

Chapter 80.28 RCW
GAS, ELECTRICAL, AND WATER COMPANIES

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Construction projects in state waters: Chapter 77.55 RCW.

Franchises on state highways: Chapter 47.44 RCW.

Reduced utility rates for low-income senior citizens and other low-income citizens: RCW 74.38.070.

RCW 80.28.005 Definitions. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Bondable conservation investment" means all expenditures made by electrical, gas, or water companies with respect to energy or water conservation measures and services intended to improve the efficiency of electricity, gas, or water end use, including related carrying costs if:

(a) The conservation measures and services do not produce assets that would be bondable utility property under the general utility mortgage of the electrical, gas, or water company;

(b) The commission has determined that the expenditures were incurred in conformance with the terms and conditions of a conservation service tariff in effect with the commission at the time the costs were incurred, and at the time of such determination the commission finds that the company has proven that the costs were prudent, that the terms and conditions of the financing are reasonable, and that financing under this chapter is more favorable to the customer than other reasonably available alternatives;

(c) The commission has approved inclusion of the expenditures in rate base and has not ordered that they be currently expensed; and

(d) The commission has not required that the measures demonstrate that energy savings have persisted at a certain level for a certain period before approving the cost of these investments as bondable conservation investment.

(2) "Conservation bonds" means bonds, notes, certificates of beneficial interests in trusts, or other evidences of indebtedness or ownership that:

(a) The commission determines at or before the time of issuance are issued to finance or refinance bondable conservation investment by an electrical, gas or water company; and

(b) Rely partly or wholly for repayment on conservation investment assets and revenues arising with respect thereto.

(3) "Conservation investment assets" means the statutory right of an electrical, gas, or water company:

(a) To have included in rate base all of its bondable conservation investment and related carrying costs; and

(b) To receive through rates revenues sufficient to recover the bondable conservation investment and the costs of equity and debt capital associated with it, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds.

(4) "Finance subsidiary" means any corporation, company, association, joint stock association, or trust that is beneficially owned, directly or indirectly, by an electrical, gas, or water company, or in the case of a trust issuing conservation bonds consisting of beneficial interests, for which an electrical, gas, or water company or a subsidiary thereof is the grantor, or an unaffiliated entity formed for the purpose of financing or refinancing approved conservation investment, and that acquires conservation investment assets directly or indirectly from such company in a transaction approved by the commission. [1994 c 268 s 1.]

**RCW 80.28.010 Duties as to rates, services, and facilities—
Limitations on termination of utility service for residential heating
and of electric or water utility service during heat-related alerts.**

(1) All charges made, demanded or received by any gas company, electrical company, wastewater company, or water company for gas, electricity or water, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient. Reasonable charges necessary to cover the cost of administering the collection of voluntary donations for the purposes of supporting the development and implementation of evergreen community management plans and ordinances under RCW 80.28.300 must be deemed as prudent and necessary for the operation of a utility.

(2) Every gas company, electrical company, wastewater company, and water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company, wastewater company, or water company, affecting or pertaining to the sale or distribution of its product or service, must be just and reasonable.

(4) Utility service for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill. This notice should be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances. If the customer fails to notify the utility within five business days and service is terminated, the customer can, by fulfilling the requirements of this section, receive the protections of this chapter;

(b) Provides self-certification of household income for the prior twelve months to a grantee of the department of commerce, which administers federally funded energy assistance programs. The grantee shall determine that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and shall provide a dollar figure that is seven percent of household income. The grantee may verify information provided in the self-certification;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any

assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is available for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15th and to pay for continued utility service. If the past due bill is not paid by the following October 15, the customer is not eligible for protections under this chapter until the past due bill is paid. The plan may not require monthly payments in excess of seven percent of the customer's monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but shall not be in default unless payment during this period is less than seven percent of monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if the customer moves.

(5) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area;

(d) Be permitted to disconnect service if the customer fails to honor the payment program except on the days indicated in subsection (8) of this section. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection. Customers who qualify for payment plans under this section who default on their payment plans and are disconnected can be reconnected and maintain the protections afforded under this chapter by paying all amounts that would have been due and owing under the terms of the applicable payment plan, absent default, on the date on which service is reconnected; and

(e) Advise the customer in writing at the time it disconnects service that it will restore service if the customer contacts the utility and fulfills the other requirements of this section.

(6) A payment plan implemented under this section is consistent with RCW 80.28.080.

(7) Every gas company and electrical company shall offer residential customers the option of a budget billing or equal payment plan. The budget billing or equal payment plan shall be offered low-income customers eligible under the state's plan for low-income energy assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without limiting availability to certain months of the year, without regard to the length of time the customer has occupied the premises, and without regard to whether the customer is the tenant or owner of the premises occupied.

(8) (a) Every electrical company and water company must have and must abide by the terms of a tariff approved by the commission that prohibits the electrical company or water company from effecting, due

to lack of payment, an involuntary termination of electric or water utility service to any residential user, including tenants of metered apartment buildings and residents of mobile homes, on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located.

(b) Nothing in this subsection (8) limits the authority of the commission to prohibit an electrical company or water company from terminating electric or water utility service in accordance with an approved tariff, rule, or order, in circumstances independent of the weather.

(9) (a) A residential user at whose dwelling electric or water utility service has been disconnected for lack of payment may request that the utility reconnect service on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located. The utility shall, through a process approved by the commission, inform all customers in the notice of disconnection of the ability to seek reconnection and provide clear and specific information on how to make that request, including how to contact the utility.

(b) Upon receipt of a request made pursuant to (a) of this subsection, the utility shall promptly make a reasonable attempt to reconnect service to the dwelling. The utility, in connection with a request made pursuant to (a) of this subsection, may require the residential user to enter into a payment plan prior to reconnecting service to the dwelling. If the utility requires the residential user to enter into a repayment plan, the repayment plan must comply with subsection (10) of this section.

(10) A repayment plan required by a utility pursuant to subsection (9)(b) of this section will be designed both to pay the past due bill by the following May 15th, or as soon as possible after May 15th if needed to maintain monthly payments that are no greater than six percent of the customer's monthly income, and to pay for continued utility service. The plan may not require monthly payments in excess of six percent of the customer's monthly income. A customer may agree to pay a higher percentage during this period, but will not be in default unless payment during this period is less than six percent of the customer's monthly income. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan.

(11) Every gas company, electrical company, wastewater company, and water company shall construct and maintain such facilities in connection with the manufacture and distribution of its product, or provision of its services, as will be efficient and safe to its employees and the public.

(12) An agreement between the customer and the utility, whether oral or written, does not waive the protections afforded under this chapter.

(13) In establishing rates or charges for water service, water companies as defined in RCW 80.04.010 may consider the achievement of water conservation goals and the discouragement of wasteful water use practices.

(14) On an annual basis, each utility must submit a report to the commission that includes the total number of electric or water

disconnections that occurred on each day for which the national weather service issued, or announced that it intended to issue, a heat-related alert. [2023 c 105 s 6; 2011 c 214 s 11; 2008 c 299 s 35; 1995 c 399 s 211. Prior: 1991 c 347 s 22; 1991 c 165 s 4; 1990 1st ex.s. c 1 s 5; 1986 c 245 s 5; 1985 c 6 s 25; 1984 c 251 s 4; 1961 c 14 s 80.28.010; prior: 1911 c 117 s 26; RRS s 10362.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Short title—2008 c 299: See note following RCW 76.15.020.

Purposes—1991 c 347: See note following RCW 90.42.005.

Findings—1991 c 165: See note following RCW 35.21.300.

RCW 80.28.020 Commission to fix just, reasonable, and compensatory rates. Whenever the commission shall find, after a hearing had upon its own motion, or upon complaint, that the rates or charges demanded, exacted, charged or collected by any gas company, electrical company, wastewater company, or water company, for gas, electricity, wastewater company services, or water, or in connection therewith, or that the rules, regulations, practices or contracts affecting such rates or charges are unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order. [2011 c 214 s 12; 1961 c 14 s 80.28.020. Prior: 1911 c 117 s 54, part; RRS s 10390, part.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.022 Water company rates—Reserve account. In determining the rates to be charged by each water company subject to its jurisdiction, the commission may provide for the funding of a reserve account exclusively for the purpose of making capital improvements approved by the department of health as a part of a long-range plan, or required by the department to assure compliance with federal or state drinking water regulations, or to perform construction or maintenance required by the department of ecology to secure safety to life and property under RCW 43.21A.064(2). Expenditures from the fund shall be subject to prior approval by the commission, and shall be treated for rate-making purposes as customer contributions. [1991 c 150 s 1; 1990 c 132 s 6.]

Legislative findings—Severability—1990 c 132: See note following RCW 43.20.240.

RCW 80.28.024 Legislative finding. The legislature finds and declares that the potential for meeting future energy needs through conservation measures, including energy conservation loans, energy audits, the use of appropriate tree plantings for energy conservation, and the use of renewable resources, such as solar energy, wind energy, wood, wood waste, municipal waste, agricultural products and wastes, hydroelectric energy, geothermal energy, and end-use waste heat, may not be realized without incentives to public and private energy utilities. The legislature therefore finds and declares that actions and incentives by state government to promote conservation and the use of renewable resources would be of great benefit to the citizens of this state by encouraging efficient energy use and a reliable supply of energy based upon renewable energy resources. [1993 c 204 s 8; 1980 c 149 s 1.]

