

WE-990473

August 2, 1999

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Attention: Jim Russell and Graciela Etchart

Re: ***Docket No. UG-990294 Gas Companies Operations Rulemaking
Chapter 480-90 WAC – Comments on Staff's Draft Rules***

NW Natural (the company) submits the following comments, edits, and proposed changes to Staff's Initial Draft Rules dated 7/16/99 for consideration in the above-referenced matter. Please note that this document contains the same comments submitted to staff on July 30, 1999, with some additional changes and/or comments to WAC 480-90-041(5), WAC 480-90-056(10), and WAC 480-90-071(5)(f), as well as new comments beginning with WAC 480-90-072.

Please consider these comments and changes as preliminary and subject to change upon further, more comprehensive review. NW Natural's comments relate only to those rules that apply to natural gas utilities.

For purposes of subsequent drafts, NW Natural requests that staff provide them in legislative format (underscore and strikeout) and where appropriate, include a brief explanation of the reasoning behind the suggested change.

Our comments, in the order of the draft document, are as follows:

General.

NW Natural objects to two word changes that staff appears to have adopted throughout the draft. The first is the use of "gas/electric company" in place of the word "utility". The term "Utility" is a defined term, and replacing it with the words "gas/electric company" provides no obvious value to the readability or comprehensiveness of the rules.

The second is the use of the word "must" instead of the word "shall". In many instances, the use of the word "must" is unnecessarily limiting, and its use implies

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that there are no deviations, exceptions or alternatives, when in fact that is often not the case. The existing rules use the word "shall". Since there may be unintended restrictions that could result from the use of the word "must", and because staff does not provide any explanation about why they propose this change, the company recommends that the word "shall" continue to be used.

WAC 480-90-011 Application of rules.

First, on initial review, it appears that the reference to RCW 80.04.010 should either be changed to "Chapter 80.04 RCW", or the rule should read as follows: These rules apply to any company that manufactures, transmits, distributes, sells, or furnishes gas, as defined in RCW 80.04.010, and is subject to commission jurisdiction under Chapter 80.28 RCW.

Second, if it is ultimately decided to break this rule apart into the three sections as staff proposes, then the paragraph number (1) should be deleted as it is no longer necessary. Please note that our first choice would be to leave the rule intact as a single rule.

WAC 480-90-xx1 Exemptions from rules.

NW Natural finds nothing in the existing rule (WAC 480-90-011) regarding this issue that requires a change. Nonetheless, on the assumption that the rule in fact will be bifurcated and modified, we make the following comments and suggested changes.

In general, the proposed rule is overly detailed. In this company's opinion, the process language included in the rule does not add value or clarity, and further, appears to apply new conditions that are not currently in the rule – specifically paragraphs (2), (3), and (4). Further, the use of the term "exemption" in place of "waive or modify" can be interpreted as a change in intent. Specifically, the word exemption carries an 'all or nothing' connotation. The terms waiver or modify implies that some or all of a rule can be changed and/or not required of the utility as appropriate. We would suggest retaining the use of the words waive and modify. We propose a more condensed version, as follows:

Any utility may request commission consideration to waive or modify the provisions of any rule in this chapter. Any such requests shall be in writing and shall include the reason(s) such waiver or modification is requested. At the discretion of the commission, such requests may be subject to a formal review process. The commission will respond to all utility requests under this rule in writing. No utility shall deviate from any rule in this chapter until written authorization is received from the commission.

WAC 480-90-xx2 Resolving disputes about the meaning of these rules.

Again, NW Natural finds nothing in the existing rule (WAC 480-90-011) regarding this issue that requires a change. Nonetheless, on the assumption that the rule

in fact will be bifurcated and modified, we make the following comments and suggested changes. Our first choice is to keep the existing rule language in tact. In the alternative, the company suggests that the following changes to the proposed rule be considered:

In the event that the interpretation of any rule in this chapter by a utility or by a customer is in question, the questioning party may request clarification from the commission as to the correct and proper interpretation under the particular circumstance at issue.

With respect to the three proposed rule changes addressed above (WAC 480-90-011, 480-90-xx1, and 480-90-xx), the company would support a single rule incorporating the edits above, which would read as follows:

WAC 480-90-011 Application of rules.

These rules apply to any company that manufactures, transmits, distributes, sells, or furnishes gas, as defined in RCW 80.04.010, and is subject to commission jurisdiction under Chapter 80.28 RCW.

Any utility may request commission consideration to waive or modify the provisions of any rule in this chapter. Any such requests shall be in writing and shall include the reason(s) such waiver or modification is requested. At the discretion of the commission, such requests may be subject to a formal review process. The commission will respond to all utility requests under this rule in writing. No utility shall deviate from any rule in this chapter until written authorization is received from the commission.

In the event that the interpretation of any rule in this chapter by a utility or by a customer is in question, the questioning party may request clarification from the commission as to the correct and proper interpretation under the particular circumstance at issue.

WAC 480-90-016 Saving clause.

NW Natural finds nothing in the existing rule that requires a change. Nonetheless, we offer the following edits to the proposed rule changes:

(1)–The commission may adopt ~~impose~~ additional or different requirements ~~for~~ ~~on~~ any utility ~~gas/electric company~~ as appropriate in response to an application, a complaint, or on its own motion. These rules do not relieve any utility ~~gas/electric company~~ from any duties and obligations under the laws of the state of Washington.

WAC 480-90-021 Glossary.

On initial review, it appears that staff's proposed WAC 480-100-021 contains definitions that are not contained in staff's proposed WAC 480-90-021 but that also apply to the gas utility. Please explain why the terms "Energy assistance grantee", "Household income", "Meter tests", "Payment arrangement", "Payment plan", and "Winter period" have not been included in the gas rule.

In addition, NW Natural proposed several changes and additions to this rule during the initial comment phase of this rules review docket that have not been

included in the draft changes. We feel strongly about the need to incorporate certain of the changes that we suggested, and reiterate them here.

First, we suggested the addition of two new definitions; Applicant and Facilities. The term "Applicant" should be defined separately because (a) the term "applicant" is used frequently throughout Chapter 480; and (b) under these rules, the rights and responsibilities that pertain to an "applicant" for service can be very different than the rights and responsibilities that pertain to a "customer". The distinction between a customer and an applicant should be clear, and such clarity can be achieved through the definition. The proposed definition follows:

Applicant – a person(s) who (a) applies for service with a utility; (b) re-applies for service at a new or existing location after service has been discontinued; or (c) has not satisfied the requirements of WAC 480-90-051 or 480-90-056 if either rule is applicable.

The term "Facilities" should also be defined because it too is a term used frequently throughout Chapter 480. Including a definition for this term serves to complete the overall picture, and provides clarity for the reader. The proposed definition follows:

Facilities – the utility's facilities, generally consisting of any combination of meters, regulators, compression, valves, service piping, main piping, and associated equipment required to provide service to an applicant or customer.

Also, we propose changes to the definition of customer to further clarify the distinction between an "applicant" and a "customer", and to recognize that the term "customer" includes a jointly responsible co-customer. The proposed changes follow:

Customer – any person(s), cooperative organization, business entity, or government entity that receives, or applies for, utility service. that has applied for, been accepted, and is currently receiving service from the utility. Where used in this Chapter, customer shall include any co-customer that is jointly responsible for utility service payments on an account with the utility.

WAC 480-90-026 Tariffs.

No comments.

WAC 480-90-061 Contract for Service.

NW Natural proposed several changes to this rule during the initial comment phase of this rules review docket that have not been included in the draft changes. We feel strongly about the need to incorporate certain of the changes that we suggested, and reiterate them here.

First, the company proposed changes that, in our opinion, result in a rule that better addresses the circumstances faced in today's market. Today, and most certainly into the future, there are situations where the utility should be entitled to

require a written contract for service other than when there is a tariff requirement that service be taken for a minimum period. The reasons include, but are not necessarily limited to, (a) when service taken is "unbundled" and special conditions or cost of gas options are available; (b) when the customer is required to pay for the installation of facilities, as provided under the utility's tariff; or (c) where temporary service or unique service situations exist.

The proposed changes follow:

~~(4) A utility gas/electric company may execute a~~ require the execution of a written contract or service agreement whenever (a) the class classification of service requires so warrants it; (b) whenever the rate schedule under which the applicant or customer is to be served requires specifies a minimum term of service; ~~that such service be taken for a specified minimum period.~~ or (c) when, in the utility's judgment, the conditions of providing service to the applicant or customer warrant a written contract. The utility ~~shall~~ must submit to the Commission a sample copy of each typical contract form currently in use. ~~used by the utility shall be submitted to the commission.~~

WAC 480-90-066 Distribution extension tariff.

