 480-100-096 Complaints and Disputes

DM: We'll have an opportunity to return to that at the end. I think for right now we need to just go ahead and move forward to the next rule. We're doing 072 so this will take us up to 480-90-96 and corresponding electric rule 480-100-96. This concerns complaints and disputes. There were some comments received earlier. In fact I suspect that the set I'm looking at is maybe even a little behind what has been received by now.

TT: I'll start off with Avista who had some comments about defining the word "complaint." If you could go with that.

BF: This may simply be an issue of interpretation. It may not need to be embodied in a rule. But, it seems to us that there have been customers that have called the Commission staff and said "rates seem high." Should that be considered an inquiry or a complaint? That's the basis for our comments. We think a complaint should be simply that which is an alleged violation of a rule. Our concern is, looking at the big picture down the road, if we get into service quality issues and there's any historically look at trends and complaints, we would hate to see a trend and complaints go up because of definition broadening to include inquiries about high bills, etc.

DM: How's that been handled so far? Bruce, as far as classifying, an inquiry versus a complaint? Do you have some parameters that you imply now that could perhaps be incorporated into rule language?

RW: Currently the way that the process has been handled is everything is handled as a formal

complaint. Anytime the Commission contacts Avista. There is a lot of paperwork and process involved to respond to, for instance, a customer's inability to payment on the bill, we're required to go in and provide the entire billing history of the customer, meaning his initial date of service, and his deposit requests and anything like that that went on. When, in reality, the customer may have just wanted a payment arrangement. So the process is quite lengthy and involved to just address something, in reality, a rule was never broken. That was really a concern...

(Slight interruption to turn tape over)

TT: ... at 4:58 a.m. on Friday night, you get a call, a disconnect, they just got home from work and they see this note and see our name first, they don't see your number first even though your number is right at the top, but they see our number first and they call us, so you open the complaint.

LR: I can certainly understand that situation, but maybe, even under those situations because it's 4:58 a.m. on Friday, we can even, for bookkeeping purposes, for lack of better words, denote that particular situation as an inquiry rather than a complaint. Because we track complaints very, very carefully throughout our system. Based on our Service Quality Indicators (SQI) and so forth that we are currently working under, it can cause us a financial hardship if too many of these types of situations are denoted as complaints versus inquiries.

TT: Actually we've been revamping our system and right now, most any time that we contact the company we log it as a complaint rather than an inquiry. But the final outcome or the disposition might be that the company is upheld and also do not count as a complaint or non-jurisdictional so that a complaint would just mean, how many times we've had to contact the company for a variety of reasons. But the actual complaint, as we know them, is one set of numbers and then you might have another set of numbers that wouldn't be included in the total count.

GC: What if, rather than that, show anytime the Commission contacts the company it being a complaint and then if there were no rule violations or if the company was not at fault it would go to an inquiry. If it were the other way around any contact with the company would be an inquiry and only if the company were found to be at fault it would become a complaint. Service quality issues that might play a big part.

PS: That would take changing many of the things we now look at. Many of our complaints don't result in an alleged violation. It's the companies. They have the opportunity to make payment arrangements. Many times that has failed and we're able to do that for the consumer. And it could be that they have called and asked "Why is my bill high?" and they say it takes looking at usage for a year. Sometimes the reps may or may not have the time or the ability, the knowledge or even the authority to give such arrangements. Many times we have to escalate it to someone who has the authority to do that. One of the reasons we look at history, not only in complaints are we looking at the particular issues,

but we're also looking at compliance issues when we do complaints. That's part of our investigation, to make sure that the rules, the notices, are going out correctly and they're given an opportunity to pay on a certain time. So we're also looking at compliance.

DM: I'm hearing a couple different things. I'm hearing some suggestions that there might be some criteria established or stated that would help distinguish between what constitutes a complaint and constitutes an inquiry. Also the suggestion that there might be some process by which there would be some communication back and forth between the company and the appropriate Commission staff before a determination is made to classify it as one or the other. Those are somewhat different points but perhaps can be considered in conjunction with one another as this one goes forward.

MS: I think, Dennis, that one other point that should be put on the table is that, Puget Sound Energy is working under a settlement of their merger case, that has surface quality indexes in it and we might want to look at how changing classifications here, which is based on the system and the rules now, how many instances occur now. So there may be a necessity to bring in some others from the Commission electric staff who are more familiar with that settlement document. I don't want that to surprise anybody if that should occur. There may be something in the Scottish Power situation, like surface quality indexes, that would be part of an arrangement, so it might be really important to define, whether it be by this rule or some other rule, so that we get consistent quality in the Commission.

DM: OK

PP: To expand on Marjorie's statements even further, I'm sure at some point we'll have to have discussions about financial impacts about any rule changes. That's just one subset I would think.

MK: Are you looking at under the glossary then, having a new item that is...(not clear on tape)...and defining that. Right now there's complaint tests.....(not clear on tape)...is that where you're at?

DM: That specific suggestion has not been offered. Is that something you think would be useful?

MK: That would be a starting place as to get the term out there and try to define that and try to agree on that.

DM: OK. That's a helpful suggestion. Anything else?

MK: I was wondering, from a Commission's standpoint, having gone through the household goods proceeding where there was dialogue back and forth on complaints in that industry and what that meant in the industry, if they've submitted complaints and so forth. What happens when there are an unacceptable number of complaints? What difference does it

make if there are few or ...(not clear on tape)...as far as the Commission's concerned? Maybe you could give a little background on that and that would help for me to determine how much we want to focus on....(not clear on tape).

TT: So the question is, "What happens when a company has too many complaints?"

MK: What's an unacceptable number of complaints and what is the process of reviewing them and how does it affect anything?

DM: Maybe too stated a little differently. Why is it important that we distinguish between complaints and inquires? Is it important?

TT: Well, I'm going to answer the question, "What's an acceptable level?" We really don't have threshold numbers. We look more at issues and situations with companies. So, it's more on a case by case basis and if we feel that there is an issue that is maybe getting out of hand or is becoming more apparent causing more problems that we may do a further investigation on that company as a whole. Or, we may issue a penalty assessment against that company. But it's more on a case by case basis in that type of thing.

MK: So without an agreed upon standard on the issues your job is made very difficult to have any kind of supporting criteria.

TT: When you have different types of companies, different sizes, different customer base, things like that, it's hard to say, well, this company has a hundred complaints so we should do something. It just depends on what the scenario is out there.

MK: Is there a template or model that is used in other states that other folks know about on this issue for standards?

DM: About the numbers of complaints?

MK: In terms of a structure whether it's based on size or utility or some systematic way that other commissions are looking at this issue are using.....(not clear on tape)...

TT: Personally, I don't know because I'm not that familiar with the other commissions. But our manager, Vicki Elliott, is in contact with the other commissions. She might have that information.

BF: Speaking from Avista, and I think speaking for PSE and PacifiCorp, we get a periodic update from the Commission in a formal letter that shows what our most recent reporting period complaints are. It's by pie chart and table. We take a look at that and, when there's kind of a blip, the first thing her department does is go back and ask, "What happened then?". Was that an ice storm and is there a reason for it or is there something else? Even though there may be no formal mechanism on their part, I think the three of us, at least Avista does, take that pretty seriously. When the numbers come in even lower

we ask ourselves, "What did we do to improve?" in other words we ask ourselves "Why?" So we do use it on a practical basis.

TT: The other thing we do is, if we feel in looking at the complaints and we see that service quality is really becoming an issue, we'll be meeting with that company directly, as well. We've done that in the past and say, "Here's some problems we are seeing. What are we going to do to take steps to resolve it?" That's one thing that we do periodically.

