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OFFICE OF THE  
CLERK OF THE  
COMMISSION

April 20, 2000

Carole Washburn, Executive Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive S. W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

**Re: Docket Nos. UE-990473**  
Electric Companies – Rulemaking – Chapter 480-100 WAC

Dear Ms. Washburn:

Enclosed for filing herewith in the above-cited docket is an original and ten copies of the comments of Avista Corporation on the WUTC Staff's Second Formal Comments. An electronic version of these comments has been sent to the Commission's Records Center.

Please direct any questions on this matter to Bruce Folsom at (509) 495-8706 or Renee Webb at (509) 495-7987.

Sincerely,

A handwritten signature in black ink that reads "Thomas D. Dukich". The signature is written in a cursive style with a large initial 'T'.

Thomas D. Dukich  
Manager, Rates and Tariff Administration

Enclosures

Hard Copy

COMMENTS OF

**AVISTA CORPORATION, d.b.a., AVISTA UTILITIES**

*April 20, 2000*

**Relating to  
WUTC Staff's 2nd Formal Draft**

**Docket UE-990473 Electric Rulemaking  
WAC Chapter 480-100 Electric Companies**

CO APR 21 10:10:00  
OFFICE OF THE  
GENERAL COUNSEL  
REGULATORY DIVISION

**Introduction:**

Avista Corporation (Avista or the Company), doing business as Avista Utilities, submits these comments in response to the WUTC Staff's Second Formal Draft in the above-cited docket. Avista has been an active participant in these proceedings, attending each workshop and providing written comments on May 5, 1999 and September 30, 1999.

Avista appreciates the opportunity to suggest improvements to Staff's proposed modifications to the electric operational rules. Avista has shared several comments and concerns about the General, Accounting, Metering, and Safety Rules. In the dialogue with Staff and other parties, the Company is generally satisfied that its comments on these issues were addressed by Staff's proposed rules in an appropriate manner. The Company understands and generally supports the Staff recommendations except for the proposed Consumer Rules.

Therefore, the Company's comments at this stage in this docket relate exclusively to the Consumer Rules. Avista strongly objects in the most strenuous terms to some of the proposed Consumer Rules. The cost-benefit analysis to Avista's customers is in orders of magnitude too high (regarding discontinuance of service, WAC 480-100-071(4), discontinuance/disconnection of service) as described in the following comments.

## **Consumer Rules:**

### **WAC 480-100-041 Information to Consumers**

(6) The utility must provide the commission copies of all pamphlets, brochures, and bill inserts of regulated service information ~~prior to the delivery of such material to its customers.~~

**Comment:** Avista has, as a matter of routine practice, provided such material to the Commission. The proposed rule, with the “prior to the delivery...” language, may suggest an expanded role of Commission review of what has been a utility responsibility. The Company seeks clarification that it is acceptable to provide such materials to the Commission coincident with the first mailing to customers. Should the intent of this rule be an increased customer communication review by the Commission, Avista would like the opportunity to expand on its concerns of timing, costs, and benefits. (To the Company’s knowledge, customer communication has not been an issue for Avista’s customers or the Commission; further, coordinating additional review with schedules for production and mailing would be problematic.)

### **WAC 480-100-051 Deposit Requirements**

(1) Deposit Criteria for Residential Applicants and Customers - A gas utility may not collect a deposit if an applicant or customer for residential service:

- (a) Has had residential service with the utility within the prior twelve months, unless during any six consecutive months:
  - (i) The applicant or customer received ~~three~~ **two** or more delinquency notices; or

**Comment:** The original rule stated *no more than one notice* and in Section 12.(a).(ii.) Refund of Deposit states that satisfactory payment is established when *no more than two notices* have been sent. Two notices out of any six month timeframe in the past twelve months is adequate when determining whether or not to request a deposit. Utilities should retain the ability to request deposits from a new customer if the applicant has received more than one delinquency notice in any six month period out of the most recent twelve months. In 1999, 70% of Avista’s write offs were from residential customers whose account was open less than one year. This proposed change would limit the number of deposits a utility could request from those customers that are most likely to leave unpaid charges to the utility.