Findings—1993 c 204: See note following RCW 35.92.390.

RCW 80.28.025 Encouragement of energy cogeneration, conservation, and production from renewable resources—Consideration of water conservation goals. (1) In establishing rates for each gas and electric company regulated by this chapter, the commission shall adopt policies to encourage meeting or reducing energy demand through cogeneration as defined in *RCW 82.35.020, measures which improve the efficiency of energy end use, and new projects which produce or generate energy from renewable resources, such as solar energy, wind energy, hydroelectric energy, geothermal energy, wood, wood waste, municipal wastes, agricultural products and wastes, and end-use waste heat. These policies shall include but are not limited to allowing a return on investment in measures to improve the efficiency of energy end use, cogeneration, or projects which produce or generate energy from renewable resources which return is established by adding an increment of two percent to the rate of return on common equity permitted on the company's other investment. Measures or projects encouraged under this section are those for which construction or installation is begun after June 12, 1980, and before January 1, 1990, and which, at the time they are placed in the rate base, are reasonably expected to save, produce, or generate energy at a total incremental system cost per unit of energy delivered to end use which is less than or equal to the incremental system cost per unit of energy delivered to end use from similarly available conventional energy resources which utilize nuclear energy or fossil fuels and which the gas or electric company could acquire to meet energy demand in the same time period. The rate of return increment shall be allowed for a period not to exceed thirty years after the measure or project is first placed in the rate base.

(2) In establishing rates for water companies regulated by this chapter, the commission may consider the achievement of water conservation goals and the discouragement of wasteful water use practices. [1991 c 347 s 23; 1980 c 149 s 2.]

***Reviser's note:** RCW 82.35.020 was repealed by 2005 c 443 s 7, effective July 1, 2006.

Purposes—1991 c 347: See note following RCW 90.42.005.

Public utility tax exemptions relating to energy conservation and production from renewable resources: RCW 82.16.055.

RCW 80.28.030 Commission may order improved quality of commodity—Ordering improvements to the storage, distribution, or supply of water—Ordering improvements to the system of sewerage. (1) Whenever the commission finds, after such hearing, that the illuminating or heating power, purity or pressure of gas, the efficiency of electric lamp supply, the voltage of the current supplied for light, heat or power, the quality of wastewater company services, or the purity, quality, volume, and pressure of water, supplied by any gas company, electrical company, wastewater company, or water company, as the case may be, is insufficient, impure, inadequate or inefficient, it shall order such improvement in the manufacture, distribution or supply of gas, in the manufacture, transmission or supply of electricity, in the operation of the services and facilities of wastewater companies, or in the storage, distribution or supply of water, or in the methods employed by such gas company, electrical company, wastewater company, or water company, as will in its judgment be efficient, adequate, just and reasonable. Failure of a water company to comply with state board of health standards adopted under RCW 43.20.050(2)(a) or department standards adopted under chapter 70A.100 RCW for purity, volume, and pressure is prima facie evidence that the water supplied is insufficient, impure, inadequate, or inefficient. Failure of a wastewater company to comply with standards and permit conditions adopted and implemented under chapter 70A.115 or 90.48 RCW for treatment and disposal of sewerage, is prima facie evidence that the system of sewerage is insufficient, inadequate, or inefficient.

(2) In ordering improvements in the storage, distribution, or supply of water, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW. [2021 c 65 s 96; 2011 c 214 s 13; 1989 c 207 s 4; 1961 c 14 s 80.28.030. Prior: 1911 c 117 s 54, part; RRS s 10390, part.]

Explanatory statement—2021 c 65: See note following RCW 53.54.030.

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.040 Commission may order improved service—Water companies, system of sewerage noncompliance, receivership. (1) Whenever the commission finds, after hearing, that any rules,

regulations, measurements or the standard thereof, practices, acts or services of any such gas company, electrical company, wastewater company, or water company are unjust, unreasonable, improper, insufficient, inefficient or inadequate, or that any service which may be reasonably demanded is not furnished, the commission shall fix the reasonable rules, regulations, measurements or the standard thereof, practices, acts or service to be thereafter furnished, imposed, observed and followed, and shall fix the same by order or rule.

(2) In ordering improvements to the service of any water company, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the service of any system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW. [2011 c 214 s 14; 1989 c 207 s 5; 1961 c 14 s 80.28.040. Prior: 1911 c 117 s 54, part; RRS s 10390, part.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.050 Tariff schedules to be filed with commission—Public schedules. Every gas company, electrical company, wastewater company, and water company shall file with the commission and shall print and keep open to public inspection schedules in such form as the commission may prescribe, showing all rates and charges made, established or enforced, or to be charged or enforced, all forms of contract or agreement, all rules and regulations relating to rates, charges or service, used or to be used, and all general privileges and facilities granted or allowed by such gas company, electrical company, wastewater company, or water company. [2011 c 214 s 15; 1961 c 14 s 80.28.050. Prior: 1911 c 117 s 27; RRS s 10363.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Duty of company to fix rate for wholesale power on request of public utility district: RCW 54.04.100.

RCW 80.28.060 Tariff changes—Statutory notice—Exception—Waiver of provisions during state of emergency. (1) Unless the commission otherwise orders, no change may be made in any rate or charge or in any form of contract or agreement or in any rule or regulation relating to any rate, charge or service, or in any general privilege or facility which shall have been filed and published by a gas company, electrical company, wastewater company, or water company in compliance with the requirements of RCW 80.28.050 except after thirty

days' notice to the commission and publication for thirty days, which notice must plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect and all proposed changes must be shown by printing, filing and publishing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection. Proposed changes may be suspended by the commission within thirty days or before the stated effective date of the proposed change, whichever is later. The commission, for good cause shown, may allow changes without requiring the thirty days' notice by duly filing, in such manner as it may direct, an order specifying the changes so to be made and the time when it takes effect. All such changes must be immediately indicated upon its schedules by the company affected. When any change is made in any rate or charge, form of contract or agreement, or any rule or regulation relating to any rate or charge or service, or in any general privilege or facility, the effect of which is to increase any rate or charge, then in existence, attention must be directed on the copy filed with the commission to such increase by some character immediately preceding or following the item in such schedule, such character to be in form as designated by the commission.

(2) During a state of emergency declared under RCW 43.06.010(12), the governor may waive or suspend the operation or enforcement of this section or any portion of this section or under any administrative rule, and issue any orders to facilitate the operation of state or local government or to promote and secure the safety and protection of the civilian population. [2011 c 214 s 16; 2008 c 181 s 402; 1989 c 152 s 1; 1961 c 14 s 80.28.060. Prior: 1911 c 117 s 28; RRS s 10364.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Part headings not law—2008 c 181: See note following RCW 43.06.220.

RCW 80.28.065 Tariff schedule—Energy conservation—Payment by successive property owners—Notice—Rules. (1) Upon request by an electrical or gas company, the commission may approve a tariff schedule that contains rates or charges for energy conservation measures, services, or payments provided to individual property owners or customers. The tariff schedule shall require the electrical or gas company to enter into an agreement with the property owner or customer receiving services at the time the conservation measures, services, or payments are initially provided. The tariff schedule may allow for the payment of the rates or charges over a period of time and for the application of the payment obligation to successive property owners or customers at the premises where the conservation measures or services were installed or performed or with respect to which the conservation payments were made.

(2) The electrical or gas company shall record a notice of a payment obligation, containing a legal description, resulting from an agreement under this section with the county auditor or recording officer as provided in RCW 65.04.030.

(3) The commission may prescribe by rule other methods by which an electrical or gas company shall notify property owners or customers of any such payment obligation. [1993 c 245 s 2.]

Legislative findings—Intent—1993 c 245: "(1) The legislature finds that:

(a) The ability of utilities to acquire cost-effective conservation measures is instrumental in assuring that Washington citizens have reasonable energy rates and that utilities have adequate energy resources to meet future energy demands;

(b) Customers may be more willing to accept investments in energy efficiency and conservation if real and perceived impediments to property transactions are avoided;

(c) Potential purchasers of real property should be notified of any utility conservation charges at the earliest point possible in the sale.

(2) It is the intent of the legislature to encourage utilities to develop innovative approaches designed to promote energy efficiency and conservation that have limited rate impacts on utility customers. It is not the intent of the legislature to restrict the authority of the utilities and transportation commission to approve tariff schedules.

(3) It is also the intent of the legislature that utilities which establish conservation tariffs should undertake measures to assure that potential purchasers of property are aware of the existence of any conservation tariffs. Measures that may be considered include, but are not limited to:

(a) Recording a notice of a conservation tariff payment obligation, containing a legal description, with the county property records;

(b) Annually notifying customers who have entered agreements of the conservation tariff obligation;

(c) Working with the real estate industry to provide for disclosure of conservation tariff obligations in standardized listing agreements and earnest money agreements; and

(d) Working with title insurers to provide recorded conservation tariff obligations as an informational note to the preliminary commitment for policy of title insurance." [1993 c 245 s 1.]