BF: And of course in rate cases it becomes an issue that came out of hearings a couple of weeks ago in Sand Point and that was a question that came up. What is your service quality? How are complaints looking from a trended basis. I think there are a couple different ways that this impacts us.

MK: I'm just trying to get a sense of the status quo and how you're defining complaints now and how that registers with some of this discussion about changing the definition?

BF: That's one reason Avista put in our definition. We do have a definition for customer complaint on page 20 of the summary of comments dated May 16. One period our complaint numbers jumped dramatically. In getting behind why those numbers jumped, we thought it was simply an interpretation change of complainants as embodied by Commission staff. So, that is one reason we are making this an issue. We suspect someday we may be graded as one index, customer complaints. We want to make sure that we are all playing by the same definitions. So this is kind of a look toward the future.

MK: ...(not clear on tape)...

TT: Not a formal definition.

DM: This is a suggestion to a refinement to the rule.

MS: We do have right now for one company a service quality index that's part of a settlement, a merger. I suppose one question would be whether we should do something like that for more companies.....(not clear on tape)...

MK: ...(not clear on tape)....

DM: OK. Anything else on this particular rule?

MattS: Looking at the rule there is a two-day requirement for addressing a complaint and I would raise the issue of when the clock would start ticking? If part of the process of defining what a complaint is does it have to go to the company or does it come to the Commission first or when does clock start?

DM: So that would be part of the process aspect of the discussion would be the timing in the

rule.

MattS: I would not be happy see it changed that would involve delays because we were trying to figure out when to start the clock or who had the responsibility where customers were not getting....(not clear on tape)...

RW: I'd like to ask a clarifying question of the staff. My interpretation of what Matt just referred to in reference to the two-day rule was the company's responsibility to respond to the Commission in the event that we had been notified of a complaint. Is that correct?

TT: I can lay out the process. When the customer contacts us through a series of questions and making sure they have already contacted the company first and weren't able to resolve it that way. They come to us and we feel that we need to pursue this with the company. Then we open a complaint with the company and we get all the information from the customer. We call it into the company. However, the vehicle works there. The first day is not counted as a day. But then it's generally, by five o'clock two days afterwards that we're requiring a response from the company to that complaint.

MattS: So the current rule is not two days from when the customer makes contact but two days from when you make contact.

TT: That's our interpretations generally agreed upon with the company.

MattS: That's fine.

TT: I have some questions kind of related to that. As I was reading through these questions last night I was thinking they sound a lot worse than I really met them to sound like. The questions say, "Should a process be defined including time frames for a company to respond to and resolve customer complaints received by the company by telephone, letters, or electronic mail?" The next one says, "Should companies be required to provide interim updates during a Commission complaint within a specific time frame?" Generally, I'm really trying to capture what the process is and how the companies are doing it now and maybe we need to codify that and lay it out, especially as companies are merging and maybe we need to be a little more specific so that we have it down and everybody has agreed to it. Some of the things I was looking at, and we've kind of addressed it in the water rules, when the customer calls the company the customer is able to find out who their speaking to. What the representatives first name is. That the company investigates the situation promptly. Which normally happens. Provide the information to the customer. That's normal. Take necessary corrective actions, whatever is deemed necessary. Offer a supervisor. That's already in there. And offer the UTC if necessary, as well. If we laid that out in the rules would there be any questions to that?

DM: Are those things that Tani outlined consistent with company practices or are there other elements of the companies practices that we need to know about as this is considered?

RW: If we're talking about specific time frames or the entire process. To me it is two separate things. What you currently just outlined, that's already written in the rule by referring on the supervisor and offering the Commission information, is something that we currently do and we respond within two days of a complaint. But time frames I think need to be addressed on behalf of both parts and maybe an agreement of how and when we respond what we would expect as far as a response back from the customer so that complaints are not left open for extended periods of time on an ongoing basis. Maybe the company representative when they speak with the Commission indicates when can I expect to hear back from you? It's almost like a two-day time frame back and forth each and every time they communicate. It may be difficult, I know in the past when I used to handle Commission complaints, the staff had staggered or flex type shifts where they may not be available, but something along those lines might make more sense if you had it going from both sides.

DM: So one inquiry in one direction would trigger a time frame for a response and so forth.

PP: I think what I just heard Renee say is that there's really three parties that are involved. There's the utilities, there's the customer and then there's the Commission. I'm not sure how we would fashion a rule to make sure that that whole process.....

TT: I was thinking in two different scenarios. One is, when the customer calls the company and they are working with the company directly. Sometimes, not all the time, we get back that the company is not getting back to the customer or they say they don't know what's going on, or something like that. So, there's a time frame for response to the customer and that's why they're calling us trying to get the information from the company. So, we tell them we'll look into it and see what's going. Then there's the other time frame when we've opened the complaint and we're trying to get the information from the company and generally this does not happen with these industries here at this table. The faster we can get the information from the companies the faster we can get this resolved. There's that time frame, as well. There's two different time frames that I am actually addressing.

PP: I guess just trying to stay a little more focused on why the Governor asked us all to get together and that is if we're talking about wanting to have rules imposed on the energy industry that aren't needed, that aren't going to advance the public safety and welfare of the citizens of the state of Washington, then it seems peculiar to me to be talking about having problems in phones and having problems in water. There's never been a problem in energy. So I'm not sure why we would need an additional rule to protect against something that doesn't happen.

MS: I'm wondering if it might make sense to make a copy of the language Tani was reading to let people look at. Because just as a body and what you already do, you could know that and if there are things in there that you don't do and don't think you should have to do I think you should know that. I think that the Commission is trying to look at this industry as you may be becoming more competitive, but to get ahead of the curve in what we've

learned in some of the other industries when that happened and we can avoid problems. I think that may be where we want to get very specific because we may be looking at new parties...(not clear on tape)...

PP: It makes sense definitely.

TT: That's where I think we are coming from is not that it's imposing any further but putting into practice what is happening that in case some other players come in they know that they will play by the same rules as well.

PP: That's all I was trying to get at. If the public is being adequately protected including utilities with what we're doing now I'm not sure why we would change that.

TT: Just one more thing. In this rule it talks about keeping records for one year. "Correspondence and records of complaints shall be retained by the utility for a minimum period of one year." Then we have another rule that talks about retention of records for three years. When I was looking at both of them I was thinking that we should keep it consistent and have it three years and I wanted to throw that out and get a response to that.

DM: Maybe a good place to start would be to know what the companies practice is now. Whether you do distinguish between these types of records and dispose of one after a year and the other types after three years or whether it's all done as a practical matter on a three-year time frame anyway?

GC: As a practical matter in my office when there is a complaint or concern with a customer I wouldn't go back and purge that after a year but I would also hate to see the proliferation of a lot of additional record keeping requirements if there's not a need. That can accumulate to quite a additional expense to the company.

DM: So it I can restate that, you would like to have the option, at least, to treat this class of paper differently, on a different time frame? They would like to preserve the option.

GC: I guess we don't mind the difference. We don't mind that there is a different time frame.

LR: So I understand, what purpose would it serve keeping the records longer, three years versus one year? Do we wish we had something back two years that we don't have any longer? I guess I'm interested in purpose.

TT: For purposes of refunding we have this rule that says that whoever has got the documentation can prove their point.

GC: Would it be required or are you thinking it would need to be paper or could it be electronic? Our system now we have the ability to leave rather extensive notes or events on an account that would follow a customer.

TT: These are good questions. This is where I don't know. I just wanted to scope it out a little more.

RC: Are you referring to customer information or just complaints?