New language under (3):

**(f) Upon demonstration by a credit scoring entity duly registered and approved by the Commission, that an applicant or customer does not meet generally-accepted requirements for the establishment of credit.**

**Comment:** The deposit rule defines situations under which deposits must be waived for a customer. An appropriate alternative would be to allow a credit scoring system to determine if a deposit should be required. The credit scoring system could be obtained from an independent firm specializing in establishing credit risk. The Company suggests that the Commission consider registering and approving such firms’ services for use by its regulated utilities. This would not be a “take-away” to any customer group. The proposed deposit rules would apply to any customer has not established credit sufficient for credit scoring.

(6) Deposit Payment Arrangements - When an applicant or customer is required to pay a deposit but is unable to pay the entire deposit in advance of connection or continuation of service, the utility must allow the applicant or customer to ~~make payment arrangements of~~ **pay** fifty percent of the deposit prior to

service. The applicant or customer must then pay the remaining balance in equal amounts over the next two months on the dates mutually agreed upon between the applicant or customer and the utility. The utility and applicant or customer may make other mutually acceptable deposit payment arrangements.

**Comment:** Making payment arrangements on 50% of the deposit rather than **paying** 50% of the deposit prior to service will lead to increased write offs. Commission policy, to date, has encouraged utilities to collect deposits up front, when applicable, to keep Avista's write offs down. Utilities should retain the ability to collect 50% of the deposit up front. This proposed change would reduce the ability to collect deposits from those customers that are most likely to leave unpaid charges to the utility.

### **WAC 480-100-056 Refusal of service (comb. w /121 Resp. for del. accts).**

(3) The utility may not refuse to provide service to an applicant or customer because there are outstanding amounts due from a prior customer at the same premise unless the utility can determine, 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.

(4) The utility may not refuse service to an applicant or customer who has two or less prior obligations in any one calendar year **during the most recent 12 months that the applicant or customer received service from the utility. When an applicant or customer has had more than two prior obligations during the most recent 12 months that the applicant or customer received service, the utility may not refuse service to the applicant or customer if such applicant or customer pays all prior obligations in full, a deposit and connection charges.** A prior obligation is the dollar amount the utility has billed to the customer and for which the utility has not received payment at the time service has been disconnected.

**Comment:** This clarifies, after any customer incurred two or more prior obligations, that payments owed the utility are necessary for continuation of service.

### **WAC 480-100-071 Discontinuance/Disconnection of service.**

(4) ~~Combination utilities—Gas service may not be disconnected for any amounts owing for regulated electric services or for any amount owing for non-regulated services.~~

#### **Comments:**

This rule change would require Avista to change its billing and customer accounting system to show and track separate balances for electricity and natural gas. Avista's current bill clearly depicts the amount of electricity and natural gas purchased and the corresponding amounts owed. The Avista bill treats all amounts owing for regulated services as one payment due. In the event that a customer makes a partial payment for electricity and gas and disconnection occurs, Avista disconnects the electric service, which is the least expensive and most convenient to reconnect for the customer and the utility.

Moreover, Avista attempts to minimize gas disconnections because of issues surrounding pilot relights, safety issues, etc.

Avista believes that this proposed new rule should not be adopted for the following reasons.

1) At year-end 1999, 90% of Avista's customers had paid their bill in full on a timely basis.<sup>1</sup> These customers would not benefit in any way by this proposed rule change. Customers who were disconnected represent 1.5% of Avista's customers in Washington. Under the proposed rule, these customers would elect which fuel their partial payment would be directed towards, dictating that the customers' other fuel would be disconnected. Thus, only 1.5% of Avista's customers would potentially be affected by this proposed rule change.

2) The practical effect of this rule would be an increase in the number of disconnections and reconnections of natural gas service (with a reduction in the number of electrical disconnects and reconnects). This would increase costs to the utility and the general ratepayer because disconnection and reconnection of gas meters is more expensive than electric meters.

3) To accommodate this proposed new rule, the company's entire computer billing and customer accounting system would need to be redesigned at increased cost to all customers. The cost of this re-programming effort is estimated to be a minimum of approximately \$5,000,000 and could take 18 months or more to complete. These costs include labor, remittance changes, hardware and software associated with these programming changes, in addition to an estimated \$900,000 per year of on-going expenses for the additional CPU time, storage, print lines, support and costs of multi-page bills.