NW Natural proposed changes to this rule during the initial comment phase of this rules review docket that have not been included in the draft changes. We feel that our proposed changes offer important clarification, and reiterate them here.

First, NW Natural proposed that the title of the rule be changed to include the word "line". The addition of this simple word actually provides a more complete description of the rule content, where the term distribution extension alone does not. Because the rule addresses the physical aspects of distribution service, i.e. the installation and extension of piping rather than the act of distributing natural gas, the word "line" is an important addition. Further, since distribution extensions could be requested/required for existing customers as well as for an applicant, the addition of the word customer is also an important clarifying addition. NW Natural proposed additional edits that in our opinion result in a more accurate rule structure.

In the proposed rule, below, NW Natural would support the continued use of the word "facilities" should staff agree that the term be defined in the glossary (WAC 480-90-021) as recommended earlier in our comments. Otherwise, the term "distribution lines" should be used. It is our opinion that the addition of the word "tariff" in the proposed draft does not add clarity or value to the rule title.

The proposed changes follow:

WAC 480-90-066 Distribution Line Extensions.

Each utility shall file as part of a rule in its tariff a distribution extension rule setting that sets forth the conditions under which the utility it will extend its distribution lines facilities to make service available to serve an applicant or customer.

WAC 480-90-041 Availability of Information.

NW Natural reiterates the concern expressed earlier in our comments with the use of the words "gas/electric company" instead of "utility" and with the use of the word "must" instead of "shall".

We would propose the following edits:

(1) Each utility ~~gas/electric company must~~ shall provide the information needed for its customers and applicants ~~for service~~ to obtain adequate and efficient service.

[COMMENT on (1): The words "for service" are not necessary when used with the term applicants]

(2) Each utility ~~company must~~ shall notify its customers of its regular business hours, a 24-hour toll-free telephone number, mailing address and a twenty-four hour emergency telephone number(s) at least once a year.

[COMMENT on (2): This appears to be a new provision. This information is standard information included in all monthly billings, related customer notices, and rights and responsibilities brochures. By separating this component, the rule implies that a special notice with this information is required. We do not believe that is staff's intent. NW Natural would recommend that this section (2) be deleted, and incorporated into section (3).]

(3) Each utility shall ~~company must~~ provide to each new applicant relevant rate information and a consumer brochure that explains detailing the rights and responsibilities of a utility customer. The consumer brochure must shall at a minimum include information about the utility's regular business hours, the mailing address, the 24-hour toll-free telephone number, and the twenty-four hour emergency telephone number(s) as well as an explanation of the rules that ~~information relating~~ relate to establishing credit, deposits, billing, delinquent accounts, disconnection of service initiated by the company, cancellation of service by the customers, ~~how to~~ the dispute process, and a bill with the company and then with the commission's ~~informal and~~ by formal or informal complaint procedures. At least once a each year the utility shall ~~company must~~ notify its current customers of the availability of this rate and rights and responsibilities ~~how to obtain the consumer brochure and applicable rate information.~~

[COMMENT ON (3): Per our comment on (2) above, NW Natural suggests that the information contained in that section be placed here. The term "consumer" is not necessary for clarity and should be deleted; this term is not defined or used anywhere else in the rules that we can find on initial review. As to the type of information to be included, NW Natural adds the words "at a minimum" to allow flexibility to the utility to include other information not specifically identified in this section. As to the information on bill disputes, there are other disputes besides bill disputes that could arise, and we suggest revised language to eliminate the limitation to bill disputes. NW Natural further suggests editorial changes that

pertain to the annual notice requirement.]

(4) The utility ~~company must~~ shall make the following information available to the public upon request:

- (a) a copy of the natural gas/electric rules, chapter 480-90/100-041WAC.
- (b) a copy of the company's current rates and regulations (tariff).
- (c) a copy of the ~~consumer~~ brochure described in Section 3 above.

The utility may charge non-customers or applicants for this information if such charge is filed in its tariff.

[COMMENT ON (4): NW Natural clarifies to whom the information is to be available, consistent with the existing rule. Again, the word "consumer" should be deleted. New language is suggested that would allow the utility to charge a printing/copying fee to non-customers or applicants. This is an important addition, as NW Natural receives a great number of requests for this information from gas supply marketers, energy management groups, etc., and charging for such service is not unreasonable. Such a charge is currently in NW Natural's tariffs.]

(5) The utility shall ~~company must~~ provide an a customer or applicant, upon request, a ~~clear summary of the average, high, and low gas/electric usage amounts for~~ based on the actual consumption of the applicant's the service premise for the preceding twelve (12) months for each billing period during the prior year.

[COMMENT ON (5): For completeness, NW Natural suggests that this section specify that the customer can also obtain this information. NW Natural further offers editorial changes that may better describe the information that would actually be provided.]

(6) The utility shall ~~company must~~ provide a customer, upon request, a detailed account of the customer's actual gas/electric usage of at the service premise.

(7) The utility shall ~~company must~~ provide the commission copies of all pamphlets, brochures, bill messages and other information provided to ~~the~~ its customers.

[COMMENTS ON (6) AND (7): These appear to be new provisions. While NW Natural does not object to their inclusion, we would request procedural clarification on proposed section (7). Specifically, when and how does the commission want to receive this information.

WAC 480-90-046 Application for service

NW Natural reiterates the concern expressed earlier in our comments with the use of the words "gas/electric company" instead of "utility" and with the use of the word "must" instead of "shall".

We would propose the following edits:

WAC 480-90-046 Application for Service Requirements.

- (1) ~~Gas/Electric companies~~ The utility may require the following information from a customer or when an applicant applies for service:
- (a) the applicant's name, address, and home telephone number, and an alternative contact telephone number, if applicable, of the responsible party(ies) at the service premise;
 - (b) the date the person applied for service is requested to be effective;
 - (c) the type of service requested such as residential or commercial service.
 - (d) ~~an alternative telephone number for the company to contact the customer, if available;~~
and
 - (e) (d) proof of identification, which may include but is not necessarily limited to a valid Social Security number, a valid Washington driver's license, U.S. passport, certificate of citizenship or naturalization, Immigration and Naturalization Service temporary resident card, employment authorization card, or equivalent photo identification;
 - (e) spouse and co-customer information, if applicable;
 - (f) name and telephone number of employer and length of employment;
 - (g) type of equipment to be served at the service premise; and
 - (h) previous address, length of residence, and utility service information for that address; and
 - (i) if renting, the name, address and telephone number of the landlord.

[COMMENT ON (1): Generally, the proposed draft rule appears to carry a different purpose than the existing rule. NW Natural does not have any concerns about this difference. We do think, however, that as revised, section (1) should also apply to customers as well as applicants because customer information is requested to be updated from time to time. Given this, it may also be appropriate to change the title of the rule, and we make a recommendation as noted. Further, five new items are suggested, all of which the company feels are important service and/or customer information components.]

(2) ~~At the time a customer or applicant requests service,~~ the utility shall ~~companies must provide the customer or applicant with the earliest date that a utility representative can be dispatched to the service address. Customer requested dates for service will be accommodated by the utility whenever practicable;~~ a service date to the applicant at the time of application.

[COMMENT ON (2): NW Natural objects to the proposed rule as it appears to be overly restrictive by stating the a service date must be provided, especially if the rule is expanded, as we recommend above, to also apply to customer requests for service (i.e. equipment inspections, fall light-up, etc.) There may be times in peak periods where a specific service date cannot be provided, or where a specific customer requested date cannot be met.]

(3) ~~Under no circumstances will a customer resell electricity/gas unless~~ Except as specifically authorized in the utility's filed tariff, no gas shall be resold for use by others of the company.

[COMMENT ON (3): Editorial changes are suggested. The proposed language appears to be contradictory between the phrase "under no circumstances" and "unless specifically authorized". The above suggested changes are believed to eliminate that contradiction.

WAC 480-90-051 Establishment of credit and deposits.

Two general observations about the presentation of this rule. First, the structure is awkward and difficult to understand in that it attempts to treat establishment of credit and deposits as always dependent on the other. They are not. Therefore, NW Natural would recommend that the conditions for establishment of credit be presented as a stand alone section, first, as section (1).