TT: This one talks about correspondence and records or complaints. I was referring more to billing records. I didn't know if we needed to be consistent with those or if we needed to tie them together a little bit more.

RW: We currently keep on record the hard copy of all the documentation for a minimum a year. We have electronic information for a minimum of five years. My question to you is, you were referencing the paperwork involved in a complaint. Does the Commission keep records of previous complaints on file and how long do your records go back?

PS: Our computer system goes back to 1983. Our hard copies are archived from 1983. We have hard copies in the state archives. Some of them might be destroyed now. I think seven years is what we generally have as a minimum.

RG:: I think one of the issues that we should be aware of with PacifiCorp that if we are talking hard copy of records anymore that would be something very difficult for us to produce. It's no problem electronically keeping those records for whatever period of time would be acceptable to the Commission as far as I'm concerned. But hard copy we'd be hard pressed to give you any time frame on hard copy.

PS: There's so much less hard copy information now anyway.

MK: Electronic sounds fine to me. As long as you can print when you need it, if that needs to be the case. One year seems very short for either prospective. I would think from a utility perspective, if you had somebody that was complaining every year of every other year you would want to have kind of a trail of that, that would be in your best interest. Conversely, one year is a pretty short time. I know that I have to keep records with other state organizations, agencies, contracts, for seven years with almost everything I have under contract with CTED of the Conservation Commission or whatever. Those are financial records. I'm wondering again, what the precedence is for keeping non-financial records in other categories. If it was electronic and it could be a longer period of time. Would people have a problem with that, if it was three years?

DM: I'm seeing some negative head shakes around the table.

RW: My question is what amount of detail would have to be stored based on the complaint. We have records on line, it's not limited information, but it would have the original file date, who the Commission staff person was we worked with, the date it was opened, that date it was resolved and an initial description of the request and whether or not the company was upheld. In the meantime the Commission requires we send a lot of paperwork back and forth referencing their basic entire opening of the account and

deposit information and a lot of different paperwork. You could never store nor file, nor capture that type of transaction that went along with the original complaint.

PS: How long to you keep customer information like if I'm still a customer and I've been around for ten years or in 1992 and I left in 1994. How long do you keep customer information in your data files?

RW: We have five years worth of billing history and accounts that have been opened, closed, written off. Complete files on line.

LL: Frankly I've wondered for many years when I read this rule, what it really meant. It's in a section that talks about complaints with the Commission. Does it refer only to complaints that go through the Commission? It could apply a telephone that comes in where we've resolved the situation with the customer over the telephone and there are absolutely no records created. Does this rule require us to create some kind of a record to document that telephone conversation or is it just talking about the Commission complaints? As far as PSE with Commission complaints, we keep very extensive notes, all of hand written and any printouts that we make. Those are all kept for at least a minimum of year if the Commission involved. This is limited to complaints concerning service or rates. We keep all Commission complaints, not only when we're talking about service or rates. I assume that is quality of service type complaints rather than customer service type complaints.

TT: Actually Lynn I was reading this rule differently. I was reading this rule as a process a customer goes through in any complaint or dispute setting where they start with the company and end up with us. I was reading it from that angle and was reading that last sentence there "correspondence of complaints" more generically. That would be applied to the company in general whether it's from the Commission or from the customer. That's a good point about what does that mean?

DM: So the suggestion is maybe to have some clarification on that point, something that staff can consider.

Anything else on this section of the rules?

MK: Doesn't that tie in with defining the term complaint?

DM: It looks like we're about half way through.

BREAK*****BREAK

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

DM: This brings us up to 480-90-106 and 480-100-101 Form of Bills. We do have some

comments that came in early on from PSE, Cascade and Northwest Natural.

PH: I do have a few questions on the form of bills to the industry. Should more or less detailed information be required on a customer's bill? Such as units of measurement, cost per unit, tax percentages and amounts, mid-cycle billing rate changes, just to name a few.

GC: You could end up seeing many, many multi page bills in some of these instances that are going to confuse a lot of people. There are some instances when that kind of detailed information would be beneficial, but if you are looking at low income, an elderly person, for a lot of them, more information is not necessarily better.

MK: I appreciate what you are saying but that's generically. Maybe an assumption but individually that certainly is not the case. What if we were able to design something that had something like the executive summary, the quick easy read and then for those who wanted more information there's some way to get to that either by request or just as an attachment or so forth. Assume that people want simple information and they want to look at it. But for those that don't, and there are many whether they're low income, elderly or ... But people do want to be able to get information if they need it, but not everybody wants or uses it. So how do we structure something that can meet both needs?

RC: PacifiCorp does have that option now, provides detail options that are in the computer that you just put yes or no. So, if a customer wants to see how everything is broken out, they can see that.

DM: And that's optional with the customer as I understand what you're saying?

RC: Yes, in addition to the mandated information that is already on there.

PS: For every month? So you classify it that when they establish service that if they want the detailed billing?

RC: Yes, that's correct.

LR: My biggest concern is similar to Gene's which is cost. Currently if we had to go to a third page of a bill our postage cost would increase dramatically. We try our very best to stay under an ounce or at an ounce. That's when you get the most advantageous postal rates. I think if we look at disseminating a lot of information to all customers, we have to look at the cost, not only the cost of the paper but the cost of mailing. As well as the cost of getting this information from your customer information system.

BF: Lisa for the record, can you explain how many zeros there are behind the number each time you bump into a higher postal rate?

LR: Right now I believe we're paying about 26 cents per item. But if you go over an ounce it

jumps like about 12 cents. So it's about half again what your normal postage rate is.

BF: Your talking \$50,000?

LR: Exactly. We pay about \$4 million a year in postage costs for all bills and notices. If we were to increase maybe to a three-page bill, to include all the information that's required here, it would be a substantial increase in postage for us.

BF: Avista would deal with anywhere from \$36,000 per month up to six digits depending on the total system, what should be gas, what should be electric. It's difficult to when you deal with cities to really understand the magnitude.

MK: Lisa, would I have the option of getting my bill electronically now or in the near future? Is that something you guys are looking at?

LR: Absolutely. Electronic bill presentment and payment remittance will be available next year. There's a great vehicle for us to give more information to the customer. That's very inexpensive to do, or much less inexpensive that going through the post office.

PH: Recognizing the costs and constraints. What kind of percentage phone calls or specific questions do you get from the customers about the information contained on their bills?

LR: What I hear from the call center on the occasions I have to speak with them, I don't hear a lot of customers asking for more information. The majority of the phone calls we get from customers are from customers that are moving from one location to another, credit arrangements, some high bill calls as well. But those are the main drivers of the customers calling the utility, not necessarily wanting more detailed information about how we calculate their bill and so forth.

MS: Can I ask Penny, you read a list of factors and I'm trying to remember my PSE bill? It sounds to me like a lot of what you just read off is already on my power bill.

DM: The question is more or less. Should we have more or less information on the bill?

MS: I'm just wondering if most of that information is on the other companies bills too. I get a table that shows me my usage for the year. I get the rate I'm being charged at for the different levels of kilowatt hour usage and the terms.

PS: My point of reference is, I believe that a customer should be able, with a pencil and paper, take their bill and come up with the same dollar amount that the company did without having to call the company. We get a lot of questions about the mid-billing cycle when the rate changes for the summer/winter rates and they can't calculate the bottom line number at home.

RW: With our residential rate, it's a three tiered structure. You've got your basic minimum

charge and then you're first 600 kilowatts at a certain rate and the next 700 at another rate and then if they exceed that it's at another rate. To calculate that with each and every line item of an electric usage you would probably have to layout the formula and plug in the numbers and redesign how we bill our customers. I don't know so much it would be a paperwork constraint, more or less a programming change for our company to comply with that type of notification on the bill.

