



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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October 13, 2015

Representative Matt Shea
4th Legislative District
Post Office Box 40600
Olympia, Washington 98504
matt.shea@leg.wa.gov

Re: Public Comment in Docket U-144155, Corrected Bills Rulemaking

Dear Representative Shea:

Thank you for your letter and comments regarding the Utilities and Transportation Commission's rulemaking addressing corrected bills for customers of investor-owned utilities. We share your concerns about the impact that large retroactive bills could have on customers living on low and fixed incomes. We also recognize that a large retroactive bill could present a hardship for those customers.

The purpose of this rulemaking is to limit the period of time for which a regulated utility may issue a corrected bill. State law and commission rules currently allow companies to issue corrected bills for up to three years, consistent with the commission's records retention policy. We believe that the proposed rule represents a significant improvement for customers over the status quo, and that six months is a reasonable amount of time for a utility to identify and correct billing errors in most cases.

I believe that some of the concerns raised in your letter may be addressed by other rules and programs, which will not be revised or addressed in this rulemaking. For example, WAC 480-100-138, the commission's rule governing payment arrangements, requires that if a regulated utility is delayed in billing a residential customer, it *must* offer payment arrangements that are equal to the length of time the bill was delayed. Therefore, a utility is required to offer payment arrangements any time it issues a corrected bill. In cases where a customer may have difficulty paying back a large balance, we believe that the current rule is flexible enough to allow for an extension of payment arrangements when necessary. Our consumer protection staff work closely with companies and consumers to resolve these issues on a case-by-case basis when a consumer files a complaint with the commission. We find that both parties generally prefer to extend payment arrangements to avoid disconnection.

Representative Matt Shea
October 13, 2015
Page 2 of 2

You raise concerns about the impact of retroactive bills on those facing financial hardships. I share this concern, and have considered the impact of the proposed rule on low- and fixed-income customers. The commission is working diligently with utilities to expand their low-income assistance programs, authorized pursuant to RCW 80.28.068. We have recently approved general rate increases for low-income assistance programs in both Pacific Power and Avista's service territories. Commission staff are also engaged in ongoing collaborative discussions with the companies, and the community action agencies that administer low-income assistance programs, to expand the types of assistance available and improve the delivery of assistance to customers in need.

As always, our goal is to balance the interests of the utilities and the customers they serve. The comments received in this docket indicate that some billing errors can be difficult to detect, and may be caused by circumstances outside of the utility's control. We believe this proposed rule appropriately limits the period of time for which a customer may be issued a corrected bill, without imposing an undue burden on utilities. In addition to the customer who receives a corrected bill, we must also consider the impact that this rule could have on other customers. This could become a concern when a utility seeks to recover uncollected amounts in a general rate case.

If adopted, our proposed rule would not apply in all circumstances. For example, the Kipp family referenced in your letter is served by a consumer-owned electric cooperative not regulated by the commission. Because such organizations would not be impacted by our rule, legislation would be necessary to address the Kipp family's specific circumstance.

I am available to discuss this rulemaking, or other issues at any time. Thank you for your interest in this important matter.

Sincerely,



David W. Danner
Chairman