RCW 80.28.068 Rates—Low-income customers. (1) Upon its own motion, or upon request by an electrical or gas company, or other party to a general rate case hearing, or other proceeding to set rates, the commission may approve rates, charges, services, and/or physical facilities at a discount, or through grants, for low-income senior customers and low-income customers. Expenses and lost revenues as a result of these discounts, grants, or other low-income assistance programs shall be included in the company's cost of service and recovered in rates to other customers. Each gas or electrical company must propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other low-income assistance programs. The commission shall approve, disapprove, or approve with modifications each gas or electrical company's low-income assistance discount rate and grant program. The gas or electrical company must use reasonable and good faith efforts to seek approval for low-income program design,

eligibility, operation, outreach, and funding proposals from its low-income and equity advisory groups in advance of filing such proposals with the commission. In order to remove barriers and to expedite assistance, low-income discounts or grants approved under this section must be provided in coordination with community-based organizations in the gas or electrical company's service territory including, but not limited to, grantees of the department of commerce, community action agencies, and community-based nonprofit organizations. Nothing in this section may be construed as limiting the commission's authority to approve or modify tariffs authorizing low-income discounts or grants.

(2) Eligibility for a low-income discount rate or grant established in this section may be established upon verification of a low-income customer's receipt of any means-tested public benefit, or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed the low-income definition set by the commission pursuant to RCW 19.405.020. The public benefits may include, but are not limited to, assistance that provides cash, housing, food, or medical care including, but not limited to, temporary assistance for needy families, supplemental security income, emergency assistance to elders, disabled, and children, supplemental nutrition assistance program benefits, public housing, federally subsidized or state-subsidized housing, the low-income home energy assistance program, veterans' benefits, and similar benefits.

(3) Each gas or electrical company shall conduct substantial outreach efforts to make the low-income discounts or grants available to eligible customers and must provide annual reports to the commission as to the gas or electrical company's outreach activities and results. Such outreach: (a) Shall be made at least semiannually to inform customers of available rebates, discounts, credits, and other cost-saving mechanisms that can help them lower their monthly bills for gas or electrical service; and (b) may be in the form of any customary and usual methods of communication or distribution including, without limitation, widely broadcast communications with customers, direct mailing, telephone calls, electronic communications, social media postings, in-person contacts, websites of the gas or electrical company, press releases, and print and electronic media, that are designed to increase access to and participation in bill assistance programs.

(4) Outreach may include establishing an automated program of matching customer accounts with lists of recipients of the means-tested public benefit programs and, based on the results of the matching program, to presumptively offer a low-income discount rate or grant to eligible customers so identified. However, the gas or electrical company must within 60 days of the presumptive enrollment inform such a low-income customer of the presumptive enrollment and all rights and obligations of a customer under the program, including the right to withdraw from the program without penalty.

(5) A residential customer eligible for a low-income discount rate must receive the service on demand.

(6) A residential customer may not be charged for initiating or terminating low-income discount rates, grants, or any other form of energy assistance.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Energy burden" has the same meaning as defined in RCW 19.405.020.

(b) "Low-income" has the same meaning as defined in RCW 19.405.020.

(c) "Physical facilities" includes, but may not be limited to, a community solar project as defined in RCW 80.28.370. [2021 c 188 s 3; 2009 c 32 s 1; 1999 c 62 s 1.]

Legislative directive—2021 c 188: See note following RCW 80.28.425.

RCW 80.28.070 Sliding scale of charges permitted. Nothing in this chapter shall be taken to prohibit a gas company, electrical company or water company from establishing a sliding scale of charges, whereby a greater charge is made per unit for a lesser than a greater quantity for gas, electricity or water, or any service rendered or to be rendered. [1961 c 14 s 80.28.070. Prior: 1911 c 117 s 32; RRS s 10368.]

RCW 80.28.074 Legislative declaration. The legislature declares it is the policy of the state to:

(1) Preserve affordable energy services to the residents of the state;

(2) Maintain and advance the efficiency and availability of energy services to the residents of the state of Washington;

(3) Ensure that customers pay only reasonable charges for energy services;

(4) Permit flexible pricing of energy services. [2021 c 188 s 5; 1988 c 166 s 1.]

Legislative directive—2021 c 188: See note following RCW 80.28.425.

RCW 80.28.075 Banded rates—Natural gas and electric services.

Upon request by a natural gas company or an electrical company, the commission may approve a tariff that includes banded rates for any nonresidential natural gas or electric service that is subject to effective competition from energy suppliers not regulated by the utilities and transportation commission. "Banded rate" means a rate that has a minimum and maximum rate. Rates may be changed within the rate band upon such notice as the commission may order. [1988 c 166 s 2.]

RCW 80.28.080 Published rates to be charged—Exceptions. (1) (a) Except as provided otherwise in this subsection, no gas company, electrical company, wastewater company, or water company may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time, nor may any such company directly or indirectly refund or remit in any manner or by any device any portion of the rates or charges so specified, or furnish its product at free or reduced rates except to its employees and their families, and its officers, attorneys, and agents; to hospitals, charitable and

eleemosynary institutions and persons engaged in charitable and eleemosynary work; to indigent and destitute persons; to national homes or state homes for disabled volunteer soldiers and soldiers' and sailors' homes.

For the purposes of this subsection (1):

(i) "Employees" includes furloughed, pensioned and superannuated employees, persons who have become disabled or infirm in the service of any such company; and

(ii) "Families" includes the families of those persons named in this proviso, the families of persons killed or dying in the service, also the families of persons killed, and the surviving spouse prior to remarriage, and the minor children during minority of persons who died while in the service of any of the companies named in this subsection (1).

(b) Water companies may furnish free or at reduced rates water for the use of the state, or for any project in which the state is interested.

(c) Gas companies, electrical companies, wastewater companies, and water companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240.

(2) No gas company, electrical company, wastewater company, or water company may extend to any person or corporation any form of contract or agreement or any rule or regulation or any privilege or facility except such as are regularly and uniformly extended to all persons and corporations under like circumstances. [2011 c 214 s 17; 1985 c 427 s 2; 1973 1st ex.s. c 154 s 116; 1961 c 14 s 80.28.080. Prior: 1911 c 117 s 29; RRS s 10365.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Severability—1973 1st ex.s. c 154: See note following RCW 2.12.030.

RCW 80.28.090 Unreasonable preference prohibited. No gas company, electrical company, wastewater company, or water company may make or grant any undue or unreasonable preference or advantage to any person, corporation, or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever. [2011 c 214 s 18; 1961 c 14 s 80.28.090. Prior: 1911 c 117 s 30; RRS s 10366.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.100 Rate discrimination prohibited—Exception. No gas company, electrical company, wastewater company, or water company may, directly or indirectly, or by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for gas, electricity, wastewater company services, or water, or for any service rendered or to be rendered, or in connection therewith, except as

authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like or contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions. [2011 c 214 s 19; 1961 c 14 s 80.28.100. Prior: 1911 c 117 s 31; RRS s 10367.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Reduced utility rates for low-income senior citizens and other low-income citizens: RCW 74.38.070.

RCW 80.28.110 Service to be furnished on reasonable notice.

Every gas company, electrical company, wastewater company, or water company, engaged in the sale and distribution of gas, electricity or water or the provision of wastewater company services, shall, upon reasonable notice, furnish to all persons and corporations who may apply therefor and be reasonably entitled thereto, suitable facilities for furnishing and furnish all available gas, electricity, wastewater company services, and water as demanded, except that: (1) A water company may not furnish water contrary to the provisions of water system plans approved under chapter 43.20 or 70A.100 RCW; (2) wastewater companies may not provide services contrary to the approved general sewer plan; and (3) exclusively upon petition of a gas company, and subject to the commission's approval, a gas company's obligation to serve gas to customers that have access to the gas company's thermal energy network may be met by providing thermal energy through a thermal energy network. [2024 c 348 s 6; 2021 c 65 s 97; 2011 c 214 s 20; 1990 c 132 s 5; 1961 c 14 s 80.28.110. Prior: 1911 c 117 s 33; RRS s 10369.]

Explanatory statement—2021 c 65: See note following RCW 53.54.030.

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Legislative findings—Severability—1990 c 132: See note following RCW 43.20.240.

Duty of company to fix rate for wholesale power on request of public utility district: RCW 54.04.100.

RCW 80.28.120 Effect on existing contracts. Every gas, water, wastewater, or electrical company owning, operating or managing a plant or system for the distribution and sale of gas, water or electricity, or the provision of wastewater company services to the public for hire is, and is held to be, a public service company as to such plant or system and as to all gas, water, wastewater company services, or electricity distributed or furnished therefrom, whether such gas, water, wastewater company services, or electricity be sold wholesale or retail or be distributed wholly to the general public or in part as surplus gas, water, wastewater company services, or electricity to manufacturing or industrial concerns or to other public

service companies or municipalities for redistribution. Nothing in this title may be construed to prevent any gas company, electrical company or water company from continuing to furnish its product or the use of its lines, equipment or service under any contract or contracts in force on June 7, 1911, at the rates fixed in such contract or contracts. However, the commission has power, in its discretion, to direct by order that such contract or contracts be terminated by the company party thereto and thereupon such contract or contracts must be terminated by such company as and when directed by such order. [2011 c 214 s 21; 1961 c 14 s 80.28.120. Prior: 1933 c 165 s 1; 1911 c 117 s 34; RRS s 10370.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.130 Repairs, improvements, changes, additions, or extensions may be directed. Whenever the commission finds, after hearing had upon its own motion or upon complaint, that repairs or improvements, to, or changes in, any gas plant, electrical plant, system of sewerage, or water system ought to be made, or that any additions or extensions should reasonably be made thereto, in order to promote the security or convenience of the public or employees, or in order to secure adequate service or facilities for manufacturing, distributing or supplying gas, electricity, wastewater company services, or water, the commission may enter an order directing that such reasonable repairs, improvements, changes, additions or extensions of such gas plant, electrical plant, system of sewerage, or water system be made. The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate any existing pipeline safety and replacement plans under this section into an integrated system plan established under RCW 80.86.020. [2024 c 351 s 15; 2011 c 214 s 22; 1961 c 14 s 80.28.130. Prior: 1911 c 117 s 70; RRS s 10406.]