4) Avista's current bill is easy to understand. Based on a recent survey, 96% of the Company's customers stated that it is important to have a bill that is easy to understand and 90% stated they are satisfied with Avista's current bill.<sup>2</sup> This proposed rule change addresses an issue that does not appear to be a problem for Avista's customers.

5) This proposed rule change ignores maximizing benefits to customers obtained by efficiencies of merged systems. Simply stated, Avista's combined gas and electric customers enjoy lower costs due to the leveraging of joint systems.

6) The underlying policy intent of the proposed change is not clear. The provision of bundled services is the current policy of the state of Washington. At this time, no deregulation or industry restructuring is contemplated. The Company understands that, in the event that Commission-initiated or Legislatively-mandated restructuring occurs, customer choice options would be necessary for billing and tracking purposes in the future. At that time, utilities would need to modify billing and accounting practices accordingly. Thus, Avista recommends that consumer rules related to customer choice be deferred until a later date.

(6)(h) 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 must undertake

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<sup>1</sup> This percentage varies over the course of the year. In May, 1999, 85% of Avista's customers were current; at year-end 1999, 90% were current.

<sup>2</sup> This is based on a January, 2000 survey conducted by Robinson Research asking customers the importance of providing a bill that is easy to understand and how the customers ranked the Avista bill.

--75% of our customers surveyed indicated that it is was very important to have a bill that is easy to understand; 21 % stated it is somewhat important.

--74% of our customers surveyed indicated that they are very satisfied with Avista's bill; 16% stated they are somewhat satisfied.

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 must allow five days past the original disconnection date to permit the service users to arrange for continued service;

- (i) Medical facilities - When service is known to be provided to:

**Comment:** The Company does not oppose adding new facilities, but it may not be possible to identify all of those listed, unless the affected facilities were to contact the utility.

#### **WAC 480-100-xx4 Reconnecting service after disconnection.**

(1) An electric utility must restore a disconnected service within one business day after the customer has paid, or at the time the utility has agreed to bill, any reconnection charge and:

- (a) The causes for disconnection not related to a delinquent account are removed and the customer pays all delinquent regulated charges, including any required deposit; or
- (b) The customer has entered into an agreed upon payment arrangement for a delinquent account, and **pays** any required deposit **as defined in WAC 480-100-051(6) Deposit Requirements**; or
- (c) The delinquent account is a prior obligation account as defined in WAC 480-100-056, Refusal of service, and the customer has paid ~~or made arrangements for~~ **any required** deposit **as defined in WAC 480-100-051(6) Deposit Requirements, unless the customer was disconnected for using service prior to applying for service as defined in WAC 480-100-071(2)(f), Discontinuance of Service, in which case the customer must pay all delinquent regulated charges in addition to a deposit.**

(2) The commission may require reconnection pending resolution of a bona fide dispute between the utility and the customer over the propriety of disconnection.

**Comment:** This edit incorporates language used in WAC 480-100-051(6) and -071(2)(f).

#### **WAC 480-100-072 Payment arrangements.**

~~(1) If a residential customer is billed for both gas and electric service and pays a portion of the total amount billed, the gas utility 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 to which service the payment will apply, the utility must apply the payment to both services on a prorated basis according to the amounts billed for each service.~~

**Comment:** Tracking whether or not a customer's payment was applied based on the customers discretion or prorated by the company will require re-programming estimated to cost upwards of \$5,000,000 as described in Staff-proposed WAC 480-100-071(4) Discontinuance of service. Additionally, the Company notes that this proposed rule may cause confusion for a customer making partial payments.

(2) If the utility is delayed in billing a residential customer, the utility must offer payment arrangements that are equal to the length of time the bill was delayed, **unless the utility determines a customer used service prior to applying for service as outlined in WAC 480-100-071(2)(f), Discontinuance of Service.**

**Comment:** This edit incorporates language used in WAC 480-100-071(2)(f).

- (4) When a residential customer contacts the utility regarding a delinquent account or to avoid a

delinquent account, the utility must offer extended payment arrangements appropriate for both the customer and the utility.