MattS: Do they get just a big number at the bottom plus the customer charge?

RW: No, not at all. We have a lot of information on our bills. We have the dates of service of course, but we got the beginning read the end read, the amount of usage. For gas you'd have the BTU factor for the gas the actual usage for electric and actual usage for gas. You've got previous billing balance, current charge, any deposits owed. We've got customer bill messages about payment arrangements and project share and thing like that and the balance at the bottom and a remittance stub included.

MattS: So the thing that's not there is the rate for each of the usage levels?

RW: To easily determine how our rate is structured you would have to say that the first 600 are at this rate, the next 700 are at this rate and anything over and above that is at this rate. You'd have to break it out and plug it in which could be done probably still within our one page bill. But to program for that would be something that we would have to take on and that would be an additional expense.

MattS: Is everybody else's bill like that or is everybody else's got fewer blocks?

OK: We have a lot less blocks. We do show the rates themselves on the bill so that a customer actually can calculate their bill currently. We do have customers that like to do that. It's often difficult for them to calculate them, not because of our rates but because of maybe a local tax or something that gets applied to it that might have changed and those kinds of things. There's not much we can do about that. We are also going to the electronic bill payment option, basically for the larger customer who would like to have more detailed information. The only additional information we have ever considered including would be maybe a further breakdown of the rate itself, to include in our case, as a gas company, to cost of gas, the base cost and any temporary adjustments that may in effect at that time. We've opted not to do that, even though our billing system allows it, because, at least the smaller customers, just get overwhelmed with that much information. But, beyond what we have today I think which is sufficient information to provide the customer to allow them to calculate the bill, which is the important piece.

LL: If the bill is for a month where there is no rate change and we have seasonal rate changes twice a year and under the merger settlement we have general rate change once a year on most electric rates, so three times a year we cannot show the kilowatt hours, the blocks, the actual rates themselves. The rest of the time if there's no rate change we show all the calculations on the bill. So if a customer wants to go through that we can do it, so it's

just adding these. As Michael mentioned earlier, the print is getting small on our bills now, but one of the options rather than another page I was thinking, would be to make that print smaller. I would think that really what customers would like to see is a larger print bill where it says here's how much you used, here's how much it is and that's all they want to know. How much do I owe this month? Another point that I wanted to bring out is the WAC 480-100-041 requires us to provide customers with those rates, make an offer once a year. Anytime we have a rate change we have to send out a notice with all the rates in there. And we also have to make rates available in all of our offices. As far as at PSE, if a customer calls and wants a copy of a rate, if they have a machine, we fax it out immediately or we mail it out. We do that daily probably. The information is available, it's just putting it on the bill when you have a rate change. Which they already have in their hand, if it's a seasonal rate change. They already got that information at one point. They just haven't retained it.

PH: Should the number consecutive meter readings billings be limited?

LL: There is a requirement, I don't remember the specific rule, that the companies notify the Commission or file with the Commission their method of estimating bills. I haven't looked at it recently because I did it a long time ago, but I think that is covered in there. If it's not, it could be.

PH: It's in the form of bills.

LL: As a matter of company policy we don't estimate more than two consecutive bills. The third bill has to be an actual reading.

GC: As a matter of course we make a very concerted effort to get to all of the meters every month. I was just looking at our estimated and reads for the month of May we were less than one percent, at least for Washington. That's the last thing a utility company wants to do is render an estimated bill. We pretty well self regulate on that one.

MS: Is there a time limit? Should we say that if you've estimated twice you have to get a real number. Or if you've estimated ten times you have to get a real number or do we need any kind of a cut off point like that?

GC: Again, you would have to look at different classes of customers. If you look at irrigation accounts, you look at frost fans, you look at those types of things where we typically won't read during the winter months, even though service is still available. That may be three, four, or five months in a row that they are estimated. A frost fan. We will only read a couple of times a month. If you have a radio tower on the top of a mountain that you can only get to once or twice a year. There are a lot of different scenarios and situations that you have to look to be able to come up with that.

MS: So I think I hear you saying that there shouldn't be a set number in there.

GC: You're right.

RW: I have a concern. I wouldn't agree with adding a certain number. The reason would be, if we had a customer that didn't provide access to their meter we would end up with a violation of a Commission rule. If you have dogs or fences that limited our access and later a Commission complaint was filed in reference to a high bill because we couldn't get there, would the company found in violation?

PS: Actually you wouldn't because there is a rule that they have to allow access and egress to the meter. You wouldn't be in violation of any rule.

RW: Provided they didn't provide the access and they were saying we did, we didn't have a dog. And we would say our records show the meter reader said there was a dog and he couldn't to it.

PS: Again that would be something that we would investigate. But, if indeed they didn't provide access to the meter you wouldn't be in violation of any rules.

LR: We, like Gene, read the majority of our meters every month. In fact in May we read 99.9 percent. I don't understand a rule when it isn't a problem. I believe every utility in this room ventures to do their very best to read meters. It is a hardship on us as well as the customer if we are giving the customer an estimated billing. It could be that it was overestimated or underestimated or whatever and consequently a billing adjustment is going to have to be made the following month when we actually get a read. So there is a real true cost here if we don't read meters. As PSE is moving on into the future, we're going AMR, as well, which will eliminate a lot of the misreads because of the dogs and the locked fences and so forth. As we move on into converting at least the electric portion of our electric service territory, as well as the gas meters that are included with the electric to AMR this will be less and less of a problem for us. I'm in agreement with the rest of the folks when why put a rule in when there's not an issue here.

TT: Lisa do you know your time frame on the AMR?

LR: I believe by the end of next year we will complete AMR in the Olympia area, all of our King County areas that we serve and Mount Vernon and Bellingham. We are still looking at the gas only areas to see if we want to do it there, like Seattle and Snohomish County.

MK: Why not put something in just for residential that says that you'll only estimate for acts of God or weather related and basically say that it will be read consistently rather than leave it open to estimating when you want. That's current practice, right?

LR: Again we do our very best not to estimate. I firmly believe we shouldn't have rules just to have rules. You have rules to acknowledge when there's an issue or whatever, something that we need to track. But, again Gene's comments, and I believe it's true

with every other utility, we do our best not to estimate. If that's the case then I don't understand why we would want rule just to have a rule?

MK: You have a topic and it clarifies, not necessarily looking back, but looking forward so that there's clear communication on any of it, clear standards. That's why you have rules. Not because you're having problems now, but because if it's important enough to be a topic you may as well make it clear and useful.

RD: We are going to have agree with Lisa said. We are going more and more to automated meter reading which even will eliminate more a very insignificant problem at this time. And therefore to pass more rules on something that we see as something that will probably go away almost 100 percent we disagree that any rule is needed.

MK: The rule already exists it's not an additional rule, it is just clarifying the rule that's here. It says estimating in the WAC. I don't see it as adding another rule.

LL: The purpose of the rule as I read it, is to require us to identify an estimated reading to the customer. We're all doing that I'm sure. The purpose of the rule is not to limit the number of times we can do the estimate, because we're financially incented not to estimate. With the cost of the telephone call coming in, the cost of the adjusted bills, all those kinds of things. Because if we over estimated because the customer wasn't there, they're going to call. We're going to have to go out and we'll have to check read, we have to do a billing adjustment. Or we get a read the following month we may end up adjusting the bill anyway. It takes some clerical time. It's expensive.

MK: We're in agreement.