Second, section (1) in particular carries a negative connotation that could be more effective if presented from the perspective of what can be done as opposed to what cannot be done. We attempt to address these concerns in the proposed changes that follow. Many of the changes suggested here are the same as that suggested in our initial comments.

There are also some discrepancies between the proposed draft and the existing rule. One pertains to the number of delinquency notices allowed. They are different for establishment of credit than they are for deposit requirements. Establishment of credit states that not more than one delinquency notice was issued; the deposit requirements state that three or more delinquency notices are cause to require a deposit. It is not clear where Staff arrived at not more than two delinquency notices in the proposed (1)(a)(i).

Also, NW Natural requests clarification regarding the delinquency notices and how they pertain to the establishment of credit and deposits rule. Specifically, what constitutes customer's receipt of a delinquency notice – is it the first notice or the second notice? If it is the second notice, then we would assume that any customer that receives the first notice, and then pays before the second notice is issued, has not received a delinquency notice as it applies for establishment of credit and deposits.

Rather than attempt to do a redline/strikeout version against the proposed draft, NW Natural recommends for consideration the following re-write.

- (1) Establishment of Credit - Residential Service.** An applicant or customer may establish credit by the demonstration to the utility of any one of the following:
- (a) Service in good standing with the utility within the prior six (6) consecutive months;
 - (b) Service in good standing with a utility of the same type within the prior six (6) consecutive months. The applicant must be able to demonstrate eligibility under this section (b) to the company's sole satisfaction, to and including written verification from the referenced utility.

For the purpose of (a) and (b) above, service in good standing means that the applicant had not been disconnected for nonpayment, and not more than one delinquency notice was served during the qualifying six-month service period.

- (c) Applicant is currently employed, and has been employed for at least the twelve (12) consecutive months prior to the date of application for service with the utility. If not employed, applicant has demonstrated a stable source of income.
- (d) Applicant can furnish a guarantor that meets the requirements of (a), (b), or (c) of this section (1), and that agrees to secure payment for service on behalf of the applicant, in an amount not to exceed the amount of the applicant's deposit requirement.

[COMMENT ON (1): Even though the requirement under (c) may not have a direct correlation as to whether a customer will pay a bill or not, neither do any of the other requirements listed. The requirement stated in (c) does provide the utility with a way in which to assess the customer's ability to pay, which is really all that the utility can do any way. Since this is included as an establishment of credit requirement, it is appropriate to retain this requirement in the rule. On the other hand, NW Natural does not agree that the proposed draft requirement (d) is an appropriate indicator of ability to pay. For this reason, it is not included in our proposed re-write.

The guarantor language contained in the proposed draft requires clarification. It is clearly an expansion of the role of the guarantor from that in the existing rules. As presented, it in essence places the guarantor responsible not only for assisting an applicant to establish credit, but to assume responsibility for the account overall. Was it staff's intent to do that?]

(2) Establishment of Credit – Nonresidential Service. An applicant for nonresidential service may be required to demonstrate credit standing by reasonable means appropriate under the circumstances.

- (3) Deposits.** The utility may require a deposit from an applicant or customer where:
- (i) the applicant or customer has failed to establish credit under sections (1) or (2) of this rule;
 - (ii) within the last twelve (12) months the applicant or customer was disconnected for failure to pay amounts owing to any electric or gas utility for similar class of service;
 - (iii) there is an unpaid overdue balance owing to any electric or gas utility for similar class of service;
 - (iv) within the last twelve (12) months applicant or customer received three (3) or more delinquency notices by any electric or gas utility for similar class of service;
 - (v) where service is requested to a residence where a prior customer or a co-customer resides and where a balance is past due or owing to the utility; or
 - (vi) where service to the customer or applicant was previously terminated for theft of service or was otherwise found to have diverted utility service.

[COMMENTS ON (3): NW Natural would recommend retaining the deposit requirement set forth above as (v) when service is requested by someone for the same address where a prior customer or co-customer still resides and a past due

amount is owing. While subsequent rules may allow the utility to refuse service for this reason if fraud is suspected, fraud is not always present. Therefore, requirement (v) continues to be a valid deposit requirement.]

- (A) Deposits are payable in advance of initiation or continuation of service, except as otherwise provided in this rule. The utility shall furnish a written receipt for deposits paid in cash. Deposit amounts shall be calculated from the actual annual consumption at the service address and the rates in effect at the time the deposit amount is calculated. If actual consumption history is not available or is insufficient, the utility may use a standard mathematical formula to determine an annual consumption factor. In no event will a deposit exceed two-twelfths (for monthly billings) or three-twelfths (for bimonthly billings) of the estimated annual billings at the premise where service is requested by applicant or customer.

[COMMENTS ON (3)(A): This re-write addresses the situation where less than twelve months of consumption history is available. The second sentence about providing a receipt is a requirement of the existing rule. The proposed draft does not contain this language. If agreeable with all parties, NW Natural would support the elimination of this requirement.]

- (B) An applicant or customer that cannot pay the deposit in full prior to receiving service may pay fifty percent (50%) of the deposit at the time service is requested, and may pay the remaining amount in equal payments over the following two (2) months on the dates mutually agreed upon between the applicant or customer and the utility.

[COMMENTS ON (3)(B): NW Natural does not include the references to WAC 480-90-072 used in the proposed draft at (1)(f) because we do not agree that it is applicable to deposit requirements since a payment option is already available.]

- (C) Deposits shall accrue interest at a rate based upon a simple average of the effective interest rate for new issues of one year treasury bills, computed from December 1 of each year, continuing through November 30 of the following year. The Commission will advise all utilities of changes in the rate to be paid on customer deposits held as needed. Deposits shall earn that interest rate during January 1 through December 31 of the subsequent year. Interest shall be computed from the date of the deposit payment(s) to the date of refund or total application of the deposit to the current account and shall be compounded or paid annually.

[COMMENTS ON (3)(C): It is the opinion of NW Natural that the use of subsections in the proposed draft (Section 9) serves to unnecessarily break up the content of this section of this rule. We would suggest a simple paragraph structure as presented in the re-write above. Further, the specification that the commission will notify the utilities of interest rate changes by mail (9)(a) is unnecessarily limited. For example, the commission and/or the utility may prefer to receive notification electronically.]

- (D) When an applicant or customer with an existing deposit transfers service to a new location within the utility's service area, the deposit plus accrued interest, less any outstanding balance due to the utility from the previous service address, shall be transferable and applicable to the new service location. Any additional deposit required shall be paid as set forth in Section (5) of this rule.

[COMMENT ON (3)(D): The use of the word "must" in the proposed draft [Section (6)] is too limiting. Its use implies that transferring the deposit is the only choice. It is possible that the customer could be eligible for a refund of the deposit at that time and no transfer would be required. Further, the proposed draft does not sufficiently address the fact that the transferred deposit is actually applicable to the new address, such that the customer's establishment of credit period does not begin all over again.

- (E) Deposits plus accrued interest shall be refunded when:
- (j) the customer voluntarily terminates service; or
 - (ii) if the customer has maintained the account in good standing for the twelve (12) consecutive months following payment of the deposit. An account in good standing is one that has not be discontinued for any reason set forth in WAC 480-90-071, and where not more than two (2) delinquency notices have been issued to the customer during the twelve (12) month period.

Refunds shall be paid either by a credit to the customer's current account, by check issued and mailed or hand delivered to the customer within fifteen (15) days following the end of the twelve (12) month period, or upon customer request, will be made available for customer pick up at a local business office.

[COMMENTS ON (3)(E): NW Natural does not agree with the proposed draft language that requires the deposit be refunded in the manner requested by the customer. First, it is not practical for the company to ascertain this preference. Second, while the company will always try to accommodate a customer's preference on a case by case basis, as a general matter, our first priority is cost. For example, we would not want to issue a check refund when the cost of doing so exceeds the refund amount; we would instead credit that customer's account. The exception would be where a final bill has been issued and there is no balance owing. The utility must be allowed to establish standard practices for matters like these in order to maintain a certain amount of business continuity.]

(4) Larger Deposits and Additional Deposits. Nothing in this rule shall prevent the requirement of a larger deposit or an additional deposit when conditions warrant. Any such deposits shall conform with the standards of this rule. The reasons for and the amount of any larger or additional deposit shall be specified in writing for the applicant or customer and the guarantor, if applicable. Such deposits must be received by the utility by 5:00 p.m. of the sixth (6th) business day following the date the notice is delivered, if in person; or if mailed, by 5:00 p.m. of the sixth (6th) business day following the postage metering date stated on the notice.

