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Company: Regulatory Review of Rules Relating to Electric Companies

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RONALD L. ROSEMAN

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TO: VICKI ELLIOTT
FROM: RON ROSEMAN
SUBJECT: AARP'S INITIAL COMMENTS ON ELECTRIC AND GAS CONSUMER
AND PRIOR OBLIGATION RULES
DATE: JULY 6, 1999
CC: AARP

AARP would like to participate in the discussions about energy(electric and gas companies) rules that will effect the elderly and low income elderly. While we have not been able to attend your prior two workshops we would like be notified of any others you intend to hold.

The Commission while reviewing the prior obligation rule viewed energy services as an "essential utility service".(see U-82-47, November 29, 1982) A review of current rules and the consideration of new ones should be examined with that principal in mind. Energy is a necessity and efforts should be made to help a customer keep their residential service.

The prior obligation rule has been one of the most helpful tools available to address that problem. This rule has been in effect since 1971 and has not been proven to place a undue hardship on the companies

While we applaud the legislatures passage of a bill that allows the UTC to approve a special low income rate we do not believe it is a justification for weakening the prior obligation rule. We do believe that an effective design of a low income rate would help avoid the costly cycle of disconnection and reconnection and allow low income customers to keep their energy service while being able to afford it's cost.

We are very concerned about the use of credit bureau reports or credit screening to determine who should pay a deposit before they can get energy service. The reports I have reviewed show many inaccuracies or disputed bills. Even after notifying the credit bureau of the error or dispute the credit record remains uncorrected. Also we believe that how one pays their department store bill does not indicate how one would pay for a basic necessity like heat..

Washington Natural Gas several years ago completed a study of why people fail to pay their energy bill. It may be helpful to review that study before proposing different

requirements before one can obtain energy service. The use of a credit screening approaches would require compliance with the Fair Credit Reporting Act.

By increasing the amount of the deposit we in effect are denying service to some of the most vulnerable members of the population, those on social security disability insurance, whose income is less than \$600 a month. Already financially stretched an additional barrier to service could be a delay in getting or keeping service.

This rule review process could also be an opportunity to consider a service quality index that can measure how well a company meets its obligations to its customers to provide good service. AARP would be happy to work with the Commission and the companies to develop such a program. The federal government uses a system for measuring airline performance and publishes the results so they may be used by the airlines in the competitive market place.

The closing of local company offices and the reduction of the number of payment agencies has an adverse effect on customers especially those in rural areas. Not all customers keep checking accounts so payment to a payment agency is preferred. This is also true if one needs to make an immediate payment to forestall a loss of service. The limited amount of public transportation in rural areas also points to the need for a local company payment office.

Thank you for considering our initial comments and we look forward to reviewing the preliminary draft rules.