LL: There are also situations that it makes sense to estimate more than three times such as the frost fans Gene mentioned.

MK: For residential all I'm saying is clarifying it to where it will be current practice except some acts of God or weather related...

DM: I think we've got the point covered. If there's some other related points we can move on to those.

PH: Should the rules continue to require that bills for utility service be issued at intervals not to exceed two months? Is that just current practice for industry wide?

LL: We commented on that question because of an interpretation by one of the staff members. Because the time when we actually issue the bill is beyond that two-month period. The meter is read January 1st and March 1st and we don't issue the bill on March 1st, it's March 3rd. Technically we are not in compliance with the bill. We were found in violation of that rule because it was two months and two days when we issued the bill. It's just an interpretation issue. Maybe we should clarify that the billing period shall not exceed two

months. And sometimes, say we've estimated the bill twice and then next time we we're able to get a reading either by the regular meter reader, so we'll send out for a special reading. That billing is delayed. It may be delayed a week, ten days, two weeks. The billing period, we're going to estimate a reading for the regular reading date. The billing period will still be two months at the most. Even though the actual bill is not issued maybe up to three months, before the bill is actually issued from when the last time a bill was issued. That was the issue that came up in a complaint and we thought that this question was related to that so we commented.

PH: That's all I had.

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

PS: Just a couple of issues. One, reading the current rule, there is a six-month limitation on refunds for inaccurate meter reading. I think you guys have said you kept records for a year. Do you keep records on meters? Do you keep the billing records, correct? I just need a clarification and your thoughts on that. Why it is six months.

RW: When I read that rule I was under the assumption that the six months only applied if you didn't have a known period of time. If you know the period of time involved, you will refund the entire amount that involved. If you can determine that there were some problems for an "X" number of months or since the account opened, you would go back and refund for that entire period of time.

PS: Right. My question would be that the customer may not have that information, but how long do you guys have that information? Or would you make the assumption since the rule says six months, you'd only go back six months? I don't know.

GC: Our system currently maintains and our previous systems maintained the installation date of the meter. And we maintain that so our practice has always been to go back to the date, if you have known dates, then we go back to those known dates. If we don't have known dates then we would follow the six months.

MS: Should we change the rules to say that?

GC: That is what it says.

PS: I think it needs some clarification. Looking at these it doesn't seem very clear.

TT: I think I read that ten times and I still didn't understand the rule.

RC: What we do, and we serve six states, so most states have the same general rule. It says six months if you can't determine the date, up to three years, at no time more than three years. There is a limit to the period of time we do go back and it's three years in most states. Even if a date is ten years ago.

PS: There is a statute...

DM: It sounds like, with respect to this point, this may be a good subject for clear rule writing but with not intention to change the underlying factors.

PS: Avista and Cascade had some comments on this. Should the rule be expanded to address cause of inaccurate bills other than fast metering, slow or stop meters, over-billings and under-billings?

RW: Our company currently has a policy in place where we follow this same time frame and we will back-bill for a stopped meter or if the meter were found to be slow, up to a period of three years or six months if not know for inaccurate billing. This particular rule only addressed refunds and I just thought it would make more sense to clarify all reasons for inaccurate billing and how you respond those. Also, to include that statement of allowing the customer the amount of time to payback if we have under billed. It fits here more so than on the section when we discussed that earlier today, it was in another area but it really fits here. It was under Payment Arrangements, I think.

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

DM: Anyone else have comments on this? Let's move on to the last set 480-90-211 and 480-100-311.

TT: I think, generally, we're just asking the question of what's happening with business offices out there? We tend to get the notices per rule that are arising as offices are closing down. We don't get a lot of notices that offices are opening up. We get a lot of call from customers about offices closing down. Where are we going with this?

DM: Is it the interest in what the companies plans are in terms of maintaining the current business offices?

TT: Our interest is what is necessary for the customers and how are the companies going to respond to the customers needs, which I know that you have thoroughly researched and can give me some input.

LR: We have recently closed a number of business offices but we have opened many pay stations. I believe our pay stations number close to 100 now. We are continuing opening more as we see our customers need this option to have a walk in facility to make payments. We have also automated our pay station facilities. It used to be that the pay station would collect the checks and stubs and whatever and every week they would mail them to us, we'd process them which would cause some delay on getting customers payments updated to our customer information system. We now have a third party administrating this for us. They've been around for about a year now, where everything is done electronically. That evening this company sends us a file of every payment that the pay station had taken during their business hours and it's automatically updated to the

customer record. So the time frame has really been cut down substantially from what it used to be. We are continuing to look for pay station locations. Our numbers will probably increase from where they are now.

BF: We too have recently closed some of our business offices. We closed eight offices in Spokane and outlying areas. We added somewhere between twenty and thirty pay stations at that time. So, we are up to around eighty to ninety pay stations. Like Lisa said, we are adding more all the time. From a service standpoint these pay stations tend to be opened longer hours and are more accessible than where our old offices used to be. For example, if we have a pay station at Safeway, that would open from 6:00 a.m. to 11:00 p.m. as opposed to our old office hours of 7:00 a.m. to 5:30 p.m. From a statistical standpoint, every time we close an office we tend to add more pay stations, proportionately, by three times, plus with extended hours and more convenience to the customer.

GC: We of course closed all of our office several years ago. Our pay stations are opened longer hours. A majority of them have been automated. We have recently gone through and reviewed our manual pay stations and automated all of those where it made sense. We have very few drop boxes or manual pay stations left, they've all been automated. Extended hours. The business center is seven by twenty-four in Portland so we have much better coverage as far as customers being able to call in and contact the customer than we did before with those pay stations and the business centers.

MK: The pay stations are not staffed?

GC: Not by company employees. There is a third party for PacifiCorp.

MC: So there is someone there that can answer questions?

GC: They take payments only.

TT: There's a little part in the store that accepts payments.

MK: So the WAC that says that customer service centers accessible in person and shall be staffed with personnel to provide information relating to services is clearly missing?

LR: When we have business offices we have staff there, PSE staff. When we don't have business offices, we have payment agencies without PSE staff.

MK: Since I live in the old northern division up in Bellingham that served the four county area where we have customer service centers in Mount Vernon and Ferndale and Lynden and Bellingham and Oak Harbor, there was some place for anyone to go to that was reasonable. Is there a staffed business office at this point in the Northern Division?

LR: Yes there is one in Bellingham and one Mount Vernon.

MS: Gene, how do you comply with the first sentence for 480-100-311 which says, "Companies shall provide applicants and customers reasonable access to company representatives to conduct their business."

GC: We still have service centers. We still have customer business managers in all of the areas where we had, maybe not every specific community. For example in Yakima where we had business office, I'm housed there, we still have a service center there that has PacifiCorp employees there, the same in Sunnyside and in Walla Walls. We still have company employees that are available and can answer questions.

MS: You said you had closed all of your business offices and wasn't sure what that meant.

GC: We still have the service centers that are there.

BF: Before we closed our Spokane business office, a customer would come in to make payment, he or she would go to the teller and make payment. If he or she had a service related question, the tellers were not equipped to answer because they weren't trained in that area, plus it would slow down the line of people wanting to make payment. That customer would be referred to a bank of phones, ten feet away and they would call our call center. The way we have been in compliance prior to closing business offices as well as once we closed business offices, you can call our call center from our premises or from home or anywhere. I think it's important to distinguish that fact that because you can take payment doesn't mean that necessarily you can answer questions anyway, irrespective of at a pay station or in our own offices. Either way we refer customers to trained professionals who are well versed in all the customer service issues. We don't think there's been a service degradation by going to pay stations from where we were before. In fact, we think it's more efficient.