[COMMENTS ON (4): NW Natural does not incorporate the proposed draft language reference to the situation where a guarantor does not agree to be responsible for the additional deposit thereby making the customer responsible, as it appears to be stating the obvious and offers little value to the overall

provision. However, we are certainly open to reconsideration of this position upon further discussion.]

WAC 480-90-056 Refusal of service. and

WAC 480-90-121 Responsibility for delinquent accounts.

NW Natural does not object to combining these rules into one titled 'Refusal of service'. Although the proposed draft appears to reference electric service, we have assumed that the same rules are intended to apply to natural gas service. Further, we have proposed two additional provisions (10) and (11). We would propose the following edits:

- (1) ~~Electric/gas companies must~~ A utility shall refuse requests to provide service to a master meter in a building with permanent occupants when all of the following conditions exist:
- (a) the building or property has more than one dwelling or business unit;
 - (b) the occupants control a significant part majority of the gas electricity used in the individual units; and
 - (c) it is ~~cost effective~~ economically feasible for the occupants to have the company to separately meter and bill each unit. ~~purchase and install individual meters considering the long-run benefits of measuring and billing each occupant's electric use separately.~~

[COMMENTS ON (1): This appears to be a new provision. We understand the reasons for including this new provision, and our suggested revisions are primarily editorial and for clarification. It should be noted, however, that we would disagree with the use of the phrase "cost-effective for the occupants" and suggest instead "economically feasible for the company". There may be a big difference between what is cost-effective for the occupants (and the master meter customer), and what is economically feasible for the company. It is not clear if the intent is to support the customer or the company; further clarification of the intent of this language may be in order.]

(2) The ~~electric/gas company~~ utility may refuse to provide service if doing so will cause an adverse affect to other customers or if the service does not comply with government regulations or with ~~the electric/gas industry~~ accepted standards.

(3) The ~~electric/gas company~~ utility may refuse to provide service if, in the utility's the ~~company's~~ judgement, there are hazardous conditions at the site, or if the applicant's or customer's ~~wiring or electrical/~~ piping or gas burning equipment is hazardous, or of such nature that safe and satisfactory service cannot be provided.

(4) The ~~electric/gas company~~ utility may refuse to provide service ~~to~~ if the applicant or customer does not comply with the utility's request to provide the required protective devices when needed to protect the ~~electric/gas company's~~ utility or other customers' properties from theft of damage.

(5) The ~~electric/gas company~~ utility may refuse to provide service if ~~the electric/gas company~~ the utility is unable to cannot obtain all necessary rights-of-way, easements, approvals, and permits.

(6) The ~~company~~ utility may refuse ~~not be required to provide service if it would be~~ is not economically ~~unfeasible~~ feasible to do so.

(7) The ~~company~~ utility may refuse to provide service if the ~~to a~~ customer that is known ~~by the utility to have~~ has fraudulently obtained fraudulent service as described in WAC 480-100-071, Discontinuance of Service.

(8) The ~~electric/gas company~~ utility may not refuse to provide service to an applicant or customer when there are ~~unpaid bills~~ outstanding amounts due from a prior customer at the same premises ~~unless the company can determine the company believes, based on objective evidence, that a fraudulent act is being committed, such~~ that the applicant ~~or customer~~ is acting on behalf of the prior customer with the intent to avoid payment.

[COMMENTS ON (2) THRU (8): Most of the suggested changes are intended to clarify a provision, or to improve on sentence structure. We suggest expanding (3) to also address hazardous site conditions.]

(9) The ~~electric/gas company~~ utility may not permanently deny service to an applicant or customer because of a prior obligation to the company. ~~A prior obligation is the dollar amount that has been billed to the customer but left unpaid at the time of disconnection of service for nonpayment.~~

[COMMENT ON (9): In our opinion, the proposed draft language is improper and unacceptable for several reasons. First, it sends the wrong message to the consumer – it basically says don't pay your bill because the utility can't collect from you anyway. Second, it could impact the utility and the utility's active customers by potentially causing collection costs and uncollectible revenue amounts to increase over time.]

(10) The utility may refuse to provide service to an applicant when there are outstanding amounts due which were incurred for service by the same applicant at the same service address that service is again being requested, until the utility receives payment in full of all outstanding amounts.

(11) The utility may refuse to provide service to an applicant or customer that has paid amounts owing to the utility with a check or electronic payment that has been dishonored by the bank or other financial institution until the customer reimburses the utility in cash for the full amounts owed.

[COMMENTS ON (10), (11) AND (12): We recognize that the inclusion of (10) is dependent on whether the parties can agree to an equitable result for (9). Further, the effectiveness of section (10) is dependent on whether the definition of applicant and the suggested changes to the definition of customer are accepted. If they are not, then the word customer should be added. Provision (11) is similar to one suggested by Avista in their comments. Should these two additions be accepted, it may be best to insert them as (8) and (9) and renumber the proposed (8) and (9) to (10) and (11)]

WAC 480-90-071 Discontinuance of service.

NW Natural offers the following edits and comments:

- (1) **Customer-directed:** Customers wanting to ~~can~~ discontinue service by giving advance notice to the utility of the date service is requested to be discontinued. must notify the gas company. ~~The company must disconnect the service as requested by the customer.~~ If the customer moves from the service address and fails to request that service be discontinued, disconnection of service the customer will be responsible to continue paying pay for natural gas service taken at that service address at the company's tariff rate until the company can either confirm becomes aware that the customer has vacated the premise or that a new responsible party has moved in. property.

[COMMENTS ON (1): Most of the suggested changes are intended to clarify or to improve on sentence structure. In our opinion, the second sentence should be deleted as it is not necessary; I don't know of any situation where a utility would not discontinue a customer's service when they requested it.]

- (2) **Company-Utility-directed without notice or without further notice:** The ~~company~~ utility may discontinue service without notice or without further notice when:
- (a) ~~After conducting a thorough investigation,~~ it determines the customer has tampered with or stolen its property; or has used natural gas service through an illegal connection;
 - (b) ~~After conducting a thorough investigation,~~ it determines the customer has vacated the premises;
 - (c) A customer pays a delinquent account with a check or electronic payment the bank or other financial institution has dishonored after the company has issued appropriate notice, as described in subsection (5) of this section;
 - (d) The customer has not kept any agreed upon payment plan for payment of a delinquent balance after a notice was mailed or delivered;
 - ~~(e) It has determined a customer has used service prior to applying for service. The company must charge the customer for service used in accordance with the company's tariff rate schedule(s); or~~
 - (e) It discovers that a customer has fraudulently obtained service. ~~fraudulently.~~ The ~~company~~ utility has the burden of proving that fraud occurred. Examples of Fraud is defined as any situation where include when service is connected without the company's knowledge, when service is obtained through false means or representations, or when service is used to provide service to other persons who are required to obtain their own service. A nonsufficient fund check will not be considered fraud.

(2) **When property tampering, theft, or fraud occurs:**

- (a) First offense: ~~The company~~ The utility may disconnect service without notice ~~when it discovers fraud,~~ unless the customer immediately pays:
 - (i) The tariff rate for service that the ~~company~~ utility estimates was illegally or taken fraudulently taken; plus
 - (ii) All ~~company~~ utility costs incurred by the utility as a result of resulting from the property tampering, theft, or illegal or fraudulent use; plus
 - (ii) Any applicable required deposit.
- (b) Second offense: The ~~company~~ utility may disconnect service without notice when it discovers further property tampering, theft or fraud. The company may refuse to reconnect service to a customer who has been twice disconnected for property tampering, theft, or fraud.

[COMMENTS ON (2): NW Natural requests clarification of what staff expects for (2)(a) and (2)(b) with respect to a "thorough investigation". It is our opinion that

this language is unnecessary.

NW Natural has deleted provision (e) of the proposed draft as it does not appear to be a reason for discontinuing service without notice. Please explain what was intended with this provision (e).

Under provision (f), it is NW Natural's opinion that the use of natural gas service without the utility's knowledge is theft, not fraud, and theft is addressed in provision (a). Therefore, we have deleted that language from provision (f). Further in provision (f), we propose to delete the third example as it merely restates, in different words, service obtained through false means or representations. Instead we propose that Fraud be defined as service obtained through false means or representations, which is all inclusive.