Findings—Intent—Effective date—2024 c 351: See notes following RCW 80.86.010.

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.140 Inspection of gas and water meters. The commission may appoint inspectors of gas and water meters whose duty it shall be when required by the commission to inspect, examine, prove and ascertain the accuracy of any and all gas and water meters used or intended to be used for measuring or ascertaining the quantity of gas for light, heat or power, or the quantity of water furnished for any purpose by any public service company to or for the use of any person or corporation, and when found to be or made to be correct such inspectors shall seal all such meters and each of them with some suitable device to be prescribed by the commission.

No public service company shall thereafter furnish, set or put in use any gas or water meter which shall not have been inspected, proved and sealed by an inspector of the commission under such rules and

regulations as the commission may prescribe. [1961 c 14 s 80.28.140. Prior: 1911 c 117 s 74, part; RRS s 10410, part.]

RCW 80.28.150 Inspection of electric meters. The commission may appoint inspectors of electric meters whose duty it shall be when required by the commission to inspect, examine, prove and ascertain the accuracy of any and all electric meters used or intended to be used for measuring and ascertaining the quantity of electric current furnished for light, heat or power by any public service company to or for the use of any person or corporation, and to inspect, examine and ascertain the accuracy of all apparatus for testing and proving the accuracy of electric meters, and when found to be or made to be correct the inspector shall stamp or mark all such meters and apparatus with some suitable device to be prescribed by the commission. No public service company shall furnish, set or put in use any electric meters the type of which shall not have been approved by the commission. [1961 c 14 s 80.28.150. Prior: 1911 c 117 s 74, part; RRS s 10410, part.]

RCW 80.28.160 Testing apparatus to be furnished. Every gas company, electrical company and water company shall prepare and maintain such suitable premises, apparatus and facilities as may be required and approved by the commission for testing and proving the accuracy of gas, electric or water meters furnished for use by it by which apparatus every meter may be tested. [1961 c 14 s 80.28.160. Prior: 1911 c 117 s 74, part; RRS s 10410, part.]

RCW 80.28.170 Testing at consumer's request. If any consumer to whom a meter has been furnished shall request the commission in writing to inspect such meter, the commission shall have the same inspected and tested, and if the same, on being so tested, shall be found to be more than four percent if an electric meter, or more than two percent if a gas meter, or more than two percent if a water meter, defective or incorrect to the prejudice of the consumer, the expense of such inspection and test shall be borne by the gas company, electrical company or water company, and if the same, on being so tested shall be found to be correct within the limits of error prescribed by the provisions of this section, the expense of such inspection and test shall be borne by the consumer. [1961 c 14 s 80.28.170. Prior: 1911 c 117 s 74, part; RRS s 10410, part.]

RCW 80.28.180 Rules and regulations. The commission shall prescribe such rules and regulations to carry into effect the provisions of RCW 80.28.140 through 80.28.170 as it may deem necessary, and shall fix the uniform and reasonable charges for the inspection and testing of meters upon complaint. [1961 c 14 s 80.28.180. Prior: 1911 c 117 s 74, part; RRS s 10410, part.]

RCW 80.28.185 Water companies or wastewater companies within counties—Commission may regulate. The commission may develop and enter into an agreement with a county to carry out the regulatory

functions of this chapter with regard to water companies or wastewater companies located within the boundary of that county. The duration of the agreement, the duties to be performed, and the remuneration to be paid by the commission are subject to agreement by the commission and the county. [2011 c 214 s 23; 1989 c 207 s 6.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.190 Gas companies—Certificate—Violations—Commission powers—Penalty—Fees. (1) No gas company shall, after January 1, 1956, operate in this state any gas plant for hire without first having obtained from the commission under the provisions of this chapter a certificate declaring that public convenience and necessity requires or will require such operation and setting forth the area or areas within which service is to be rendered; but a certificate shall be granted where it appears to the satisfaction of the commission that such gas company was actually operating in good faith, within the confines of the area for which such certificate shall be sought, on June 8, 1955. Any right, privilege, certificate held, owned or obtained by a gas company may be sold, assigned, leased, transferred or inherited as other property, only upon authorization by the commission. The commission shall have power, after hearing, when the applicant requests a certificate to render service in an area already served by a certificate holder under this chapter only when the existing gas company or companies serving such area will not provide the same to the satisfaction of the commission and in all other cases, with or without hearing, to issue the certificate as prayed for; or for good cause shown to refuse to issue same, or to issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in its judgment, the public convenience and necessity may require.

(2) The commission may, at any time, by its order duly entered after a hearing had upon notice to the holder of any certificate hereunder, and an opportunity to such holder to be heard, at which it shall be proven that such holder willfully violates or refuses to observe any of its proper orders, rules or regulations, suspend, revoke, alter or amend any certificate issued under the provisions of this section, but the holder of such certificate shall have all the rights of rehearing, review and appeal as to such order of the commission as is provided herein.

(3) In all respects in which the commission has power and authority under this chapter applications and complaints may be made and filed with it, process issued, hearings held, opinions, orders and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review to the superior court filed therewith, appeals or mandate filed with the supreme court or the court of appeals of this state considered and disposed of by such courts in the manner, under the conditions, and subject to the limitations and with the effect specified in the Washington utilities and transportation commission laws of this state.

(4) Every officer, agent, or employee of any corporation, and every other person who violates or fails to comply with, or who procures, aids or abets in the violation of any of the provisions of

this section or who fails to obey, observe or comply with any order, decision, rule or regulation, directive, demand or requirements, or any provision of this section, is guilty of a gross misdemeanor.

(5) Neither this section, RCW 80.28.200, *80.28.210, nor any provisions thereof shall apply or be construed to apply to commerce with foreign nations or commerce among the several states of this union except insofar as the same may be permitted under the provisions of the Constitution of the United States and acts of congress.

(6) The commission shall collect the following miscellaneous fees from gas companies: Application for a certificate of public convenience and necessity or to amend a certificate, twenty-five dollars; application to sell, lease, mortgage or transfer a certificate of public convenience and necessity or any interest therein, ten dollars. [2003 c 53 s 383; 1971 c 81 s 141; 1961 c 14 s 80.28.190. Prior: 1955 c 316 s 4.]

***Reviser's note:** RCW 80.28.210 was repealed by 2007 c 142 s 11.

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

RCW 80.28.200 Gas companies—Refunds of charges. Whenever any gas company whose rates are subject to the jurisdiction of the commission shall receive any refund of amounts charged and collected from it on account of natural gas purchased by it, by reason of any reduction of rates or disallowance of an increase in rates of the seller of such natural gas pursuant to an order of the federal power commission, whether such refund shall be directed by the federal power commission or by any court upon review of such an order or shall otherwise accrue to such company, the commission shall have power after a hearing, upon its own motion, upon complaint, or upon the application of such company, to determine whether or not such refund should be passed on, in whole or in part, to the consumers of such company and to order such company to pass such refund on to its consumers, in the manner and to the extent determined just and reasonable by the commission. [1961 c 14 s 80.28.200. Prior: 1955 c 316 s 5.]

RCW 80.28.220 Gas companies—Right of eminent domain—Purposes. Every corporation having for one of its principal purposes the transmission, distribution, sale, or furnishing of natural gas or other type gas for light, heat, or power and holding and owning a certificate of public convenience and necessity from the utilities and transportation commission authorizing the operation of a gas plant, may appropriate, by condemnation, lands and property and interests therein, for the transmission, distribution, sale, or furnishing of such natural gas or other type gas through gas mains or pipelines under the provisions of chapter 8.20 RCW. [1961 c 14 s 80.28.220. Prior: 1957 c 191 s 1.]

RCW 80.28.230 Gas companies—Use for purpose acquired exclusive—Disposition of property. Any property or interest acquired as provided in RCW 80.28.220 shall be used exclusively for the purposes for which it was acquired: PROVIDED, HOWEVER, That if any such

property be sold or otherwise disposed of by said corporations, such sale or disposition shall be by public sale or disposition and advertised in the manner of public sales in the county where such property is located. [1961 c 14 s 80.28.230. Prior: 1957 c 191 s 2.]

RCW 80.28.240 Recovery of damages by utility company for tampering, unauthorized connections, diversion of services. (1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:

(a) Divert, or cause to be diverted, utility services by any means whatsoever;

(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.

(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.

(4) As used in this section:

(a) "Customer" means the person in whose name a utility service is provided;

(b) "Divert" means to change the intended course or path of electricity, gas, or water without the authorization or consent of the utility;

(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;

(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;

(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, wastewater company, or water company as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, or water system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, or any other service or commodity furnished by the utility for compensation. [2011 c 214 s 24; 1989 c 11 s 30; 1985 c 427 s 1.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Severability—1989 c 11: See note following RCW 9A.56.220.

RCW 80.28.250 Water companies—Fire hydrants. A city, town or county may, by ordinance or resolution, require a water company to maintain fire hydrants in the area served by the water company. The utilities and transportation commission has no authority to waive this obligation. [1986 c 119 s 1.]

