

Agenda Date: September 25, 2002
Item Number: C1

Docket: A-020405

Subject: Solid Waste, Gas, Electric, and Water Company Rules establishing the Interest Rate on Deposits Collected from Customers and Service Responsibility Rule for Electric Companies

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Discussion:

The Commission's current rules in the Solid Waste, Gas, Electric, and Water Chapters specify that interest on deposits shall be calculated based upon the 52-week Treasury Bill auctions. Beginning March 2001, the Treasury Department discontinued the 52-week Treasury bill auctions. Consequently, the Commission can no longer calculate interest based upon the 52-week Treasury bills.

On August 20, 2002, the Commission filed proposed rule changes in a Notice of Proposed Rulemaking (CR-102) in WSR #02-17-088 and asked for written comments by September 11, 2002. The Commission received one comment from Northwest Natural Gas supporting the proposed rule changes.

The proposed rules specify that utilities that collect customer deposits must pay interest on those deposits calculated at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, as published in the Federal Reserve's Statistical Release H.15 on January 15 of each year. Additionally, the proposed language removes the requirement that the Commission will advise the utilities each year of the specific rate by mail because the new rate will be a reference rather than a calculation. The rules included are:

- WAC 480-70-411 (Solid Waste), Establishing credit and deposits
- WAC 480-90-113 (Gas), Residential deposit requirements
- WAC 480-90-118 (Gas), Nonresidential deposit requirements
- WAC 480-100-113 (Electric), Residential deposit requirements
- WAC 480-100-118 (Electric), Nonresidential deposit requirements
- WAC 480-110-335 (Water), Establishment of credit and deposits

Language in the above rules has been redrafted to parallel language across the four industries. These revisions do not change the substance of the rules.

In addition, the proposed language revises WAC 480-100-148(2)(d), Service responsibility, by deleting the reference to “other than meters.”

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

This phrase has been removed from the rule because it appears to unintentionally leave open the question of utility liability if repairs or changes to meters are necessary.

The rule amendments will provide an interest rate that is readily accessible to both the regulated Companies and the Commission, relieving the Commission of the need to notify the utilities each year. Attachment A details the proposed amendments to the Commission’s rules relating to Interest on Deposits for Solid Waste, Gas, Electric, and Water Companies. Attachment B includes the proposed Service Responsibility Rule for Electric Companies.

Attachments