Related to provision (f), NW Natural proposes that provisions (f)(i) and (ii) be changed to provision (2) and expanded to specify property tampering, theft, and fraud, as each are acts for which the utility can refuse service and carry first and second offense conditions. [If adopted, the numbering sequence of the remaining rule will need revision.]

(3) ~~Company-Utility~~ **directed with notice**: After properly notifying the customer, as explained in subsection (5) of this section, the company may discontinue service to its customers for any one of the following conditions:

- (a) ~~Unpaid~~ delinquent regulated charges as billed under ~~WAC 480-100-096, Form of Bills, WAC 480-100-106 Billing requirements and payment date~~, including any required deposit, except that the ~~company utility~~ cannot disconnect service ~~when the for a~~ customer who has met the requirements of subsection (4) of this rule for under medical emergency under this subsection (4) of this section, or as described in ~~WAC 480-100-072, Payment arrangements~~, or has agreed to and keeps or kept agreed upon payment arrangements with the ~~company utility~~ as described in ~~WAC 480-100-072, Payment arrangements~~;
- (i) gas service may not be disconnected for any amount owing associated with regulated electric services.
- (b) the use of natural gas ~~energy use~~ for purposes or at properties other than those specified in the customer's service application ~~for service~~;
- (c) Under flat rate service for non-metered load, for increased natural gas use without the natural gas company's prior approval of the utility;
- (d) Willful waste of natural gas through improper or imperfect wiring, piping, equipment, or otherwise;
- (e) Wiring Piping or equipment that does not meet the ~~company's utility's~~ standards or fails to comply with government regulations or with industry accepted the natural gas ~~company~~ standards;
- (f) Refusing to allow the utility continuous and unobstructed access to the customer's premise as required in WAC 480-100-091;
- (g) Violating rules, service agreements, or filed tariff(s); or
- (h) Use of equipment that detrimentally affects the ~~company's~~ utility's service to its other customers.

[COMMENTS ON (3): Most of the suggested changes are intended to clarify or to improve on sentence structure. The WAC reference under (a) is incorrect, and the title has been changed to reflect the changes proposed in this draft.]

(4) Medical Emergencies - When the ~~company~~ utility has cause to disconnect or has disconnected a residential service, it must postpone disconnection of service or must reinstate service as soon as practicable ~~within four hours~~ for a grace period of five business days after receiving either verbal or written notification of the existence of a medical emergency. When service is reinstated, the ~~company~~ utility will not require payment of a reconnection charge and/or deposit prior to reinstating service but will bill at a later date.

(a) The ~~company~~ utility may require that the customer, within five business days, submit written certification from a qualified medical professional stating that the disconnection of natural gas service would significantly endanger the physical health of a resident of the household. "Qualified medical professional" means a licensed physician, nurse practitioner, or physician's assistant authorized to diagnose and treat the medical condition without supervision of a physician. Nothing in this section precludes a ~~company~~ utility from accepting other forms of certification, but the maximum the ~~company~~ utility can require is written certification. ~~If the company requires Any written certification, it may require not more than~~ shall include the following information:

- (i) Residence location;
- (ii) An explanation of how the physical health of the person will be endangered by disconnection of service;
- (iii) A statement of how long the condition is expected to last; and
- (iv) The title, signature and telephone number of the person certifying the condition.

(b) The medical certification is valid only for the length of time the health endangerment is certified to exist but no longer than ~~420~~ 30 days unless renewed.

(c) A medical emergency does not excuse a customer from paying delinquent and ongoing charges. The ~~company~~ utility may require the customer do the following within the five-business-day grace period: Pay a minimum of ten percent of the delinquent balance and enter into an agreement to pay the remaining delinquent balance within 120 days; and to pay subsequent bills when due. Nothing in this section precludes the ~~company~~ utility from agreeing to an alternate payment plan, but the ~~company~~ utility may not require the customer to pay more than this subsection prescribes. ~~The company must send A notice to the customer confirming the payment arrangements shall be provided to the customer~~ shall be provided to the customer within two business days.

(d) If within the five-day grace period the customer fails to provide an acceptable medical certificate or fails to pay ten percent of the delinquent balance, the ~~company~~ utility may disconnect service without further notice.

(e) If the customer fails to abide by the terms of the payment agreement the ~~company~~ utility may disconnect service without further notice.

(k) A customer may claim medical emergency and be entitled to the benefits described in this subsection only twice within any 120-day period.

[COMMENTS ON (4): NW Natural would request that consideration be given to making the medical certificate rule a separate rule and instead make appropriate references to that rule here. The reason for this request is that the subject, while related, contains unique and separate conditions and takes away from the true focus of the rule, which is discontinuance of service.

The requirement to reinstate service within four hours appears to be new. This

language is too restricting, and NW Natural would object to its inclusion in this rule. Also in this paragraph, the language that states that a reconnect charge or a deposit may be collected later by billing appears to be new. Please explain the reason for this change.

At provision (b), please explain the reason for increasing the effective period from 30 days to 120 days.

NW Natural does not object to the inclusion of the new provision at (f).]

(5) The ~~company must~~ utility shall notify customers before disconnecting their service, except as addressed in subsection (2). Notification consists of the following requirements:

(a) ~~The company must serve~~ A written disconnection notice shall be issued to ~~on~~ the customer, either by mail, or by personal delivery to the customer's service address and attached to the primary door. If the disconnection notice is for nonpayment during the winter period the ~~company must~~ utility shall advise the customer of the payment plan addressed in WAC 480-100-072, Payment arrangements. ~~Each~~ The disconnection notice ~~must~~ shall, at a minimum, include:

- (i) A disconnection date that is no less than eight business days after the date of personal delivery or mailing, if mailed from inside the state of Washington, or a disconnection date that is no less than eleven business days if mailed from outside of the state of Washington; and
- (ii) All relevant information about the disconnection action including the amount owing and how to avoid disconnection ~~correct the problem;~~
- (iii) All relevant information about any charges that may be assessed; and
- (iv) The ~~company's~~ name, address, and telephone number where ~~by which~~ a customer may contact the ~~company~~ utility ~~to discuss the pending disconnection of service.~~

(b) ~~If the company discovers the notice information is inaccurate, The~~ utility shall ~~company must~~ re-notice the customer if any notice is subsequently found to contain inaccurate information, as described in this subsection.

(c) In addition to (a) of this subsection, a second notice ~~must~~ shall be provided by one of the three options listed below:

- (i) Delivered notice - The utility shall ~~company must~~ deliver a second notice to the customer service premise and attach it to the customer's primary door. The notice shall state a scheduled disconnection date ~~must contain a deadline for compliance~~ that is no earlier less than 5:00 p.m. of the second business day after the date ~~time~~ of delivery; or
- (ii) Mailed notice - The ~~company must~~ utility shall mail a second notice, which ~~must include a deadline for compliance~~ shall state a scheduled disconnection date that is no earlier less than 5:00 p.m. of the third business day after the date of mailing if mailed from within the state of Washington, or six business days if mailed from outside the state of Washington. The date ~~day~~ of mailing will not be considered the first day of the notice period, or
- (iii) Telephone notice - The utility shall ~~company must~~ attempt at least two times to contact the customer at their residence during regular business hours. If the company is unable to reach the customer, the company will attempt to contact the customer using any business or message number provided. A log or record of the calls will be kept for a minimum of 90 calendar days showing the telephone number called, the time of the call, and details of the results of each attempted

call.

(d) When the service address is different from the billing address, the ~~company must~~ utility will determine if the customer of record and the service user are the same party. If not, the company ~~will~~ must notice the service user as described in (a) of this subsection prior to disconnection of service.

(e) Except in case of danger to life or property, ~~companies~~ service may not ~~be~~ disconnected ~~service~~ on Saturdays, Sundays, legal holidays, or on any other day on which the ~~company~~ utility cannot reestablish service on the same or following day.

(f) A ~~company employee~~ The utility representative dispatched to disconnect service ~~must~~ shall be able to accept payment of a delinquent account at the service address if tendered in cash, but ~~is~~ will not ~~be~~ required to give change for cash tendered in excess of the amount due and owing. The ~~utility company must~~ shall credit any excess payment to the customer's account. When disconnection does not take place due to payment ~~or~~ arrangements made by the customer ~~with the utility~~, the ~~utility company~~ may assess a fee for the disconnection visit to the service address as provided in ~~it's~~ the company's tariff. ~~The disconnection notice must describe the disconnection visit charge, the amount, and the circumstances under which the charge will be made.~~

[COMMENT ON (f); The person dispatched may not necessarily be "an employee", but could be a contract party that the utility has designated as its representative. Also, the last sentence should be included in section (a) as it is a notice requirement.