RCW 80.28.260 Adoption of policies to provide financial incentives for energy efficiency programs. (1) The commission shall adopt a policy allowing an incentive rate of return on investment for programs that improve the efficiency of energy end use if priority is given to senior citizens and low-income citizens in the course of carrying out such programs. The incentive rate of return on investments set forth in this subsection is established by adding an increment of two percent to the rate of return on common equity permitted on the company's other investments.

(2) The commission shall consider and may adopt a policy allowing an incentive rate of return on investment in additional programs to improve the efficiency of energy end use including, but not limited to, tree planting programs and cool roof programs, or other incentive policies to encourage utility investment in such programs. Any tree planting program where energy reduction is a goal for which an electrical company seeks an incentive rate of return on investment under this subsection (2) should accomplish the following:

(a) Reduce the peak-load demand for electricity in residential and commercial business areas during the summer months through direct shading of buildings provided by strategically planted trees;

(b) Reduce wintertime demand for energy in residential areas by blocking cold winds from reaching homes, which lowers interior temperatures and drives heating demand;

(c) Protect public health by removing harmful pollution from the air and prioritize in communities with environmental health disparities;

(d) Utilize the natural photosynthetic and transpiration process of trees to lower ambient temperatures and absorb carbon dioxide;

(e) Lower electric bills for residential and commercial business ratepayers by limiting electricity consumption without reducing benefits;

(f) Relieve financial and demand pressure on the utility that stems from large peak-load electricity demand;

(g) Protect water quality and public health by reducing and cooling stormwater runoff and keeping harmful pollutants from entering waterways, with special attention given to waterways vital for the preservation of threatened and endangered salmon;

(h) Ensure that trees are planted in locations that limit the amount of public funding needed to maintain public and electric infrastructure;

(i) Measure program performance in terms of the estimated present value benefit per tree planted and equitable and accessible community engagement consistent with the department of health's environmental

health disparities map recommendations 12 and 13, and with the community engagement plan guidance appendix C of the final report of the environmental justice task force established under chapter 415, Laws of 2019;

(j) Give special consideration to achieving environmental justice in goals and policies, avoid creating or worsening environmental health disparities, and make use of the department of health's environmental health disparities map to help guide engagement and actions; and

(k) Coordinate with the department of natural resources urban and community forestry program's efforts to identify areas of need related to urban tree canopy and to provide technical assistance and capacity building to encourage urban tree canopy.

(3) The commission shall consider and may adopt other policies to protect a company from a reduction of short-term earnings that may be a direct result of utility programs to increase the efficiency of energy use. These policies may include allowing a periodic rate adjustment for investments in end use efficiency or allowing changes in price structure designed to produce additional new revenue. [2021 c 11 s 6; 1996 c 186 s 520; 1990 c 2 s 9.]

Findings—Intent—2021 c 11: See note following RCW 35.92.355.

Findings—Intent—Part headings not law—Effective date—1996 c 186: See notes following RCW 43.330.904.

Effective dates—1990 c 2: See note following RCW 19.27.040.

Findings—Severability—1990 c 2: See notes following RCW 19.27A.015.

RCW 80.28.270 Water or wastewater companies—Extension, installation, or connection charges. The commission's jurisdiction over the rates, charges, practices, acts or services of any water company or wastewater company includes any aspect of line extension, service installation, or service connection. If the charges for such services are not set forth by specific amount in the company's tariff filed with the commission pursuant to RCW 80.28.050, the commission shall determine the fair, just, reasonable, and sufficient charge for such extension, installation, or connection. In any such proceeding in which there is no specified tariffed rate, the burden is on the company to prove that its proposed charges are fair, just, reasonable, and sufficient. [2011 c 214 s 25; 1991 c 101 s 2.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.275 Water or wastewater companies—Assumption of substandard water system or system of sewerage—Limited immunity from liability. A water company or a wastewater company assuming responsibility for a water system or system of sewerage that is not in compliance with state or federal requirements, and its agents and employees, are immune from lawsuits or causes of action, based on noncompliance with state or federal requirements, which predate the

date of assuming responsibility and continue after the date of assuming responsibility, provided that the water company or wastewater company has submitted and is complying with a plan and schedule of improvements approved by the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. This immunity expires on the earlier of the date the plan of improvements is completed or four years from the date of assuming responsibility. This immunity does not apply to intentional injuries, fraud, or bad faith and is subject to the provisions of law governing clean water as referenced by the commission by rule. [2011 c 214 s 26; 1994 c 292 s 9.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

Findings—Intent—1994 c 292: See note following RCW 57.04.050.

RCW 80.28.280 Compressed natural gas—Motor vehicle refueling stations—Public interest. (1) The legislature finds that compressed natural gas and liquefied natural gas offers [offer] significant potential to reduce vehicle and vessel emissions and to significantly decrease dependence on petroleum-based fuels. The legislature also finds that well-developed and convenient refueling systems are imperative if compressed natural gas and liquefied natural gas are to be widely used by the public. The legislature declares that the development of compressed natural gas and liquefied natural gas motor vehicle refueling stations and vessel refueling facilities are in the public interest. Except as provided in subsection (2) of this section, nothing in this section and RCW 80.28.290 is intended to alter the regulatory practices of the commission or allow the subsidization of one ratepayer class by another.

(2) When a liquefied natural gas facility owned by a natural gas company serves both a private customer operating marine vessels and the Washington state ferries or any other public entity, the rate charged by the natural gas company to the Washington state ferries or other public entity may not be more than the rate charged to the private customer operating marine vessels. [2014 c 216 s 501; 1991 c 199 s 216.]

Effective date—Findings—Tax preference performance statement—2014 c 216: See notes following RCW 82.38.030.

Finding—1991 c 199: See note following RCW 70A.15.1005.

Effective dates—1991 c 199: See RCW 70A.15.9003.

Clean fuel: RCW 70A.25.120.

RCW 80.28.290 Compressed natural gas—Refueling stations—Identify barriers. The commission shall identify barriers to the development of refueling stations for vehicles operating on compressed natural gas, and shall develop policies to remove such barriers. In developing such policies, the commission shall consider providing rate incentives to encourage natural gas companies to invest in the

infrastructure required by such refueling stations. [1991 c 199 s 217.]

Finding—1991 c 199: See note following RCW 70A.15.1005.

Effective dates—1991 c 199: See RCW 70A.15.9003.

RCW 80.28.300 Gas, electrical companies encouraged to provide customers with landscaping information and to request voluntary donations for urban forestry. (1) Gas companies and electrical companies under this chapter are highly encouraged to provide information to their customers regarding landscaping that includes tree planting for energy conservation.

(2) (a) Gas companies and electrical companies under this chapter may request voluntary donations from their customers for the purposes of urban forestry. The request may be in the form of a check-off on the billing statement or other form of a request for a voluntary donation.

(b) Voluntary donations collected by gas companies and electrical companies under this section may be used by the gas companies and electrical companies to:

(i) Support the development and implementation of urban forestry ordinances, as that term is defined in RCW 76.15.010, for cities, towns, or counties within their service areas;

(ii) Complete projects consistent with the urban forestry management plans and ordinances developed under RCW 76.15.090; or

(iii) Fund a tree planting program for energy conservation that accomplishes the goals established under RCW 80.28.260(2) (a) through (k).

(c) Donations received under this section do not contribute to the gross income of a light and power business or gas distribution business under chapter 82.16 RCW. [2021 c 209 s 14; 2021 c 11 s 7; 2008 c 299 s 21; 1993 c 204 s 4.]

Reviser's note: This section was amended by 2021 c 11 s 7 and by 2021 c 209 s 14, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Findings—Intent—2021 c 209: See note following RCW 76.15.005.

Findings—Intent—2021 c 11: See note following RCW 35.92.355.

Short title—2008 c 299: See note following RCW 76.15.020.

Findings—1993 c 204: See note following RCW 35.92.390.

RCW 80.28.303 Conservation service tariff—Contents of filing—Rate base—Duties of commission. (1) An electrical, gas, or water company may file a conservation service tariff with the commission. The tariff shall provide:

(a) The terms and conditions upon which the company will offer the conservation measures and services specified in the tariff;

(b) The period of time during which the conservation measures and services will be offered; and

(c) The maximum amount of expenditures to be made during a specified time period by the company on conservation measures and services specified in the tariff.

(2) The commission has the same authority with respect to a proposed conservation service tariff as it has with regard to any other schedule or classification the effect of which is to change any rate or charge, including, without limitation, the power granted by RCW 80.04.130 to conduct a hearing concerning a proposed conservation service tariff and the reasonableness and justness thereof, and pending such hearing and the decision thereon the commission may suspend the operation of the tariff for a period not exceeding ten months from the time the tariff would otherwise go into effect.

(3) An electrical, gas, or water company may from time to time apply to the commission for a determination that specific expenditures may under its tariff constitute bondable conservation investment. A company may request this determination by the commission in separate proceedings for this purpose or in connection with a general rate case. The commission may designate the expenditures as bondable conservation investment as defined in RCW 80.28.005(1) if it finds that such designation is in the public interest.