MattS: Lisa, do I understand that you post transactions the same day?

LR: It is that evening. If you make a payment at 2:00 p.m., it's transferred to our CIS that evening, so the next day it shows on your account.

MattS: Gene and Renee, what's the posting turn around on yours?

GC: The posting from our pay stations would be the day after it's transmitted to the company. If the payment were taken in the morning on Monday and it was transmitted Monday evening it would appear in our system on Tuesday.

MattS: So it has to go to Portland or does it have to go to Yakima for up here?

GC: No, it's electronically transferred to the main office in Portland.

RW: If the pay station is electronic the payment will be posted the following day from when the customer made it. If it is not an automated pay station, it could take up to three of

four days to post. With our billing system we allow our customer bills an automatic three day time frame from the due date for a payment to post. On our current notices we have a statement that's added that indicates, payments made at a pay station will take three to four days to post. And on the final notice it says please contact the company.

MattS: What happens in the case of a customer that's under a disconnection order, a pending disconnection order? Here's a hypothetical. You're going to disconnect me and I go to the pay station and put the money in. It doesn't clear for a day later or for you for three days later or for you that same evening. How do I not get disconnected?

RW: That's why we request they contact the office. Anytime a customer indicates they've made payment at a pay station it's the same as if they've mailed it to us. We make arrangements we make a note on the account. There are times when they've been disconnected and they will make their payment. We may verify a receipt number that they've had with the pay station prior to reconnect. But, for the most part we do not require the receipt number or anything, we take the customers word for it.

GC: Basically, if they go to an electronic pay station they will be issued a receipt. If they show us the receipt, they are not disconnected. If they drop it in a drop box, it's basically the same thing as if they would have put it in the post office. So we take the customers word again. Out of the business center if they say have paid the bill then we take that and go from there. But they do issue receipts out of the pay stations.

LR: Basically the same thing occurs.

Michael I believe you asked where our business offices were opened up north? I think I said Bellingham, Mount Vernon, I meant Bellingham and Oak Harbor.

DM: You talked about moving to electronic billing. Are you also moving to virtual offices that are available to customers?

LR: Kiosks and things like that. We are certainly looking at some vendors that offer that service. It's a little pricey.

TT: There's nothing else I have, just some clarifying. When I'm reading through this rule it addresses business offices and it addresses customer service centers and it addresses payment agencies. Can anyone define for me what a customer service center is as opposed to a payment agency?

LR: I might attempt to do that. A customer service center is, in my definition, staffed by PSE personnel. My definition of a business office, as PSE has it today, are staffed similar to what Avista is staffed with. People that can take payment but are not fully trained on every aspect of customer service.

TT: So the customer service center is the full meal deal.

BF: I think Lisa did an admiral job defining these questions. I think though, we may want to expand that. We are not having personed business offices, personed customer centers in person. We are steering people to our customer call center. Unless you think that's a degradation in service. I do need to take a self-serving moment to say that our call center was rated number one in the country in 1998 not just among the utility industries but among all service centers in North America by Call Center Magazine. So, we may have a broader definition that doesn't include "in person" unless you define "phone call" in person.

DM: One thing I am hearing is that there are some variations on this theme and perhaps the rule needs to reflect that. It sounds like there's been some evolution in industry practice. This might be a topic where there should be some further interaction between staff and the companies in terms of capturing exactly what's the future holds.

MattS: If the future is customer service over the phone or over the web and not so much in person, would you oppose requirements on how quickly customers got served on the phone? Puget has a requirement like that. Scottish Power or PacifiCorp has proposed a requirement like that.

BF: One of the criteria for the Call Center Magazine was, time one hold, access to our call center reps. I don't think that would be a problem for us at all.

RW: We currently have a very high standard and expectation of our call center representatives to be on and available for the phone calls. The problem with that, and I'm familiar with the service quality situation that Puget currently has going on, would be in the situation of an outage. How we could comply with a rule that implemented a certain hold time? Basically what we have done in the past is set an expectation to maintain a customer on hold for no longer than 30 seconds at a time. Eighty percent of our calls.

LR: That's very good.

PP: Things like that, like standards for how quickly calls are answered live and thing like that, those seem to be really good sorts of components that might be incorporated rather than just standing out there in a rule by itself. It might be better incorporated into something like what Avista proposed with there A4 rule. That, that would be part of any A4. If the utility wanted to propose to the Commission that this must be a requirement to insure service standards. So that might be a place where it goes.

TT: Back to the rule and clarifying these three types of offices. When you go back to your offices go through it and tell me if this is still applicable. If this is still doable with how your offices are set up, you're three different types of offices. I don't want to take the time today but if you could go through it and think through how you're offices are set up and then let me know by E-mail.

Another question I have is when a customer is in threat of disconnect and they only have

cash. Are all the offices available for accepting cash?

GC: Our pay stations are glad to accept cash and the collector in the field will also accept cash.

LR: Our business offices and pay stations will accept cash as well as our field collectors.

BF: Our pay stations certainly accept cash. Our field collectors are trying to steer customers toward pay stations because of the obvious problems of being out there with a \$1,000 in the middle of the night. We're kind of examining different options there. We are trying to steer customers to pay stations.

TT: So, all the pay stations accept cash?

General: Yes

TT: The bigger question of all of this is the geographic location of all the offices. Do we need to specify, kind of geographically where they should be located? So that in one area a customer doesn't have to travel 100 miles to make a cash payment as opposed to someone who has three right in the same area.

BF: We very much want to take customer's money. We try to make it as easy as possible, no matter where you are, to make payment. I'm sure that we have very good representations geographically. In fact, the further out of town you are the more it's in our interest to have pay stations spread around.

TT: Do you kind of have some kind of a schematic or something like within a five mile parameter you would set one here?. Or is it by population?

BF: I can point to some of the business offices we closed like Lewiston and Moscow and Pullman, etc. We spread out pay stations. For every one office we took out, we may have added three to ten pay stations, which by definition disburses into the community geographically the ability for us to collect money. For example, what it comes to is, Moscow at the University of Idaho, we're putting a pay station actually on campus which is even more convenient for the 20,000 or so students to make payment. They don't have to truck downtown. They can actually pay right there in the union building. I think we've been sensitive to that and we certainly want to be more sensitive.

GC: As it was stated. In the small town of Toppenish there was one office there. Now there's one pay station in Toppenish and there are two pay stations located nearby so there are more options to pay in that small town than there were when the office was open. In Sunnyside we have three where we only had one office. Yakima we have seven or eight. I think we have more options for our customers to make payment at pay stations than we did when we had an office.