~~(a) The customer may enter into one six month payment arrangement prior to disconnection of service during the customer's total service time with the utility.~~

**Comment:** It is in the best interest of all utilities to make arrangements appropriate for both the customer and the utility. Avista has worked hard to establish such arrangements which may be, at times, more lenient than six months. In 1999, Avista made over 111,000 arrangements with its Washington customers. Currently there are more than 48,000 Washington customers participating in Avista's Comfort Level Billing Plan. 75% of the "Current Bill Plus \$" arrangements were broken by the customer and the Company does not believe that a mandatory six month arrangement offered to all customers once in their lifetime is feasible to track nor probable that the customer would keep the arrangement. Therefore, Avista recommends that the utility retain the ability to negotiate arrangements appropriate to the customer and the utility as defined in the original rule.

~~(b) If the customer does not choose to enter into a six month payment arrangement, then the customer and utility may make arrangements appropriate to both the customer and utility. If the customer does not propose payment arrangements acceptable to the utility, the utility will advise the customer of the payment plan described in WAC 480-100-xx5, Winter low-income payment program, if appropriate.~~

**Comment:** See above comment.

#### **WAC 480-100-xx5 Winter low-income payment program.**

(1) During the winter months, between November 15 and March 15, the gas utility may not discontinue residential space heating service if the customer does all of the following:

- (a) Notifies the utility of the inability to pay the bill and any required deposit. This notice should be provided within five business days of receiving a delinquent notice unless there are extenuating circumstances. If the customer does not notify the utility within five business days and service is disconnected, the customer can receive the protections of this chapter by paying reconnection charges, if any, and by otherwise fulfilling the requirements of this section;
- (b) Provides self-certification of household income for the prior twelve months to a grantee of the Department of community, trade, and economic development. For the purposes of this section, the grantee is a contractor operating low income energy assistance programs for the Department of community, trade, and economic development, or its successor.

**Comment:** Most of the agencies or grantees in Avista's service area do not have the staff available to take on this additional work. Attention to these additional responsibilities may be necessary.

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 to the company that is seven percent of the household income within 30 days of the date the company was notified of the inability to pay as in (a) of this subsection.

**Comment:** The original language included the 30-day timeframe and in order to ensure the provision is applied, the utility will need timely information from the grantee.

## 480-100-xx6 Customer proprietary Information.

(1) Unless authorized by the customer, an electric utility may not disclose, permit access to, or use customer proprietary information to market service or product offerings to a customer who does not already subscribe or have reasonable access to that service or product.

**Comment:** Avista actively promotes demand-side management services, based on what may be considered to be proprietary information, is related to gas main extensions. While the Company does not believe the intent of this proposed rule would prohibit such marketing efforts, Avista suggests the above edits for purposes of clarification.

(2) Unless authorized by the customer, a utility may not share customer proprietary information with its affiliates to market service or product offerings to a customer who does not already subscribe to that service or product, unless such information is provided to other providers of such services in a non-discriminatory manner.

**Comment:** The Federal Energy Regulatory Commission (FERC) has recognized that alternate energy service providers offer competitive products to utility customers in competition with utility affiliates. To avoid unfair competitive practices, the FERC requires notification on a real-time basis to alternate service providers in the event that proprietary information is made available to a utility affiliate.

(3) Customer proprietary information means information that relates to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship.

**Comment:** Avista understands this definition does not include information that is in the public domain such as name, address, and phone number (other than those listed as confidential).

## WAC 480-100-096 Electric utility responsibility for complaints and disputes

(1) When an electric utility receives a complaint in any form from a customer or an applicant for service it must acknowledge receipt of the complaint and

(e) If the complainant is dissatisfied with the results or decision, inform the complainant that the decision may be appealed to a supervisor at the utility; and

(f) ~~Inform the complainant:~~

(i) ~~Of the complainant's right to speak to a supervisor; and~~

(ii) If the complainant is still dissatisfied after speaking with a supervisor, the supervisor must inform the complainant of their ~~Of the complainant's right to file a~~ complaint with the commission and provide the commission's address and toll-free telephone number.

