AN ACT Relating to retail electrical customers; amending RCW 74.38.070; adding a new chapter to Title 19 RCW; creating new sections; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. (1) The legislature finds that:
(a) Electricity is a basic and fundamental need of all residents; and
(b) Currently Washington’s consumer-owned and investor-owned utilities offer consumers a high degree of reliability and service quality while providing some of the lowest rates in the country.
(2) The legislature intends to:
(a) Preserve the benefits of consumer and environmental protection, system reliability, high service quality, and low-cost rates;
(b) Ensure that all retail electrical customers have the same level of rights and protections; and
(c) Require the adequate disclosure of the rights afforded to retail electric customers.
NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

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

(10) "Proprietary customer information" means: (a) Information that relates to the source and amount of electricity used by a retail electric customer, a retail electric customer’s payment history, and household data that is made available by the customer solely by virtue of the utility-customer relationship; and (b) information contained in a retail electric customer’s bill.
(11) "Renewable resources" means electricity generation facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; or (f) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

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

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

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

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

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

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

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

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

(4) An explanation of bill payment policies and procedures, including due dates, applicable late fees, and the interest rate charged, if any, on unpaid balances.
(5) An explanation of the payment arrangement options available to customers, including budget payment plans and the availability of home heating assistance from government and private sector organizations.

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

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

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

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

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

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

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

(d) An explanation of the amount of federal, state, and local taxes collected and paid by the electric utility, including the amounts collected by the electric utility but paid directly by retail electric customers.
NEW SECTION. Sec. 4. Except as otherwise provided in section 6 of this act, an electric utility shall:

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

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

NEW SECTION. Sec. 5. (1) The utilities and transportation commission and the department of community, trade, and economic development shall jointly study the following issues:

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

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

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

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

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

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

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

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

(3) Except as otherwise provided in section 6 of this act, each electric utility shall cooperate with the commission and the department in the preparation of the study and report required by this section, and shall provide all information requested by the commission or the department in a timely manner so that the study and report will be as thorough as possible and completed on schedule. The commission and department shall coordinate and cooperate with each other in preparing the study and report, particularly in requesting information from, or the assistance of, electric utilities, to minimize the potential for redundant requests.

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

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

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

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

(2) For purposes of implementing this section by any public utility
district, (a) "low-income senior citizen" means a person who is sixty-
two years of age or older and whose total income, including that of his
or her spouse or cotenant, does not exceed the amount specified in RCW
84.36.381(5)(b), as now or hereafter amended and (b) "other low-income
((disabled)) citizen" means ((i))) a person ((qualifying for special
parking privileges under RCW 46.16.381(1) (a) through (f), (ii) a blind
person as defined in RCW 74.18.020, or (iii) a disabled, handicapped,
or incapacitated person as defined under any other existing state or
federal program and)) whose household income((, including that of his
or her spouse or cotenant,)) does not exceed the amount specified in
RCW 70.164.020(4).

NEW SECTION. Sec. 9. If specific funding for the purposes of
section 5 of this act, referencing section 5 of this act by bill or
chapter number and section number, is not provided by June 30, 1998, in
the omnibus appropriations act, section 5 of this act is null and void.

NEW SECTION. Sec. 10. Sections 1 through 4, 6, and 7 of this act
constitute a new chapter in Title 19 RCW.

NEW SECTION. Sec. 11. If any provision of this act or its
application to any person or circumstance is held invalid, the
remainder of the act or the application of the provision to other
persons or circumstances is not affected.
NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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