(4) The commission shall include in rate base all bondable conservation investment. The commission shall approve rates for service by electrical, gas, and water companies at levels sufficient to recover all of the expenditures of the bondable conservation investment included in rate base and the costs of equity and debt capital associated therewith, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds. The rates so determined may be included in general rate schedules or may be expressed in one or more separate rate schedules. The commission shall not revalue bondable conservation investment for rate-making purposes, to determine that revenues required to recover bondable conservation investment and associated equity and debt capital costs are unjust, unreasonable, or in any way impair or reduce the value of conservation investment assets or that would impair the timing or the amount of revenues arising with respect to conservation investment assets that have been pledged to secure conservation bonds.

(5) Nothing in this chapter precludes the commission from adopting or continuing other conservation policies and programs intended to provide incentives for and to encourage utility investment in improving the efficiency of energy or water end use. However, the policies or programs shall not impair conservation investment assets. This chapter is not intended to be an exclusive or mandatory approach to conservation programs for electrical, gas, and water companies, and no such company is obligated to file conservation service tariffs under this chapter, to apply to the commission for a determination that conservation costs constitute bondable conservation investment within the meaning of this chapter, or to issue conservation bonds.

(6) (a) If a customer of an electrical, gas, or water company for whose benefit the company made expenditures for conservation measures or services ceases to be a customer of such company for one or more of the following reasons, the commission may require that the portion of such conservation expenditures that had been included in rate base but not theretofore recovered in the rates of such company be removed from the rate base of the company:

(i) The customer ceases to be a customer of the supplier of energy or water, and the customer repays to the company the portion of the conservation expenditures made for the benefit of such customer that has not theretofore been recovered in rates of the company; or

(ii) The company sells its property used to serve such customer and the customer ceases to be a customer of the company as a result of such action.

(b) An electrical, gas, or water company may include in a contract for a conservation measure or service, and the commission may by rule or order require to be included in such contracts, a provision requiring that, if the customer ceases to be a customer of that supplier of energy or water, the customer shall repay to the company the portion of the conservation expenditures made for the benefit of such customer that has not theretofore been recovered in rates of the company. [1994 c 268 s 2.]

RCW 80.28.306 Conservation bonds—Conservation investment assets as collateral—Priority of security interests—Transfers. (1)

Electrical, gas, and water companies, or finance subsidiaries, may issue conservation bonds upon approval by the commission.

(2) Electrical, gas, and water companies, or finance subsidiaries may pledge conservation investment assets as collateral for conservation bonds by obtaining an order of the commission approving an issue of conservation bonds and providing for a security interest in conservation investment assets. A security interest in conservation investment assets is created and perfected only upon entry of an order by the commission approving a contract governing the granting of the security interest and the filing with the department of licensing of a UCC-1 financing statement, showing such pledgor as "debtor" and identifying such conservation investment assets and the bondable conservation investment associated therewith. The security interest is enforceable against the debtor and all third parties, subject to the rights of any third parties holding security interests in the conservation investment assets perfected in the manner described in this section, if value has been given by the purchasers of conservation bonds. An approved security interest in conservation investment assets is a continuously perfected security interest in all revenues and proceeds arising with respect to the associated bondable conservation investment, whether or not such revenues have accrued. Upon such approval, the priority of such security interest shall be as set forth in the contract governing the conservation bonds. Conservation investment assets constitute property for the purposes of contracts securing conservation bonds whether or not the related revenues have accrued.

(3) The relative priority of a security interest created under this section is not defeated or adversely affected by the commingling of revenues arising with respect to conservation investment assets with other funds of the debtor. The holders of conservation bonds shall have a perfected security interest in all cash and deposit accounts of the debtor in which revenues arising with respect to conservation investment assets pledged to such holders have been commingled with other funds, but such perfected security interest is limited to an amount not greater than the amount of such revenues received by the debtor within twelve months before (a) any default under the conservation bonds held by the holders or (b) the

institution of insolvency proceedings by or against the debtor, less payments from such revenues to the holders during such twelve-month period. If an event of default occurs under an approved contract governing conservation bonds, the holders of conservation bonds or their authorized representatives, as secured parties, may foreclose or otherwise enforce the security interest in the conservation investment assets securing the conservation bonds, subject to the rights of any third parties holding prior security interests in the conservation investment assets perfected in the manner provided in this section. Upon application by the holders of [or] their representatives, without limiting their other remedies, the commission shall order the sequestration and payment to the holders or their representatives of revenues arising with respect to the conservation investment assets pledged to such holders. Any such order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor. Any surplus in excess of amounts necessary to pay principal, premium, if any, interest, and expenses arising under the contract governing the conservation bonds shall be remitted to the debtor electrical, gas, or water company or the debtor finance subsidiary.

(4) The granting, perfection, and enforcement of security interests in conservation investment assets to secure conservation bonds is governed by this chapter rather than by *chapter 62A.9 RCW.

(5) A transfer of conservation investment assets by an electrical, gas, or water company to a finance subsidiary, which such parties have in the governing documentation expressly stated to be a sale or other absolute transfer, in a transaction approved in an order issued by the commission and in connection with the issuance by such finance subsidiary of conservation bonds, shall be treated as a true sale, and not as a pledge or other financing, of such conservation investment assets. According the holders of conservation bonds a preferred right to revenues of the electrical, gas, or water company, or the provision by such company of other credit enhancement with respect to conservation bonds, does not impair or negate the characterization of any such transfer as a true sale.

(6) Any successor to an electrical, gas, or water company pursuant to any bankruptcy, reorganization, or other insolvency proceeding shall perform and satisfy all obligations of the company under an approved contract governing conservation bonds, in the same manner and to the same extent as such company before any such proceeding, including, without limitation, collecting and paying to the bondholders or their representatives revenues arising with respect to the conservation investment assets pledged to secure the conservation bonds. [1994 c 268 s 3.]

***Reviser's note:** Chapter 62A.9 RCW was repealed in its entirety by 2000 c 250 s 9A-901, effective July 1, 2001. For later enactment, see chapter 62A.9A RCW.

RCW 80.28.309 Costs as bondable conservation investment. (1) Costs incurred before June 9, 1994, by electrical, gas, or water companies with respect to energy or water conservation measures and services intended to improve the efficiency of energy or water end use shall constitute bondable conservation investment for purposes of RCW 80.28.005, 80.28.303, 80.28.306, and this section, if:

(a) The commission has previously issued a rate order authorizing the inclusion of such costs in rate base; and

(b) The commission authorizes the issuance of conservation bonds secured by conservation investment assets associated with such costs.

(2) If costs incurred before June 9, 1994, by electrical, gas, or water companies with respect to energy or water conservation measures intended to improve the efficiency of energy or water end use have not previously been considered by the commission for inclusion in rate base, an electrical, gas, or water company may apply to the commission for approval of such costs. If the commission finds that the expenditures are a bondable conservation investment, the commission shall by order designate such expenditures as bondable conservation investment, which shall be subject to RCW 80.28.005, 80.28.303, 80.28.306, and this section. [1994 c 268 s 4.]

RCW 80.28.310 Tariff for irrigation pumping service—Authority for electrical companies to buy back electricity. Upon request by an electrical company, the commission may approve a tariff for irrigation pumping service that allows the company to buy back electricity from customers to reduce electricity usage by those customers during the electrical company's particular irrigation season. [2001 c 122 s 1.]

Effective date—2001 c 122: "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 [April 27, 2001]." [2001 c 122 s 7.]

RCW 80.28.320 Regulation of battery charging facilities. The commission shall not regulate the rates, services, facilities, and practices of an entity that offers battery charging facilities to the public for hire; if: (1) That entity is not otherwise subject to commission jurisdiction as an electrical company; or (2) that entity is otherwise subject to commission jurisdiction as an electrical company, but its battery charging facilities and services are not subsidized by any regulated service. An electrical company may offer battery charging facilities as a regulated service, subject to commission approval. [2011 c 28 s 2.]

RCW 80.28.330 Certificate of public convenience and necessity—Bond or equivalent surety—Rule-making authority. (1) A wastewater company may not own or develop a system of sewerage for the purpose of providing service for compensation without first having obtained from the commission a certificate declaring that the public convenience and necessity requires such service.

(2) Issuance of the certificate of public convenience and necessity must be determined on, but not limited to, the following factors:

(a) A comprehensive business plan detailing the design, construction, operation, and maintenance of the proposed service system;

(b) Demonstration of sufficient financial resources to properly operate and maintain the proposed system, and to replace and upgrade capital assets;

(c) The need to develop a new stand-alone system instead of connecting to an existing system;

(d) A statement of prior experience, if any, in such field by the petitioner, set out in an affidavit or declaration;

(e) A certification from the municipal corporation that it is not willing and able to provide the sewerage services being proposed; and

(f) A certification from the municipal corporation that the company's proposed service is consistent with the locally approved general sewer plan.

(3) The commission may, after providing notice and an opportunity for public comment, issue certificates, or for good cause shown refuse to issue them, or issue them for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted such terms and conditions as, in its judgment, the public convenience and necessity may require.

(4) No certificate may be transferred to any private or nonprofit entity unless authorized by the commission.

(5) (a) Prior to the commission approving a wastewater company to provide new service or extend existing service, the wastewater company must file and continuously maintain in effect, a bond, or equivalent surety as determined by the commission, with the commission to ensure that there are sufficient funds to:

(i) Design, construct, operate, and maintain the proposed system;

(ii) Replace and upgrade capital assets as required by federal or state law or by order of the department of health or department of ecology; and

(iii) Allow additional connections to the system, if approved by the department of health or the department of ecology.

