

2 **ESSB 6560** - H COMM AMD **ADOPTED 3-05-98**
3 By Committee on Energy & Utilities

4

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

8 (a) Electricity is a basic and fundamental need of all residents;
9 and

10 (b) Currently Washington's consumer-owned and investor-owned
11 utilities offer consumers a high degree of reliability and service
12 quality while providing some of the lowest rates in the country.

13 (2) The legislature intends to:

14 (a) Preserve the benefits of consumer and environmental protection,
15 system reliability, high service quality, and low-cost rates;

16 (b) Ensure that all retail electrical customers have the same level
17 of rights and protections; and

18 (c) Require the adequate disclosure of the rights afforded to
19 retail electric customers.

20 NEW SECTION. **Sec. 2.** The definitions in this section apply
21 throughout this chapter unless the context clearly requires otherwise.

22 (1) "Commission" means the utilities and transportation commission.

23 (2) "Conservation" means an increase in efficiency in the use of
24 energy use that yields a decrease in energy consumption while providing
25 the same or higher levels of service. Conservation includes low-income
26 weatherization programs.

27 (3) "Consumer-owned utility" means a municipal electric utility
28 formed under Title 35 RCW, a public utility district formed under Title
29 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
30 cooperative formed under chapter 23.86 RCW, or a mutual corporation or
31 association formed under chapter 24.06 RCW, that is engaged in the
32 business of distributing electricity to more than one retail electric
33 customer in the state.

34 (4) "Department" means the department of community, trade, and
35 economic development.

1 (5) "Electric meters in service" means those meters that record in
2 at least nine of twelve calendar months in any calendar year not less
3 than two hundred fifty kilowatt hours per month.

4 (6) "Electric utility" means a consumer-owned or investor-owned
5 utility as defined in this section.

6 (7) "Electricity" means electric energy measured in kilowatt hours,
7 or electric capacity measured in kilowatts, or both.

8 (8) "Governing body" means the council of a city or town, the
9 commissioners of an irrigation district, municipal electric utility, or
10 public utility district, or the board of directors of an electric
11 cooperative or mutual association that has the authority to set and
12 approve rates.

13 (9) "Investor-owned utility" means a company owned by investors
14 that meets the definition of RCW 80.04.010 and is engaged in
15 distributing electricity to more than one retail electric customer in
16 the state.

17 (10) "Proprietary customer information" means: (a) Information
18 that relates to the source and amount of electricity used by a retail
19 electric customer, a retail electric customer's payment history, and
20 household data that is made available by the customer solely by virtue
21 of the utility-customer relationship; and (b) information contained in
22 a retail electric customer's bill.

23 (11) "Renewable resources" means electricity generation facilities
24 fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal
25 energy; (e) landfill gas; or (f) biomass energy based on solid organic
26 fuels from wood, forest, or field residues, or dedicated energy crops
27 that do not include wood pieces that have been treated with chemical
28 preservatives such as creosote, pentachlorophenol, or copper-chrome-
29 arsenic.

30 (12) "Resale" means the purchase and subsequent sale of electricity
31 for profit, but does not include the purchase and the subsequent sale
32 of electricity at the same rate at which the electricity was purchased.

33 (13) "Retail electric customer" means a person or entity that
34 purchases electricity for ultimate consumption and not for resale.

35 (14) "Small utility" means any consumer-owned utility with twenty-
36 five thousand or fewer electric meters in service, or that has an
37 average of seven or fewer customers per mile of distribution line.

38 (15) "State" means the state of Washington.

1 NEW SECTION. **Sec. 3.** Except as otherwise provided in section 6 of
2 this act, each electric utility must provide its retail electric
3 customers with the following disclosures in accordance with section 4
4 of this act:

5 (1) An explanation of any applicable credit and deposit
6 requirements, including the means by which credit may be established,
7 the conditions under which a deposit may be required, the amount of any
8 deposit, interest paid on the deposit, and the circumstances under
9 which the deposit will be returned or forfeited.