NW Natural requests clarification regarding the delinquency notices and how they pertain to the establishment of credit and deposits rule. Specifically, what constitutes customer's receipt of a delinquency notice – is it the first notice or the second notice? If it is the second notice, then we would assume that any customer that receives the first notice, and then pays before the second notice is issued, has not received a delinquency notice as it applies for establishment of credit and deposits.

Also, we note that the revised language does not include the language currently found under (2)(a)(ii) about discontinuance within ten days of the first day of scheduled disconnection. Was that intentional?]

(g) When service is provided through a master meter, or when the utility has reasonable grounds to believe service is to other than the customer of record, the ~~utility shall~~ company must undertake reasonable efforts to inform occupants of the service address of the impending disconnection. Upon request of one or more service users, where service is to other than the customer of record, the ~~utility shall~~ company must allow five days past the original disconnect date to permit the service users to arrange for continued service.

(h) When service is provided to a hospital, medical clinic with resident patients, or nursing home, notice of pending disconnection must be provided to the secretary of the Washington department of social and health services, and to the customer. Upon request ~~to the company from~~ of the Washington department of social and health services secretary or designee, ~~the utility shall~~ a delay of service disconnection for five business days past the original disconnect date ~~must be allowed before disconnecting service~~ to allow the department to take whatever steps are necessary to protect the interests of resident patients who are the responsibility of the Washington department of social and

health services.

(i) Any customer may designate a third party to receive a disconnect notice or other matters affecting the customer's service. When the ~~utility is aware~~ ~~company discovers~~ that a customer is ~~apparently~~ not able to understand the affect of the disconnection, the ~~company~~ ~~utility~~ will consider a social agency to be the third party. ~~In either case, The company~~ ~~utility~~ will delay service disconnection for five business days after issuing a disconnect notice to the third party. ~~The company will determine which~~ ~~utility will~~ maintain a list of social agencies are appropriate and willing to receive the disconnect notice, and shall provide the appropriate contact information to the customer, the name and/or title of the person able to deal with the disconnection and provide that information to the customer.

(6) Service may not be disconnected while the customer is pursuing any remedy or appeal provided by these rules or while engaged in discussions with the ~~utility~~ ~~company's~~ ~~representatives~~ or with the commission. However, any amounts not in dispute must be paid when due and any conditions posing a danger to health, safety, or property must be corrected.

(7) Payments at a payment agency - Payment of any past-due amounts to a designated payment agency of the ~~utility~~ ~~shall~~ ~~natural gas company~~ constitute payment ~~when if~~ the customer has notified the utility that payment was made, and if the utility is able to verify the receipt of such payment; ~~informs the company of the payment and the company has verified the payment.~~

(8) Reconnecting service after disconnection - ~~The company must~~ ~~utility shall~~ restore disconnected service as soon as practicable following receipt of the amount agreed upon for reconnection. Service shall be restored when: ~~within 24 hours after the customer has paid, or at the time the company has agreed to bill, any reconnection charge and:~~

(a) The causes of disconnection not related to a delinquent account are removed;

(b) The customer pays all regulated charges, including any required deposit and reconnection charge; or

(c) The customer has entered into an agreed upon payment arrangement for any remaining amounts due; ~~for a delinquent account, and any required deposit; or~~

(d) ~~the delinquent account has been designated a prior obligation account, and the customer has paid or made arrangements for a deposit.~~

[COMMENTS ON (8): As a normal course of business, NW Natural requires that customers pay delinquent amounts at the company's offices and not to a payment agency. At this time we do not have the ability to receive electronic information from a payment agency, and do not receive verification that a payment was received for as much five business days.

The 24 hour restoration language is new. NW Natural believes this is too restricting, as it may be that a 24 hour reconnection is either not possible for the utility, or is not required by the customer. Section (d) should be eliminated – see NW Natural's earlier comments regarding prior obligation. If this provision remains, there is no logical reason for (b) and (c) to exist because it in essence says the amounts due are not collectible.]

WAC 480-90-072 Payment arrangements and Moritorium.

NW Natural offers the following edits and comments:

WAC 480-90-072 Payment arrangements and Energy Assistance Provisions ~~Moritorium.~~
(Gas)

[COMMENT ON TITLE: NW Natural appreciates the clarification in the title that the "moratorium" provisions are also contained in this section. Also, we recognize that the word "moratorium" has been used historically to refer to the special winter provisions. However, NW Natural would prefer that the clarification be more specific to what the rule actually applies to – it applies to energy assistance for low-income customers during the winter period. The word moratorium is a new term that is not defined, and in reality is very limited in scope.]

(1) ~~The natural gas company must~~ utility shall offer all residential customers ~~the option of~~ an equal payment plan option.

(a) ~~In general, an~~ The equal payment plan shall allow the customer to pay the same amount each month based on historical or a projected usage, if historical information is not available.

(b) ~~The company is~~ utility may refuse to not required to offer the equal payment plan to customers who have been removed from the equal payment plan for nonpayment within the past six months, or have more than a two-month balance on their current account.

(c) ~~The company~~ utility may offer the equal payment plan to any customer when it believes this would be in the best interest of all parties concerned.

[COMMENT ON (1): In general, equal payment plan amounts are based on historical consumption when available, and on projected usage only when historical information is not available, i.e. a new home or a conversion customer.]

(2) When a customer contacts the ~~company~~ utility regarding a delinquent account or to avoid a delinquent account, the ~~company must~~ utility shall offer ~~extended payment arrangements that are reasonable under the circumstance.~~ appropriate for both the customer and the company. If the customer ~~and the company cannot~~ does not agree to a ~~the~~ payment arrangement, the utility shall ~~company will~~ advise the customer of the payment plan described in subsection (5) of this section, if appropriate. If reasonable payment arrangements are not made, the utility may discontinue service under the conditions provided in WAC 480-90-071.

[COMMENTS ON (2): The current rule states that payment arrangements are to be acceptable to the company. The proposed language changes this. We would propose that the term "reasonable" be instituted as a means to ensure that the interests of both parties are considered. NW Natural suggests a new sentence at the end be added for clarity.]

(3) ~~If due to company error the company~~ due to no fault of their own, a customer does not receive a bill in time to pay by the established due date, ~~is delayed in billing the customer, the company must~~ utility shall make payment arrangements, or shall extend the due date for a period of time, ~~that are equal to the length of time the customer waited for the bill~~ was delayed.

[COMMENTS ON (3): This appears to be a new provision. While we do not have any concerns about its inclusion, we do have some comments about the proposed language. First, we believe that company error may not be the only cause for a delay in the customer's receipt of the bill. Making the statement "due to company error" is limiting and would imply that some other reason for delay, i.e. U.S. mail, theft, etc., would not apply under this section. Also, we have

expanded upon the language specifying the action to be taken by the utility to provide flexibility.]

(4) If a customer is billed for both gas and electric service and pays a portion of the total amount billed, the company must allow the customer the option of applying the payment to the service of their choice. If the customer makes a partial payment and does not choose which service the payment will apply to, the company must apply the payment to both services on a prorated basis according to the amounts billed for each service.

[COMMENTS ON (4): NW Natural defers changes to this section to the dual-fuel utilities.]

MORATORIUM ENERGY ASSISTANCE CUSTOMERS

(5) During the winter period the company must utility shall offer the following payment plan if the residential space heating customer uses natural gas for primary space heating, and qualifies for energy assistance as described under subsection (8) of this section and if the customer agrees:

- (a) To a payment plan designed to pay all money amounts owed to the utility by the following October 15 and to pay for continued service by the established due dates;
- (b) To pay a monthly payment amount under the payment plan that is at least during the winter period of no more than seven percent of the monthly household income during the winter months. A customer may agree to pay a higher payment amount percentage of their income during this period, but the customer's account will not be considered past due unless payment during this period is less than the required seven percent of the monthly household income the amount that was calculated using the formula above;
In addition, the customer must To pay one-twelfth of any unpaid bills accrued up to the effective date of the payment plan; billings from the date application is made through March 15. A customer may agree to pay a higher percentage of their income during this period, but the customer's account will not be considered past due unless payment during this period is less than the amount that was calculated using the formula above;
- (c) To ensure that notify and provide documentation, if requested, to the company and provide documentation, if requested, to that the customer has received any home heating assistance payments from government and/or private sector organizations are sent to the utility for credit to the customer's gas service account, after being approved for the plan. When Upon receipt of any such payments, the company utility receives this information it must will recalculate the monthly payments amount under the payment plan, if appropriate; for the customer;
- d) To pay all amounts owed when due, even if customer moves; and
- e) If appropriate, to continue with a regular time payment plan to pay any remaining amounts due for service during the previous payment plan period.