(b) The bond, or its equivalent surety, is payable under this section to the commission upon:

(i) An order under RCW 80.28.340 to transfer a system or systems of sewerage to a capable wastewater company;

(ii) Notice that the wastewater company does not intend to renew the bond or its equivalent surety or has failed to renew the bond or its equivalent surety; or

(iii) A petition by the commission under RCW 80.28.350, 80.28.030, or 80.28.040 to place a wastewater company in receivership.

(c) The commission must hold the payment in trust until an acquiring wastewater company is designated under RCW 80.28.340 or a receiving entity is designated under RCW 80.28.350, 80.28.030, or 80.28.040, at which point the funds will be made available to the company or entity to expend as directed by the commission.

(6) For purposes of issuing certificates under this chapter, the commission may adopt rules to implement this section.

(7) A wastewater company must obtain commission approval before expanding an existing system beyond the approved capacity set forth in its certificate or acquiring new systems, either by construction or purchase. [2011 c 214 s 3.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.340 Determination that a wastewater company is unfit to provide wastewater service on a system of sewerage—Commission may order transfer—Power of eminent domain. (1) If the commission

determines, after providing notice and opportunity for a hearing in the manner required for complaints under RCW 80.04.110, that a wastewater company is unfit to provide wastewater service on any system of sewerage, under its ownership, the commission may order the transfer of any such system or systems to a capable wastewater company.

(2) In determining whether a wastewater company is unfit to provide wastewater service on a system of sewerage in consultation with the department of health or the department of ecology as appropriate to the agencies' jurisdiction, the commission may consider the company's technical and managerial expertise to operate the system of sewerage, the company's financial soundness and the company's willingness and ability to make ongoing investments necessary to maintain compliance with statutory and regulatory standards for the safety, adequacy, efficiency, and reasonableness of the service provided.

(3) Before ordering the transfer of a system of sewerage owned by a wastewater company that is unfit to provide service, the commission must first determine that:

(a) Alternatives to the transfer are impractical or not economically feasible;

(b) The acquiring wastewater company is willing and able to acquire the system or systems of sewerage, [is] financially sound, and has the technical and managerial expertise to own and operate the system or systems of sewerage in compliance with applicable statutory and regulatory standards; and

(c) Rates paid by existing customers served by the acquiring wastewater company will not increase unreasonably because of the acquisition of the system of sewerage or because of expenditures that may be necessary to assure compliance with applicable statutory and regulatory standards for the safety, adequacy, efficiency, and reasonableness of the service provided.

(4) The sale price for the unfit wastewater company's system or systems of sewerage assets must be determined by agreement between the unfit wastewater company and the acquiring capable wastewater company subject to a finding by the commission that the agreed price is reasonable. A price is deemed reasonable if it does not exceed the original cost of plant in service, minus accumulated depreciation, minus contributions in aid to construction. If the unfit wastewater company and the acquiring capable wastewater company are unable to agree on the sale price or the commission finds that the agreed sale price is not reasonable, the acquiring capable wastewater company may initiate a condemnation proceeding in superior court in the manner provided by chapter 8.04 RCW to determine the compensation to be paid by the acquiring capable wastewater company for the failed system or systems of sewerage assets.

(5) The capable wastewater company acquiring an unfit wastewater company's system or systems shall have the same immunity from liability as wastewater companies assuming substandard systems as set forth in RCW 80.28.275.

(6) The commission must provide copies of the notice required by subsection (1) of this section to the department of health or the department of ecology, as appropriate to the agencies' jurisdiction, and all proximate public entities providing wastewater utility service.

(7) Any capable wastewater company approved by the commission to acquire the system or systems of sewerage of an unfit wastewater

company must submit to the commission, for approval, a financial plan, including a timetable, for bringing the acquired system of sewerage assets into compliance with applicable statutory and regulatory standards. The acquiring capable wastewater company must also provide a copy of the plan to the department of health or the department of ecology, as appropriate to the agencies' jurisdiction, and other state or local agency as the commission may direct. The commission must give the department of health or the department of ecology, as appropriate to the agencies' jurisdiction, adequate opportunity to comment on the plan and must consider any comments submitted in deciding whether or not to approve the plan.

(8) The legislature grants to any private entity the power of eminent domain, for exercise only under the circumstances described in this section. However, a private entity must obtain authorization from the city, town, or county with jurisdiction over the subject property after the legislative authority of the city, town, or county has passed an ordinance requiring that property be taken for public use. This subsection does not limit eminent domain authority granted by any other provision of law. [2011 c 214 s 5.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.350 Petition to place a wastewater company in receivership—Power of eminent domain. (1) The commission may petition the Thurston county superior court pursuant to chapter 7.60 RCW to place a wastewater company in receivership. The petition must include the names of one or more qualified candidates for receiver who have consented to assume operation of the system of sewerage. The petition must also include a list of interested and qualified individuals, municipal corporations, and wastewater companies with experience in providing wastewater service and a history of satisfactory operation of a system of sewerage. If no other entity is willing and able to be appointed as the receiver, the court must appoint the county or other municipal corporation whose geographic boundaries include, in whole or in part, the system of sewerage at issue. The municipal corporation may designate one of its agencies or divisions to operate the system, or it may contract with another entity to operate the system. The department of health or department of ecology, whichever has jurisdiction, must provide regulatory oversight for managing the system of sewerage.

(2) In any petition for receivership under subsection (1) of this section, the commission must recommend that the court grant the receiver full authority to act in the best interests of the customers served by the system of sewerage. The receiver must assess the capability, in conjunction with the department of health or ecology, whichever has jurisdiction, and local government, for the system to operate in compliance with health and safety standards. The receiver must report to the court and the commission its recommendations for the company's future operation of the system, including the formation of a water-sewer district or other public entity, or ownership by another existing wastewater company capable of providing service.

(3) If a petition for receivership and verifying affidavit executed by an appropriate official allege an immediate and serious danger to residents constituting an emergency, the court must set the

matter for hearing within three days and may appoint a temporary receiver ex parte upon the strength of such petition and affidavit pending a full evidentiary hearing, which must be held within fourteen days after receipt of the petition.

(4) If the court imposes a bond upon a receiver, the amount must reasonably relate to the level of operating revenue generated by, and the capital value of, the wastewater company. Any receiver appointed pursuant to this section may not be held personally liable for any good faith, reasonable effort to assume possession of, and to operate, the system in compliance with the court's orders, subject to the provisions of law governing clean water as referenced by the commission by rule.

(5) The court must authorize the receiver to impose reasonable assessments on the customers of the system of sewerage to recover expenditures for improvements necessary for the public health and safety.

(6) The commission must develop a plan for transfer of the system of sewerage to a new operator and submit its plan to the court. The commission must develop the plan after notice to, and an opportunity to participate by, the receiver, the municipal corporations whose geographic boundaries, in whole or in part, include the system of sewerage at issue, and the public. The commission must complete the plan no later than twelve months after appointment of a receiver.

(a) If the commission finds that no private entity is able or willing to take over the system of sewerage and decides the system of sewerage should be taken over by a municipal corporation whose geographic boundaries include the system of sewerage at issue, in whole or in part, the commission must provide its findings to the court and the court may issue an order to that effect. If the court orders a municipal corporation to take over the system of sewerage, the municipal corporation must promptly institute negotiations to purchase the system. If, within six months of the court's order, the negotiations fail or otherwise do not result in a purchase, the municipal corporation must promptly initiate a condemnation proceeding to acquire the system. The court must terminate the receivership once the purchase is complete.

(b) If the commission decides the system of sewerage should be taken over by a private entity, such as an individual or business, the commission must provide its findings to the court and the court may issue an order to that effect. If the court orders a private entity to take over the system of sewerage, the private entity must promptly institute negotiations to purchase the system. If, within six months of the court's order, the negotiations fail or otherwise do not result in a purchase, the private entity must promptly exercise its power of eminent domain granted by the legislature in subsection (9) of this section to acquire the system. The court must terminate the receivership once the purchase is complete.

(7) Other than pursuant to subsection (6) (a) and (b) of this section, the court may not terminate the receivership, and order the return of the system to the owners, unless the commission approves that action. The court may impose reasonable conditions upon the return of the system to the owner, including the posting of a bond or other security, routine performance and financial audits, employment of qualified operators and other staff or contracted services, compliance with financial viability requirements, or other measures sufficient to ensure the ongoing proper operation of the system.

(8) If, as part of the ultimate disposition of the system, a condemnation proceeding is commenced to acquire the system of sewerage, the court shall oversee any appraisal of the system conducted under Title 7 RCW to assure that the appraised value properly reflects any reduced value because of the necessity to make improvements to the system. The court has the authority to approve the appraisal and to modify the appraisal based on any information provided at an evidentiary hearing. The court's determination of the proper value of the system, based on the appraisal, is final and only appealable if not supported by substantial evidence. If the appraised value is appealed, the court may order the system's ownership to be transferred upon payment of the approved appraised value.

(9) The legislature grants any municipal corporation, and any private entity the power of eminent domain under the circumstances described in this section. However, a private entity must obtain authorization from the city, town, or county with jurisdiction over the subject property after the legislative authority of the city, town, or county has passed an ordinance requiring that property be taken for public use. This subsection does not limit eminent domain authority granted by any other provision of law. [2011 c 214 s 6.]

Findings—Purpose—Limitation of chapter—Effective date—2011 c 214: See notes following RCW 80.04.010.