10 (2) A complete, itemized listing of all rates and charges for which
11 the customer is responsible, including charges, if any, to terminate
12 service, the identity of the entity responsible for setting rates, and
13 an explanation of how to receive notice of public hearings where
14 changes in rates will be considered or approved.

15 (3) An explanation of the metering or measurement policies and
16 procedures, including the process for verifying the reliability of the
17 meters or measurements and adjusting bills upon discovery of errors in
18 the meters or measurements.

19 (4) An explanation of bill payment policies and procedures,
20 including due dates, applicable late fees, and the interest rate
21 charged, if any, on unpaid balances.

22 (5) An explanation of the payment arrangement options available to
23 customers, including budget payment plans and the availability of home
24 heating assistance from government and private sector organizations.

25 (6) An explanation of the method by which customers must give
26 notice of their intent to discontinue service, the circumstances under
27 which service may be discontinued by the utility, the conditions that
28 must be met by the utility prior to discontinuing service, and how to
29 avoid disconnection.

30 (7) An explanation of the utility's policies governing the
31 confidentiality of proprietary customer information, including the
32 circumstances under which the information may be disclosed and ways in
33 which customers can control access to the information.

34 (8) An explanation of the methods by which customers may make
35 inquiries to and file complaints with the utility, and the utility's
36 procedures for responding to and resolving complaints and disputes,
37 including a customer's right to complain about an investor-owned
38 utility to the commission and appeal a decision by a consumer-owned
39 utility to the governing body of the consumer-owned utility.

1 (9) An annual report containing the following information for the
2 previous calendar year:

3 (a) A general description of the electric utility's customers,
4 including the number of residential, commercial, and industrial
5 customers served by the electric utility, and the amount of electricity
6 consumed by each customer class in which there are at least three
7 customers, stated as a percentage of the total utility load;

8 (b) A summary of the average electricity rates for each customer
9 class in which there are at least three customers, stated in cents per
10 kilowatt hour, the date of the electric utility's last general rate
11 increase or decrease, the identity of the entity responsible for
12 setting rates, and an explanation of how to receive notice of public
13 hearings where changes in rates will be considered or approved;

14 (c) An explanation of the amount invested by the electric utility
15 in conservation, nonhydrorenewable resources, and low-income energy
16 assistance programs, and the source of funding for the investments; and

17 (d) An explanation of the amount of federal, state, and local taxes
18 collected and paid by the electric utility, including the amounts
19 collected by the electric utility but paid directly by retail electric
20 customers.

21 NEW SECTION. **Sec. 4.** Except as otherwise provided in section 6 of
22 this act, an electric utility shall:

23 (1) Provide notice to all of its retail electric customers that the
24 disclosures required in section 3 of this act are available without
25 charge upon request. Such notice shall be provided at the time service
26 is established and either included as a prominent part of each
27 customer's bill or in a written notice mailed to each customer at least
28 once a year thereafter. Required disclosures shall be provided without
29 charge, in writing using plain language that is understandable to an
30 ordinary customer, and presented in a form that is clear and
31 conspicuous.

32 (2) Disclose the following information in a prominent manner on all
33 billing statements sent to retail electric customers, or by a separate
34 written notice mailed to all retail electric customers at least
35 quarterly and at the same time as a billing statement: "YOUR BILL
36 INCLUDES CHARGES FOR ELECTRICITY, DELIVERY SERVICES, GENERAL
37 ADMINISTRATION AND OVERHEAD, METERING, TAXES, CONSERVATION EXPENSES,
38 AND OTHER ITEMS."

1 NEW SECTION.

2 **Sec. 5.**

3 (1) The utilities and transportation
4 commission and the department of community, trade, and economic
5 development shall jointly study the following issues:

6 (a) Variations in retail electricity rates within the state and in
7 comparison with national averages, trends affecting the electric
8 service costs for all customers in the state, and strategies available
9 to minimize those costs in the future;

10 (b) Demographics of retail electric customers in the state to
11 include the distribution of customers by size of load;

12 (c) The potential for cost-shifting among customer classes and
13 among customers within the same class, and strategies available to
14 minimize inappropriate cost;

