

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

| | | |
|----------------------------------|---|-------------------------|
| In the Matter of |) | |
| Amending |) | DOCKET NO. A-020405 |
| |) | |
| WAC 480-70-411 |) | GENERAL ORDER NO. R-504 |
| WAC 480-90-113 |) | |
| WAC 480-90-118 |) | ORDER AMENDING RULES |
| WAC 480-100-113 |) | PERMANENTLY |
| WAC 480-100-118 and |) | |
| WAC 480-110-335 |) | |
| |) | |
| Relating to Interest on Deposits |) | |
| |) | |
| and |) | |
| |) | |
| WAC 480-100-148 |) | |
| |) | |
| Relating to |) | |
| Service Responsibility of |) | |
| Electric Utilities |) | |
| |) | |

1 **STATUTORY OR OTHER AUTHORITY:** The Washington Utilities and
Transportation Commission takes this action under Notice WSR #02-17-088, filed
with the Code Reviser on August 20, 2002. The Commission brings this proceeding
pursuant to RCW 80.01.040, RCW 80.04.160, RCW 81.04.160.

2 **STATEMENT OF COMPLIANCE:** This proceeding complies with the Open
Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act
(chapter 34.05 RCW), the State Register Act (chapter 34.08 RCW), the State
Environmental Policy Act of 1971 (chapter 43.21C RCW), and the Regulatory
Fairness Act (chapter 19.85 RCW).

3 **DATE OF ADOPTION:** The Commission adopts this rule on the date that this
Order is entered.

4 **CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE:** RCW
34.05.325 requires that the Commission prepare and provide to commenters a concise
explanatory statement about an adopted rule. The statement must include the
identification of the reasons for adopting the rule, a summary of the comments
received regarding the proposed rule, and responses reflecting the Commission's
consideration of the comments.

- 5 The Commission often includes a discussion of those matters in its rule adoption order. In addition, most rulemaking proceedings involve extensive work by Commission Staff that includes summaries in memoranda of stakeholder comments, Commission decisions, and Staff recommendations in each of those areas.
- 6 In this docket, to avoid unnecessary duplication, the Commission designates the discussion in the Staff memoranda presented at the adoption hearing and at the open meetings where the Commission considered whether to begin a rulemaking and whether to propose adoption of specific language. Together, the documents provide a complete but concise explanation of the agency actions and its reasons for taking those actions.

- 7 **REFERENCE TO AFFECTED RULES:** These rules amend the following sections of the Washington Administrative Code:

WAC 480-70-411 Establishing credit and deposits.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-90-113 Residential deposit requirements.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-90-118 Nonresidential deposit requirements.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-100-113 Residential deposit requirements.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-100-118 Nonresidential deposit requirements.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-110-335 Establishment of credit and deposits.

To replace the 52-week Treasury bill rate with the rate for the one-year Treasury Constant Maturity.

WAC 480-100-148 Service responsibility.

To clarify the question of utility liability if repairs or changes to meters are necessary.

8 **PREPROPOSAL STATEMENT OF INQUIRY:** The Commission filed a
Preproposal Statement of Inquiry (CR-101) on April 25, 2002, at WSR # 02-10-055.

9 **ADDITIONAL NOTICE AND ACTIVITY PURSUANT TO PREPROPOSAL
STATEMENT:** The statement advised interested persons that the Commission was
considering entering a rulemaking to determine a new standard for calculating the
interest rate on customer deposits to replace the discontinued 52-week Treasury bill
standard. The statement also advised interested persons that the Commission would
consider amendment of WAC 480-100-148, Service Responsibility, to clarify the
question of utility responsibility if repairs or changes to meters are necessary. The
Commission also informed persons of the inquiry into this matter by providing notice
of the subject and the CR-101 to all persons on the Commission's list of persons
requesting such information pursuant to RCW 34.05.320(3) and by sending notice to
solid waste, gas, electric, and water companies. Pursuant to the notice, the
Commission called for comments. Representatives of Avista Corporation, Puget
Sound Energy, and Northwest Natural Gas submitted written comments.

10 Written comments received from the stakeholders proposed alternatives to the 52-
week Treasury bill rate.

11 **NOTICE OF PROPOSED RULEMAKING:** The Commission filed a notice of
Proposed Rulemaking (CR-102) on August 20, 2002, at WSR #02-17-088. The
Commission scheduled this matter for oral comment and adoption under Notice WSR
#02-17-088 at 9:30 a.m., Wednesday, September 25, 2002, in the Commission's
Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park
Drive S.W., Olympia, Washington. The Notice also provided interested persons the
opportunity to submit written comments to the Commission.

12 **COMMENTERS (WRITTEN COMMENTS):** Northwest Natural Gas submitted
written comments in support of the proposal.

13 **RULEMAKING HEARING:** The rule proposal was considered for adoption,
pursuant to the notice, at a rulemaking hearing scheduled during the Commission's
regularly scheduled open public meeting on September 25, 2002, before Chairwoman
Marilyn Showalter and Commissioner Patrick Oshie. The Commission heard oral
comments from Sharyn Bate, representing Commission Staff. No other interested
person made oral comments.

14 **COMMISSION ACTION:** After considering all of the information regarding this
proposal, the Commission adopts the proposed rules without change.

15 **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** In
reviewing the entire record, the Commission determines that WAC 480-70-411,
WAC 480-90-113, WAC 480-90-118, WAC 480-100-113, WAC 480-100-118, and

WAC 480-110-335 should be amended to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380(2) on January 1, 2003.

16 WAC 480-100-148 should be amended to read as set forth in Appendix A, as a rule of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380(2) on the thirty-first day after filing with the Code Reviser.

ORDER

17 **THE COMMISSION ORDERS That:**

18 WAC 480-70-411, WAC 480-90-113, WAC 480-90-118, WAC 480-100-113, WAC 480-100-118, and WAC 480-110-335 are amended to read as set forth in Appendix A, as rules of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380(2) on January 1, 2003.

19 WAC 480-100-148 is adopted to read as set forth in Appendix A, as a rule of the Washington Utilities and Transportation Commission, to take effect on the thirty-first day after filing with the Code Reviser pursuant to RCW 34.05.380(2).

20 This Order and the rules set out below, after being recorded in the register of the Washington Utilities and Transportation Commission, shall be forwarded to the Code Reviser for filing pursuant to chapters 80.01 and 34.05 RCW and chapter 1-21 WAC.

DATED at Olympia, Washington, this ____ day of October, 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

Note: The following is added at Code Reviser request for statistical purposes:

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, amended 0, repealed 0; Federal Rules or Standards: New 0, amended 0, repealed 0; or Recently Enacted State Statutes: New 0, amended 0, repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, amended 0, repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, amended 0, repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, amended 0, repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, amended 0, repealed 0; Pilot Rule Making: New 0, amended 0, repealed 0; or Other Alternative Rule Making: New 0, amended 0, repealed 0.