[COMMENTS ON (5): We suggest that the title of this section reflect that this provision applies to energy assistance customers. The term "moratorium" is not properly descriptive of the intent of this section.

It is important to distinguish that the space heating equipment is "primary". This is because some customers have heating rated fireplaces that, while they may provide some space heating, may not be the customer's primary space heating

source. We do not believe that this special payment arrangement should apply in those instances.

We found the language of (b) confusing, and have attempted to edit it to reflect our understanding of the intent. Our understanding is that the requirement is for the customer to agree to pay one-twelfth of the amount outstanding at the time they entered into the payment plan. If this is incorrect, please clarify how the provision is to be administered; what is the date of application – the date service was activated or the date they apply for the time payment plan? What purpose does March 15 serve? Also, we suggest that the last sentence of this section be moved to section (a) as it applies to the derivation of the payment amount.

The intent of (c) is unclear. In our opinion, it should require that any payments received are applied to the customer's utility account. We propose language that reflects that understanding. If this is incorrect, please clarify what the intent of this provision is.

Also, it is our experience that many of the customers that qualify for this special payment arrangement have bills of such high amounts that the full amounts cannot be paid by the October 15 date specified given the structure limitations. Further, under our existing time payment arrangement practices, the customer is often better served by agreeing to our normal time payment plan option, although we would of course refer them to energy assistance agencies if appropriate. We propose that a new condition be included that requires the customer to continue with a payment plan, if appropriate. If you do not agree with this addition, please clarify how the utility should handle any unpaid balances once the winter payment plan has terminated.]

(6) If a customer does not keep the payment arrangements as agreed to in this section, the company utility may discontinue service as directed in WAC 480-100-071, discontinuance of service. ~~The company will also include in the customer's disconnect notice that it will restore service if the customer contacts the company and satisfies the other requirements on this section.~~

(a) Qualified customers who default on their payment plan and are disconnected in accordance with WAC 480-100-071 shall be reconnected and maintain the protection afforded under this chapter when they:

- (i) pay all reconnection charges; and
- (ii) pay all amounts that would have been due and owing.

(b) Any customer who has a past due amount owing under this payment plan will not be eligible to reapply for a new extended payment plan.

7) The company utility will provide a written copy of the extended payment plan to the customer.

[COMMENTS ON (6) and (7): Please clarify if this provision is intended to apply to any customer that enters into a time payment arrangement, or to only those customers that qualify under (5) for the winter period time payment plan. It is

our opinion that it applies to all customers.

We believe that the last sentence in the first paragraph is unnecessary as it is already stated in another rule as required information on the notice. However, if it is intended that a different notice be used for time payment customers, and more specifically, low-income winter period time payment customers, that contains different information, please clarify.

Please clarify what is meant as a "qualified customer" under (a). Also, please clarify what protection it is referring to, especially given the language of subsection (b). Please clarify what amounts would constitute "amounts that would have been due".

Please clarify subsection (b). Is it saying that a customer that is reconnected according to subsection (a) is not eligible for another time payment plan? If yes, then for how long? What if two months later they are delinquent again?

What is a "new extended payment plan"?

(8) The customer must meet the following requirements in order to qualify for payment arrangements as provided in subsection (5) of this section:

- (a) Within five business days of receiving a notice of disconnection, the customer must notify the company in person, in writing, or through telephone contact of not being able to pay the bill or a deposit, unless there are extenuating circumstances;
- (b) The customer must provide a statement of household income for the prior twelve months to an energy assistance grantee. The grantee will determine that the household income is not higher than the maximum allowed for eligibility under the state's plan for low-income energy assistance. The grantee will also provide a dollar figure that is seven percent of the household income within thirty days of the date the company was notified of the inability to pay as in (a) of this subsection. The grantee may verify this certification with the Department of Community Development;
- (c) The customer must apply for home energy assistance from appropriate government and/or private sector organizations and certify that any assistance received will be applied to their current and future utility bills;
- (d) The customer must apply to the company or other appropriate agencies for low income weatherization assistance if such assistance is available for the dwelling; and
- (e) The customer must agree to a payment plan designed to pay the past due bill by the following October 15, as well as paying for continued utility service.

[COMMENTS ON (8): Why is this not included as a subsection of (5)?

Under subsection (a), please clarify how customer's inability to pay a deposit is applicable here.]

WAC 480-90-076 Service Responsibilities.

NW Natural finds nothing in the existing rule that requires a change. Nonetheless, we offer the following edits that are intended to clarify a provision, or to improve on sentence structure.

(1) Customer responsibility - the customer will notify the utility gas company in writing, in advance, of all changes in his equipment or usage, which will materially affect the service to be rendered. Such notice will be given within a reasonable time to permit the company utility to modify or add ~~provide the necessary~~ facilities and to acquire additional gas supplies if required. The cost of necessary facilities, if any, will be shared equitably ~~adjusted~~ between the gas company utility and the customer unless otherwise provided in the ~~company's~~ utility's filed tariff(s).

(2) Gas company Utility responsibility - each gas company utility will install and maintain at appropriate locations within its system such equipment as may be necessary to determine the operating characteristics of the system. The commission may require additional equipment in connection with performing special investigations if economically feasible. Written records of gas deliveries, pressures, etc. at such check points will be maintained by the ~~gas company~~ utility when so designated by the commission.

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

A ~~gas company~~ Each utility will adopt and maintain as constant as practical a standard pressure of gas as measured at the outlet of any customer's meter and/or the regulator in cases of a high pressure system, ~~Companies~~ The utility will file with the commission the standard pressure adopted as a part of each ~~gas company's~~ schedule of rates, rules and regulations. A ~~gas company~~ utility may furnish pressures other than standard to a customer upon mutual agreement between the ~~company~~ utility and the customer, ~~and providing~~ provided there is no adverse impact on service the company can maintain such pressure without adversely affecting the service being provided to other customers in the utility's system.

(3) Maintenance - each ~~gas company~~ utility will maintain its plant in such condition as will enable it to furnish adequate service and meet applicable state and federal standards.

(4) Interruptions of service - the term "interruptions" as used in this rule refers to the temporary discontinuance of gas flow to any customer or customers due to accident, required repairs or replacements, or to the actions of municipal or other agencies. It does not refer to the discontinuance of gas flow to those customers receiving service under an interruptible service schedule.

Each ~~gas company~~ utility will make all reasonable efforts to avoid interruptions of service, and, when such interruptions occur, will endeavor to reestablish service with the shortest possible delay.

When it is necessary for a ~~gas company~~ utility to make repairs to or change its facilities, the ~~company~~ utility may, without incurring any liability, suspend service for such periods as may be reasonably necessary and in such manner as to minimize the inconvenience to customers. The ~~company~~ utility will individually notify police and fire departments affected by such suspension. All customers affected by a scheduled interruption will be given notification through newspapers, radio announcements or other means, at least one day in advance.

(5) Record of interruptions - each ~~gas company~~ utility will keep a record of all interruptions of service affecting 25 or more customers, including in such record the location, the date and time, the duration, and, as far as possible, the cause of each interruption. ~~Companies will submit~~ Copies of such records will be submitted to the commission upon request.

WAC 480-90-081 Service connections.

It does not appear that staff proposes changes to this rule for gas utilities. NW Natural proposed some clarifying changes in our initial comments, and include them here for further consideration.

Service Line Connections.

~~For the purpose of connecting its distribution system to a customer's premises, A~~ The utility shall furnish, install, and maintain ~~such the~~ pipe and fittings as may be required ~~with the following exceptions: to connect a customer's premises to its distribution system, except that the customer~~ may be required to pay for or install at his own expense, in compliance with the utility's standards, the service or any portion thereof in accordance with the utility's filed tariff. ~~Such customer-provided installations shall comply with the utility's standards.~~ The service line piping up to the point of delivery shall ~~become be~~ the property of the utility. ~~who shall accept all responsibility for future maintenance and operation in accordance with its filed tariffs.~~

The utility will not be required to make more than one service line connection to its main to furnish service to the premises of any customer and will not be required to install or maintain pipes for the distribution of gas beyond a single point of delivery to points of use upon the customer's premises.