15 (d) The consumer protection policies and procedures of electric
16 utilities, including areas of consistency and inconsistency among the
17 utilities in those policies and procedures;

18 (e) The status, number, and primary characteristics of service
19 territory agreements between electric utilities;

20 (f) The current level of service quality and reliability as
21 measured by available statistics, trends affecting quality of service
22 and the integrity and reliability of the distribution system, and ways
23 to ensure high service quality and reliability in the future; and

24 (g) Current levels of investment in conservation, nonhydrorenewable
25 resources, and low-income energy assistance programs, trends affecting
26 such investment, and ways to fairly, efficiently, and effectively
27 foster future achievement of the purposes of such investment.

28 (2) The utilities and transportation commission and the department
29 of community, trade, and economic development shall consult with the
30 chair and ranking minority member of the senate and house of
31 representatives energy and utilities committees, electric utilities,
32 retail electric customers, and other interested parties throughout the
33 course of the study and shall report the results of this study to the
34 legislature and the governor no later than December 31, 1998.

35 (3) Except as otherwise provided in section 6 of this act, each
36 electric utility shall cooperate with the commission and the department
37 in the preparation of the study and report required by this section,
38 and shall provide all information requested by the commission or the
39 department in a timely manner so that the study and report will be as
40 thorough as possible and completed on schedule. The commission and
41 department shall coordinate and cooperate with each other in preparing

1 the study and report, particularly in requesting information from, or
2 the assistance of, electric utilities, to minimize the potential for
3 redundant requests.

4 NEW SECTION. **Sec. 6.** The provisions of sections 3 through 5 of
5 this act do not apply to a small utility. However, nothing in this
6 section prohibits the governing body of a small utility from
7 determining the utility should comply with any or all of the provisions
8 of sections 3 through 5 of this act, which governing bodies are
9 encouraged to do.

10 NEW SECTION. **Sec. 7.** Nothing in chapter . . . , Laws of 1998 (this
11 act) shall be construed as conferring on any state agency jurisdiction,
12 supervision, or control over any consumer-owned utility.

13 **Sec. 8.** RCW 74.38.070 and 1990 c 164 s 1 are each amended to read
14 as follows:

15 (1) Notwithstanding any other provision of law, any county, city,
16 town, municipal corporation, or quasi municipal corporation providing
17 utility services may provide such services at reduced rates for low
18 income senior citizens or other low-income ((disabled)) citizens:
19 PROVIDED, That, for the purposes of this section, "low-income senior
20 citizen" or "other low-income ((disabled)) citizen" shall be defined by
21 appropriate ordinance or resolution adopted by the governing body of
22 the county, city, town, municipal corporation, or quasi municipal
23 corporation providing the utility services except as provided in
24 subsection (2) of this section. Any reduction in rates granted in
25 whatever manner to low-income senior citizens or other low-income
26 ((disabled)) citizens in one part of a service area shall be uniformly
27 extended to low-income senior citizens or other low-income ((disabled))
28 citizens in all other parts of the service area.

29 (2) For purposes of implementing this section by any public utility
30 district, (a) "low-income senior citizen" means a person who is sixty-
31 two years of age or older and whose total income, including that of his
32 or her spouse or cotenant, does not exceed the amount specified in RCW
33 84.36.381(5)(b), as now or hereafter amended and (b) "other low-income
34 ((disabled)) citizen" means ((~~i~~)) a person ((~~qualifying for special~~
35 ~~parking privileges under RCW 46.16.381(1) (a) through (f), (ii) a blind~~
36 ~~person as defined in RCW 74.18.020, or (iii) a disabled, handicapped,~~

1 ~~or incapacitated person as defined under any other existing state or~~
2 ~~federal program and)) whose household income((~~, including that of his~~~~
3 ~~or her spouse or cotenant,~~)) does not exceed the amount specified in
4 RCW 70.164.020(4).

5 NEW SECTION. **Sec. 9.** Sections 1 through 4, 6, and 7 of this act
6 constitute a new chapter in Title 19 RCW.

7 NEW SECTION. **Sec. 10.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 immediately."

15 Correct the title.

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