- PS: I don't know how pay stations work. To me if I owned a small drug store it would be a hassle to take payments. I know that in the past companies have had difficulties finding people that are willing to accept payments. It is a problem for customers. Do you pay the businesses or do they do this as a community service?
- GC: Yes we do pay them on a per payment basis. There is also a benefit to that establishment because it does increase the foot traffic within the business. I know other areas of our service territory have had difficulties maintaining stations. We, on the other hand, have been on the other end of that. I have a waiting list of people who want to become pay stations. We found it very advantageous, not only for the customer but for the business and for ourselves.
- BF: We ran a study last fall. I don't have the numbers precisely, but I think we pay about 50 cents per check to a pay station. Where it would be a cost to us of around 70 cents to staff it ourselves. We did find a cost savings on a per check basis. Those are roughly the figures we are looking at.
- MK: Access for payments seems covered. The access for customer service is another story as far as gaps and thinking of some of our clients in Mount Vernon, if they have to drive to Oak Harbor for a half hour or drive to Bellingham a half hour that would be quite a burden. For low income for the gas and so forth. So, again when I look at the WAC and it talks about in person access and staffing with personnel, we heard about the payment side and that does seem to be covered pretty well. Can you speak a little bit more about customer service for those folks? In person, face to face.
- DM: We heard from Bruce Folsum that you're relying increasingly on telephones. Is that something other companies as well?
- LR: Exactly, we're doing the same. We are 7 by 24, as well. A customer can call us at 2:00 a.m. in the morning and we can really address any need the customer has, payment arrangement, high bill, etc. We are really encouraging customers to call. They are going to receive the best customer service possible, because this is where all of our trained employees reside, in our call center.
- TT: What would be some of the scenarios where the customer actually needs to walk into and office and say here's my question. Is there times that they need to provide paperwork, maybe on low income issues where they actually have to have it there timely and a pay station may not be able to handle that. Are there certain scenarios that a pay station or a telephone call would not work?
- BF: There are several instances where that would occur. In our service territory it's handled by our neighborhood action programs. We have relationships with the five or six community action programs most notably Spokane Neighborhood Action Program (SNAP). Examples would be bill paying assistance. They can help with some project share money which is to tide over inability to pay for our conservation programs. Our

relationship with SNAP, customers would go to them. SNAP has some other educational programs and like in the winter time, conserve power and grant money, fuel switching money. So we do steer customers to those agencies that are best equipped to handle that. It's a relationship that we've been nurturing over the years and I think it has been working fairly well.

GC: We still have employees whose assignment is to receive those calls and those orders where than can't be handled by the business center and they can discuss items with the customer either in their home or, that's preferably where we are so we have a an energy representative that would answer high billing concerns, would answer energy questions, still making visits to the home and still doing those types of things. We still have a community presence there. I've certainly handled my fair share of those myself, where it's tough for a landlord his billing register and say what happened to this one to someone on the phone. We still provide that service and still the ability to do that.

KK: Going back to where you first started this last round of conversation is, should we define where these business offices and service centers should be. I think what's happened, what all these companies have been doing recently is they've evolved with the industry and the evolution and commerce and electronic process and telephone access. We want to serve our customer much better over the phone. We've got call centers that can answer all the questions and make the referrals to the right party. Where as the service centers always had some people that were focused in some areas. What's motivating everything is becoming more efficient and we're trying to provide the best service for the value to our rate payers and we'd like to have the flexibility to continue to evolve and progress in terms of how we operate our business offices and call centers. I think a proposal to put in a certain minimum requirement would restrict the companies from being able to do that and evolve. So we would oppose actually putting rules into effect to have a certain number of business centers and service centers within our geographic area. I don't think it would be in the best interest of the rate payer.

MattS: Two of questions on the general issue. I heard that there was some sort of discussion at the last meeting of requiring proof identification for new customers or reconnecting customers. Did I get that right? How do you do that if there is nobody there? I would be interested in how that would work for you guys.

The second question is, particularly for Bruce and for Gene as currently multi-state utilities. We have seen in other regulated industries, companies, that rely on call centers which are centralized in places that are not there service territories. often have trouble answering service territory specific questions. I would guess for Avista that this is not a huge problem yet, given how close your service territories are and what I know, for you guys, we are talking about five states and 2,000 miles. Maybe you could comment on the training or how you address that problem.

GC: The business centers have been evolving. We have one in Portland, we have one in Salt Lake City. They have been evolving as we've learned how to deal with the customers

through business centers. They are becoming more geographically assigned. In other words assignments within the business centers themselves have the same employee dealing with and having calls routed to them from the various states so they do become familiar with the tariffs, with the geography, with the particular problems that go on there. That not only happens with the customers but with the interaction with the field employees that still remain in those service territories. So we've addressed it through training and through assignments in the business area.

MattS: So you actually designate some portion of your call center staff to various jurisdictions?

GC: As far as the back office and some those types of work, they definitely have. I'd have to double check with the business to make sure that they have those calls routed in there. They have talked about doing that and whether they have actually accomplished that, I'm not sure. But we are becoming more task oriented and geography oriented within the business centers themselves.

RD: Along with the different training that we have going on to cover those things, you need to remember also that when we had our offices open if you called in as a customer and got our customer office staff and you had a service question, then that staff member either made up an order or referred you to the customer service section that you were actually interested in with your question or your request. It's exactly the same way now. That person that you called and got initially was not necessarily an expert in the field you were going to ask on. It's exactly the same way now. They are not necessarily an expert in your field that covers your question but they do know how to route your request. Exactly as it was before it's just that you don't call Toppenish and talk to the Toppenish person you call Portland and they will refer you to the Toppenish or the Sunnyside or Yakima staff member, the service center member, that would in fact take care of your question.

GC: And that might be electronically, that might be a transferred phone call to the actual person. It might be an electronic order that goes to the person and they then respond back to the customer.

BF: There's two ways to take your question, Matt. One is geographical and the other is substance. From a geographical standpoint we have three physical call centers. Two in Idaho, one in eastern Washington all linked electronically to look like one. What this means is that for every 100 incoming lines a percentage by per capita is devoted to that part geographically. So for the Lewiston call center maybe 15% of the incoming lines physically go there. If there's some incident on our system, like a storm moving in from south to north, if that board starts to light up the overflow calls go into Spokane and Coeur d'Alene. However, through training and from a substantive standpoint, like Gene said the training is pretty good plus the system can see the switchboard lighting up in Lewiston, you know that there is an event occurring. So, by the time it moves up through north Idaho and eastern Washington, we're prepared for it. Both geographically and substantively I think we are well suited to that.

MS: Bruce can you address other part of Matt's question, as I heard it at least, which was, if you're getting into a lot more of asking for ID from people how does that fit with doing most of this over the phone? Are you having them give you the numbers over the phone? How is that piece working?

RW: Yes. The information is requested over the phone. Only in the event that there is suspected fraud would we ever run the number through a detect machine which gives us verification of that social security number as a direct match to the name they have given us.

MattS: How do suspect fraud?

RW: In cases where an account was disconnected for non-payment and the very same day you've got another person saying "I'm a new customer and this is my name and my social security number" and for some reason it seems that we may still have the same customer there and the OSM or the person that works in the field may even indicate that you still have the same customer. If you're just suspicious at some point for the information that they have been giving you.

BF: One thing left out of this discussion is our Outside Service Representatives (OSR) they are ones who physically disconnect, reconnect and they are in the communities. It has been told to me time and time again, they know who everybody is outside in the rural areas. When it comes to fraud these people know who's playing with the meter and who's doing certain things. So I would add to Renee's response about fraud. It's the OSR's who pretty much know who's who in the community.

GC: If we were to verify customer identification it would be with our OSR for Avista. Many instances they will report back to me that they have gone out to talk with the customer to try and collect the bill they have been told that that particular customer has gone down to the pay station to pay the bill. That would happen at 10:00 or 10:30 by 1:00 p.m. they have a new signer at that location. That person no longer lives there, somebody else does and yet an hour ago they were on their way to pay the bill. The landlord would then verify that he has the same renter and has had for several years. Yet we would have instances on our records where there would be three or four people having come in and come out. The landlord would verify that the same person is still there. In those instances we might ask for further identification of who we're dealing with, who we are trying to collect the bill from. And it would be that connect, disconnect OSR person who would do that.

TT: So just to clarify. When you take an order over the phone generally there isn't a requirement of needing to see ID. It's only when you work through the accounts or the field tech goes out there and sees something is a little bit strange or as your working the account something keeps coming up that you kind of press it more. But it's not when taking the orders?