(3)(b) Keep the commission informed of progress toward the solution and the final result; and

(c) Respond to the commission's request for additional informal complaint information within three business days of the request or at a date agreed upon ~~specified by the Commission~~ and the utility.

**Comment:** The above edits add clarity to the proposed rule; the "agreed upon" time period reflects that there are some circumstances requiring additional time.



## WAC 480-100-101 Billing requirements and payment date.

### (1) Customer bills must:

- (a) Be issued at intervals not to exceed two one-month billing cycles;
- (b) Show the total amount due and payable;
- (c) Show the date the bill becomes delinquent if not paid;
- (d) Include the utility's business address, business hours, and toll-free telephone number and emergency telephone number by which a customer may contact the utility;
- (e) Include the current and previous meter readings, the current read date, and the total amount of kilowatts used for each billing rate, the applicable billing rate, and the minimum bill;
- ~~(f) Show the amount of kilowatts used for each billing rate, the applicable billing rates per kilowatt, the basic charge or minimum bill, and any other applicable tariff charges;~~

**Comment:** A customer's bill may be more complicated for a customer to understand if the terms used per billing rate, the applicable billing rate per term and the basic charge are broken out separately on each bill. In addition to the comments in WAC 480-100-071 (4.), the results of another customer survey conducted by Robinson Research indicated a number of customer responded that "*the company's billing procedures were excellent*", when asked "What the company does particularly well?"

- (g) Compare energy usage information for the current month and the same billing month of the previous year ~~for the following:~~
  - ~~(i) Number of days in billing period;~~
  - ~~(ii) Kilowatts used;~~
- ~~(ii) Average kilowatts used per day;~~

**Comment:** Avista's bill currently displays the average daily use and the average daily temperature for the current month and the same billing month of the previous year. While Avista supports Staff's recommendation to require that utilities provide energy usage comparison, the Company believes that customers are satisfied with the information on Avista's bill and that there should not be additional details required as a result of this proposed language.

- (j)(ii) The utility may not estimate for more than two consecutive billing cycles for utilities on a bimonthly billing cycle or for more than four consecutive billing cycles for utilities on a monthly billing cycle, unless the cause of the estimation is due to inclement weather, terrain, or a previous arrangement with the customer.

**Comments:** Avista agrees that a utility should not repeatedly estimate a customer's bill unless the cause is due to weather, terrain or access to the meter. The suggested edit provides consistency among utilities in Washington based on billing schedules.

## 480-100-XX7 Electric customer notification requirements

An electric utility must notice its customers once, either prior or after commission action, depending on the type of filing.

### (1) Customer notice prior to commission action:

- (a) Each affected customer must receive at least ~~thirty~~ fifteen days notice prior to the requested effective date when a gas utility proposes to:

**Comment:** Staff's proposed rule change would, in effect, double the effective notice requirement on some filings. The requirement to have customer notification completed (which is generally done by through a 28 day billing cycle bill insert) 30 days prior to the effective date means that at least 60 days would be required for a proposed tariff to go into effect.

Avista recognizes the Commission Staff's intent of providing adequate time for customers to be aware of specific filings. Avista shares this interest. The Company proposes that fifteen days notice prior to the requested date be adopted. This proposal would mean that on average customers would have 30 days notice. Even the last customers to be notified would have two weeks to voice their concerns to the Commission. This time period has worked well in other states in which Avista operates, such as Oregon and California.

- (i) Increase recurring monthly rates;
  - (ii) File a general rate increase that will be:
    - (A) Addressed in an open meeting; or
    - (B) Addressed in a formal hearing process (see WAC 480-80-125, Notice by utility to customers concerning hearing, for content of notice);
  - (iii) Restrict access to services (e.g., discontinuing a service, limit access to service by imposing a new usage level on existing services, etc.);
  - (iv) Change the ownership or control of the operating company (see WAC 480-143-210, Transfer customer notice requirements, for content of notice);
- (b) At a minimum, an electric utility must notify:
- (i) Each customer that will be affected by the company's proposal; and
  - (ii) The public affairs section of the commission.

**Comment:** Avista reads this proposed rule to mean that notices for special contract filings would not need to be sent to customers other than the customer(s) who would be served by the special contract.