WAC 480-90-086 Service entrance.

No comments regarding the proposed draft language in this rule, except that we reiterate our concern for the use of "gas company" instead of "utility".

(1) ~~The gas company~~ utility may require the customer to provide entrance to the premises at the easiest access point to its distribution system. The access must be continuous and free from tampering or interference.

WAC 480-90/100-091 Access to premises.

NW Natural finds nothing in the existing rule that requires a change. Nonetheless, we offer the following edits and comments.

(1) Authorized ~~personnel~~ representatives of an ~~electric/gas company~~ the utility have the right to enter a customer's property during reasonable hours to perform meter reading, maintenance, testing, installation or removal of the company's property. Customers may ask to see the identification of ~~the electric/gas company personnel~~ before allowing entry to the ~~customer's~~ property.

~~(2) When maintenance, installation or removal of the company's property results in deterioration/damage to the customer's property, the company will restore the customer's property to a condition as close as possible to the condition prior to the company's action.~~

[COMMENTS: Section (2) is new. Although the practice depicted in this section is standard practice for NW Natural, we do not support the inclusion of this requirement in the administrative rules. Its inclusion implies that the utility will always return the property as close as possible to original condition. This may not always be possible, or practical. The utility should continue to be allowed to address this issue in the context of its internal standard practices.]

WAC 480-90-096 Gas/electric company responsibility for complaints and disputes.

NW Natural finds no value or clarity in revising the title of this rule, and we would suggest it remain as currently on file.

Gas/electric company responsibility for **Complaints and disputes**.

- (1) When a ~~gas/electric company~~ utility receives a complaint in any form from a customer or an applicant for service it must acknowledge the complaint and
- (a) provide the name of the company contact to the complainant;
 - (b) investigate the complaint promptly;
 - (c) report the results of the investigation to the complainant;
 - (d) take corrective action, if warranted, as soon as appropriate under the circumstances;
 - (e) inform the complainant that the decision may be appealed to a supervisor ~~at the company~~; and
 - (f) inform the complainant, if still dissatisfied after speaking with the supervisor, of her/his right to file a complaint with the commission and provide the commission address and toll-free telephone number.

[COMMENTS ON (1): Please clarify what is meant by "acknowledge the complaint".

- (2) Applicants, customers, or their representatives, may file with the commission:
- (a) an informal complaint as described in 480-09-150 WAC; or
 - (b) a formal complaint against the company as described in 480-09-500 WAC.
- (3) When the commission refers an informal complaint to the ~~company-utility~~, the ~~company~~ utility shall; ~~must~~:
- (a) investigate and report the results to the commission within two working days. The commission may grant an extension of time for responding to the complaint, if requested and warranted;
 - (b) keep the commission informed of progress toward the solution and the final result; and
 - (c) the company must respond to commission requests for additional informal complaint information within three days of the request or a date specified..
- (4) Each ~~gas/electric company~~ utility shall ~~must~~ keep a record of all complaints for at least three years and, on request, make them readily available for commission review. The record must contain:
- (a) complainant's name and address;
 - (b) date and nature of the complaint;
 - (c) action taken; and
 - (d) final result.

[COMMENTS ON (2), (3) AND (4): General comment on all – in our opinion, breaking out the sections into subsections does not clarify or make the section easier to understand. Each section is easily and more understandably presented in paragraph format.

The three year record retention period is new. The current rule states one year. Please explain the reason for this change.]

WAC 480-90-106 Billing requirements and payment date.

NW Natural does not object to the change in the title of this rule. We do offer the following edits and comments:

(1) Customer bills ~~shall~~ must:

- (a) be issued at intervals not to exceed two months;
- (b) show the total amount due and payable of the bill;
- (c) show the date the bill becomes delinquent if not paid.
- (d) include the company's business address, telephone number and emergency telephone number ~~by which a customer may contact the company~~;
- (e) include information sufficient for the customer to compute the amount due; include the current and previous meter reading, the current read date, and the total amount of therms/KWH used and the rate per therm/KWH;
- (f) show energy usage comparison including information for the current and the previous year for the following:
 - ~~(i) energy usage comparison for billing period by months;~~
 - ~~(ii) number of days in billing period;~~
 - ~~(iii) therms/KWH used;~~
 - ~~(iv) average therms/KWH use per day;~~
 - ~~(v) average temperature per day;~~
- (g) ~~show taxes and any tax percentage rate that the taxes are computed from. Taxes must also be totaled to show a total tax amount;~~

[COMMENTS ON (e), (f) and (g): Because many utilities will have programming concerns with providing each of the items listed above, NW Natural proposes broader language that we believe meets the ultimate goal of this part of the rule, which is that the customer should be able to check their bill amount on a calculator. A lot of the information listed as what the utility "must provide" is informational, and not critical bill calculation information.]

~~(h) clearly identify when a bill has been prorated. A prorated bill will be issued when (i) Prorating is when a service is rendered for a fraction of the billing period; or (ii) when a rate change has occurred during the billing period. Unless otherwise specified in the utility's tariff, the charge bill will be prorated in the following manner:~~

- ~~(i) a flat rate service will be prorated on the basis of the proportionate part of the period that service that was rendered.~~
- ~~(ii) a metered service will be billed for the amount metered, except the minimum charges will be the applicable minimum as shown in the tariff.~~

[COMMENTS ON (h): Proration may also exist when a rate change occurs. NW Natural includes edits to that effect.]

~~(iii) clearly identify when a bill is based on an estimation has been estimated. A utility shall submit to the commission its method(s) for estimating customer bills.~~

~~(iv) Unless otherwise specified in the utility's tariff, the utility may not issue an~~

estimated bill, companies may not estimate for more than two consecutive billing cycles.

~~(v) clearly identify determination of maximum demand. Companies delivering gas/electricity to a~~
A utility that provides service to any customer on a demand basis must detail in their filed tariff the method of applying charges and of ascertaining the demand.

[COMMENTS ON (h)(iii) and (iv): Estimation is different than proration. These sections should probably be identified as subsection (i).

Also, subsection (v) should be its own subsection (j).

(2) The minimum time allowed for payment after the bill's mailing date must be fifteen days, if mailed within the state of Washington, or eighteen days if mailed outside the state of Washington.

[COMMENTS ON (2): This appears to be a new provision. NW Natural would incur unbudgeted programming costs in order to accommodate a different bill due date for its Washington customers.]

(3) A customer may request to pay by a certain date that is not the normally designated payment date when showing good cause. Good cause may include, but is not limited to, adjustment of a billing cycle to parallel receipt of income. The preferred payment date must be prior to the next invoice date.

[COMMENTS ON (3): NW Natural would incur unbudgeted programming costs in order to provide this option to customers.]

480-90-211 Payment locations.

NW Natural finds nothing in the existing rule that requires a change. Our only comment is actually a question; given today's computerized environment, and especially as companies consider new computerized and electronic payment options, would it be prudent for staff to consider language in this rule that allows computer bill paying options to replace payment agencies as convenient payment locations?

(1) Gas/electric companies must provide payment agencies in convenient locations where applicants and customers can make cash and urgent payments as needed to receive service. Payment agencies will clearly post and maintain regular business hours.

(2) The companies will provide receipts for any cash payments made by the applicants or customers

(3) The companies will provide, at a minimum, a toll-free telephone number for applicants and customers to receive information relating to services and rates; to accept and process applications for service; to explain charges on customer bills; to adjust charges made in error; and to generally act as representatives of the company.

(4) The companies must provide written notice to its customers and the commission at least thirty days prior to the closing of any business office or payment agency. At a minimum, the following information is required:

- (a) The communities affected by the closing;
- (b) The date of the closing;
- (c) A listing of other methods and facility locations available for payment of cash or urgent payments.

PROPOSED NEW RULES.

NW Natural requests that staff explain why customer notice requirements of the nature that appear to be contained in staff's proposed rules and which are already contained in the existing rules under WAC 860-022-0017, need to be restated in WAC 480. Would it be more appropriate to revise 860-022-0017?

Thank you for the opportunity to comment and to participate in this process. If you have questions, contact me at 503.226.4211 ext. 3586, or by e-mail at ork@nwnatural.com.

Sincerely,

Onita R. King
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