General: Correct.

MK: I was just trying to get a sense of how there can be a consistent policy no matter what income or housing situation or on and on. These kind of issues looking at protecting low income who often feel that they are treated differently. So when there are judgement calls by someone out in a field setting, a house setting or in a office, what can you do to assure me that this is consistent through income brackets, these kind of....Obviously people are in arrears and are shut off throughout the spectrum of income, but I guess concern raising in stereotypes in going to a wealthy neighborhood, whether those folks, even though they may be in arrears situation or shut off situation are possibly treated differently.

GC: When I stated renter or landlord that was in.....There are rentals in all spectrums, in all areas of the geographic spectrum. It would be treated, I foresee in PacifiCorp, it would be by the situation not by the individual and not by the income and by the size of the bill. And it would be the same for a business persons as it would be for a residence. If we question who we are dealing with, because we have concerns that we would be losing money or they are trying to receive service without adequately paying that, then we would request that identification for new service as well as for existing. Whether we are building a line to them or whether they've been disconnected for non-pay and we are trying to reconnect and reestablish service. I don't see it being an economic issue or where they live so much as the circumstances surrounding the why we are requesting the information.

DM: I think that Renee, Avista agrees. Anybody else want to comment on that?

There will be a on-going dialogue between industry, public counsel representatives and whoever else wishes to be involved in the rulemaking as it goes forward.

Other Issues

LR: What time frame are we looking at for this whole process?

DM: I don't know that's there's a real hard and fast answer to that. That's a point that's evolving as we go forward here and I think it's tending to get longer rather than shorter. The object is not to rush this thing. Give it the time that is required to do it right. I think that is what staff is looking to do. It would be difficult to give hard and fast dates today, but that will also be part of the ultimate dialogue and I think we can probably update that fairly soon in terms of the schedule.

MattS: If we wanted a complete set of all the comments that have been offered to date is the record center the place to ask for those?

DM: Minutes will be prepared over the course of the next week or so, as it can be done and those will be available. Those will be posted on the website and otherwise available.

MK: The point I'd like to make is that a number of us are very interested in looking at service quality indexes for all of these topics and I'm not sure where to fit that into the process. The second thing that's come up a number of times, things aren't broken why do we need new rules and so forth. As we've seen, the customer service center issue alone is where the industry is moving. It's a time a great change and this change happens yearly with mergers and unforeseen things looking ahead. These rules are going to be in effect probably quite a while and you're not going to be able and come back and revisit these each time there's a change. There's not a great mix and match with the movement in the industry with this process. I think it's prudent for us to look forward and looking at standards and looking at rules even though those issues might not apply today, specifically, but to anticipate some things coming. Again the service center issue is one that gets my mind and the downsizing trends coming up with future mergers.

DM: All good points and there certainly a continuing opportunity to participate and bring those ideas into more concrete form as things go forward. I get the sense, for example, particularly with the rule you reference regarding service centers, that there is going to be some on-going dialogue and Tani has asked that the companies come back and say "What are you doing? Let's help and understand a little bit better what's going on right now." I think we can expect to see these rules as they are re-crafted and re-drafted will be reflecting that dialogue and you should participate in that.

MC: So from a process standpoint for the service quality index issue, how and when would one bring that up at this point in time?

DM: To me that's a very broad issue.

MC: I'm meaning it to be an umbrella to apply to all these sub-topics.

GE: The Commission is considering reliability rulemaking process later this year and that may very well cover what you are asking.

MS: I think that might cover parts of it. If someone wanted to propose a rule that applies to some of the other standards it would probably be a good idea to write that down.

DM: Certainly anything can be put on the table.

PP: I was thinking what might be helpful as we close that might actually answer some of Mike's questions is if you could just run over really quickly what the Governor's order lays out as far as process. Including the on-going review provisions of that.

JR: We are going to start drafting the rules now. The first round of the workshops are completed and we kind of have an internal date of about the second week of July of having basically a discussion draft set out over E-mail to all of you folks. We kind of committed to do that in the accounting and the meter and safety workshops, but for the consumer area there's other things going on within the Commission that I'm not sure we

want to handle it that way. The end of the process is tentatively scheduled for October. What we envision is sending out a draft or basically an advisory group draft and then send out a formal draft to satisfy the legal requirements that you will be able to make comments on both in writing and we'll have another workshop and you can make comments at the workshop in this kind of a format. And in the those draft rules, hopefully we'll get them pretty tight, then those go before the Commission to be sent to the code revisors office and that will happen, currently we plan on the October time frame. Pretty much all this summer we are drafting rules and working through the process.

GE: I will need E-mail addresses of all the companies that will be working in the engineering part of the rules. It would be more efficient if we know in each company who in particular is working on which section of the rules.

BF: Avista would prefer if you would run things through us and we will farm it out and get it back to you in language that makes sense.

General: The rest of the companies agree.

DM: We are here on the basis of the Governor's Executive Order 97-02 for requiring regulatory improvement. The idea of the order is that all the agencies in Washington State will review their significant regulations and there are criteria stated in the executive order as to what we are to be looking at.

Need. Is the rule necessary to comply with the statutes that it authorizes? Is the rule obsolete, duplicative to a degree that warrants repeal or revisions? Have laws or other circumstances changed so that the rule should be amended or repealed? Is the rule necessary to protect or safeguard the health, welfare, or safety of Washington citizens? A lot of what we have been talking about today, I think, is squarely within that goal and that criteria where we are considering changes in the industry and on a forward looking basis, changes that we expect, as well. And I think we have identified some areas where there do need to be some changes. We look at the rule also for effectiveness and efficiency. That is, is the rule providing the results that it was originally designed to achieve in a reasonable manner? Are the regulatory alternatives or new technologies that could more effectively or efficiently achieve the same objectives? Again, I think some of the recent discussion we had on the business offices and the evolution of electronic communications and that sort of thing, fall squarely within that sort of consideration.

Clarity. Is the rule written and organized in a clear and concise manner so that it can be readily understood by those to whom it applies? And by those who apply, I might add. I think we had some comment earlier that, "Gee I've read that a dozen times and I never have understood it." So, again we will be working on that, clarity, just clear writing.

Fourth the intent and statutory authority. Is the rule consistent with the legislative intent of the statutes that authorize it? Is the rule based upon sufficient statutory authority and is

there a need to develop a more specific legislative authorization in order to protect the health, safety and welfare of Washington citizens? I think in the context of these two rules, at least, we're not looking at very recent legislation that we need to be concerned about. But, certainly these things can be kept in mind on a forward looking basis.

Fifth, the criteria is coordination. Could additional consultation and in coordination with other governmental jurisdictions and state agencies with similar regulatory authority eliminate or reduce duplication and inconsistency? Agencies should consult with and coordinate with other jurisdictions that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency. And some areas of the rules, although not so much in the consumer area, where we are certainly looking at those things. The safety, for example, gas pipelines safety, electric safety, meter locations and things like that. Some of those things come into play.

Cost. Have qualitative and quantitative benefits of the rule been considered in relation to its cost. That is something that we are required to look at, of course, and do look at. There has been some discussion today about the cost and benefits of various options that are available as we go forward.

Fairness. Does the rule result in equitable treatment of those required to comply with it? Should it be modified to eliminate or minimize and disproportionate impact on the regulated community and should it be strengthened to provide additional protection? Again we are looking at both the consumer perspective as well as the company perspective here and considering fairness to everyone who is impacted by the rule.

Thank you all very much for participating today and in the previous session. We appreciate in advance you're continued involvement and look forward to having that. Thanks!