RCW 80.28.360 Electric vehicle supply equipment—Capital expenditures—Incentive rate of return on investment. (1) In establishing rates for each electrical company regulated under this title, the commission may allow an incentive rate of return on investment through December 31, 2030, on capital expenditures for electric vehicle supply equipment that is deployed for the benefit of ratepayers, provided that the capital expenditures of the utilities' programs or plans in RCW 80.28.365(1) do not increase the annual retail revenue requirement of the utility, after accounting for the benefits of transportation electrification in each year of the plan, in excess of one-quarter of one percent. The commission must consider and may adopt other policies to improve access to and promote fair competition in the provision of electric vehicle supply equipment.

(2) An incentive rate of return on investment under this section may be allowed only if the company chooses to pursue capital investment in electric vehicle supply equipment on a fully regulated basis similar to other capital investments behind a customer's meter. In the case of an incentive rate of return on investment allowed under this section, an increment of up to two percent must be added to the rate of return on common equity allowed on the company's other investments.

(3) The incentive rate of return on investment authorized in subsection (2) of this section applies only to projects which have been installed after July 1, 2015.

(4) The incentive rate of return on investment increment pursuant to this section may be earned only for a period up to the depreciable life of the electric vehicle supply equipment as defined in the depreciation schedules developed by the company and submitted to the commission for review. When the capital investment has fully depreciated, an electrical company may gift the electric vehicle supply equipment to the owner of the property on which it is located.

(5) By December 31, 2017, the commission must report to the appropriate committees of the legislature with regard to the use of any incentives allowed under this section, the quantifiable impacts of the incentives on actual electric vehicle deployment, and any recommendations to the legislature about utility participation in the electric vehicle market. [2019 c 287 s 6; 2019 c 109 s 5; 2015 c 220 s 2.]

Effective date—2019 c 287: See note following RCW 82.29A.125.

Findings—Intent—2019 c 287: See note following RCW 28B.30.903.

Findings—Intent—2019 c 109: See note following RCW 35.92.450.

Findings—Intent—2015 c 220: "(1) The legislature finds that the transportation sector is Washington's largest contributor to greenhouse emissions and hazardous air pollutants as defined by federal national ambient air quality standards and mobile source air toxics rules. The sector's portion is considerably higher than the national average because our state relies heavily on hydropower for electricity generation, unlike other states that rely on fossil fuels such as coal, petroleum, and natural gas to generate electricity.

(2) The legislature also finds that federal clean air act regulations and complementary Washington policies supporting renewable energy generation, energy efficiency, and energy conservation are likely to result in further reduction of emissions in the electricity and in the combined residential, commercial, and industrial sectors. The legislature finds that state policy can achieve the greatest return on investment in reducing greenhouse gas emissions and improving air quality by expediting the transition to alternative fuel vehicles, including electric vehicles.

(3) The legislature finds that utilities, who [that] are traditionally responsible for understanding and engineering the electrical grid for safety and reliability, must be fully empowered and incentivized to be engaged in electrification of our transportation system. The legislature further finds that it has given utilities other policy directives to promote energy conservation which do not make the benefits of building out electric vehicle infrastructure, as well as any subsequent increase in energy consumption, readily apparent. Therefore the legislature intends to provide a clear policy directive and financial incentive to utilities for electric vehicle infrastructure build-out." [2015 c 220 s 1.]

RCW 80.28.365 Electric vehicle supply equipment, programs, or services—Electrification of transportation plan—Review—Issuance of acknowledgment. (1) An electric utility regulated by the utilities and transportation commission under this chapter may submit to the commission an electrification of transportation plan that deploys electric vehicle supply equipment or provides other electric transportation programs, services, or incentives to support electrification of transportation. The plans should align to a period consistent with either the utility's planning horizon under its most recent integrated resource plan or the time frame of the actions contemplated in the plan, and may include:

(a) Any programs that the utility is proposing contemporaneously with the plan filing or anticipates later in the plan period;

(b) Anticipated benefits of transportation electrification, based on a forecast of electric transportation in the utilities' service territory; and

(c) Anticipated costs of programs, subject to the restrictions in RCW 80.28.360.

(2) In reviewing an electrification of transportation plan under subsection (1) of this section, the commission may consider the following: (a) The applicability of multiple options for electrification of transportation across all customer classes; (b) the impact of electrification on the utility's load, and whether demand response or other load management opportunities, including direct load control and dynamic pricing, are operationally appropriate; (c) system reliability and distribution system efficiencies; (d) interoperability concerns, including the interoperability of hardware and software systems in electrification of transportation proposals; and (e) the benefits and costs of the planned actions.

(3) The commission must issue an acknowledgment of an electrification of transportation plan within six months of the submittal of the plan. The commission may establish by rule the requirements for preparation and submission of an electrification of transportation plan. An electric utility may submit a plan under this section before or during rule-making proceedings.

(4) The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate the requirements of this section into an integrated system plan established under RCW 80.86.020. [2024 c 351 s 16; 2019 c 287 s 5; 2019 c 109 s 4.]

Findings—Intent—Effective date—2024 c 351: See notes following RCW 80.86.010.

Effective date—2019 c 287: See note following RCW 82.29A.125.

Findings—Intent—2019 c 287: See note following RCW 28B.30.903.

Findings—Intent—2019 c 109: See note following RCW 35.92.450.

RCW 80.28.370 Community solar companies—Definitions. The definitions in this section apply throughout this section and RCW 80.28.375 unless the context clearly requires otherwise.

(1) "Community solar company" means a person, firm, or corporation, other than an electric utility or a community solar cooperative, that owns a community solar project and provides community solar project services to project participants.

(2) "Community solar project" means a solar energy system that has a direct current nameplate generating capacity that is no larger than one thousand kilowatts.

(3) "Community solar project services" means the provision of electricity generated by a community solar project, or the provision of the financial benefits associated with electricity generated by a community solar project, to multiple project participants, and may include other services associated with the use of the community solar project such as system monitoring and maintenance, warranty provisions, performance guarantees, and customer service.

(4) "Electric utility" means a consumer-owned utility or investor-owned utility as those terms are defined in RCW 19.280.020.

(5) "Project participant" means a customer who enters into a lease, power purchase agreement, loan, or other financial agreement with a community solar company in order to obtain a beneficial interest in, other than direct ownership of, a community solar project.

(6) "Solar energy system" means any device or combination of devices or elements that rely upon direct sunlight as an energy source for use in the generation of electricity. [2017 3rd sp.s. c 36 s 10.]

Findings—Intent—Effective date—2017 3rd sp.s. c 36: See notes following RCW 82.16.130.

RCW 80.28.375 Community solar companies—Requirements to engage in business—Registration. (1) No community solar company may engage in business in this state except in accordance with the provisions of this chapter. Engaging in business as a community solar company includes advertising, soliciting, offering, or entering into an agreement to own a community solar project and provide community solar project services to electric utility customers.

(2) A community solar company must register with the commission before engaging in business in this state or applying for certification from the Washington State University extension energy program under RCW 82.16.165(1). Registration with the commission as a community solar company must occur on an annual basis. The registration must be on a form prescribed by the commission and contain that information as the commission may by rule require, but must include at a minimum:

- (a) The name and address of the community solar company;
- (b) The name and address of the community solar company's registered agent, if any;
- (c) The name, address, and title of each officer or director;
- (d) The community solar company's most current balance sheet;
- (e) The community solar company's latest annual report, if any;
- (f) A description of the services the community solar company offers or intends to offer, including financing models; and
- (g) Disclosure of any pending litigation against it.

(3) As a precondition to registration, the commission may require the procurement of a performance bond or other mechanism sufficient to cover any advances or deposits the community solar company may collect from project participants or order that the advances or deposits be held in escrow or trust.

(4) The commission may deny registration to any community solar company that:

- (a) Does not provide the information required by this section;
- (b) Fails to provide a performance bond or other mechanism, if required;
- (c) Does not possess adequate financial resources to provide the proposed service; or
- (d) Does not possess adequate technical competency to provide the proposed service.

(5) The commission must take action to approve or issue a notice of hearing concerning any application for registration within thirty days after receiving the application. The commission may approve an

application with or without a hearing. The commission may deny an application after a hearing.

(6) The commission may charge a community solar company an annual application fee to recover the cost of processing applications for registration under this section.

(7) The commission may adopt rules that describe the manner by which it will register a community solar company, ensure that the terms and conditions of community solar projects or community solar project services comply with the requirements of chapter 36, Laws of 2017 3rd sp. sess., establish the community solar company's responsibilities for responding to customer complaints and disputes, and adopt annual reporting requirements. In addition to the application fee authorized under subsection (6) of this section, the commission may adopt regulatory fees applicable to community solar companies pursuant to RCW 80.04.080, 80.24.010, and 80.24.020. Such fees may not exceed the cost of ensuring compliance with this chapter.

(8) The commission may suspend or revoke a registration upon complaint by any interested party, or upon the commission's own motion after notice and opportunity for hearing, when it finds that a registered community solar company or its agent has violated this chapter or the rules of the commission, or that the community solar company or its agent has been found by a court or governmental agency to have violated the laws of a state or the United States.

(9) For the purpose of ensuring compliance with this chapter, the commission may issue penalties against community solar companies for violations of this chapter as provided for public service companies pursuant to chapter 80.04 RCW.

(10) Upon request of the commission, a community solar company registered under this section must provide information about its community solar projects or community solar project services.

(11) A violation of this section constitutes an unfair or deceptive act in trade or commerce in violation of chapter 19.86 RCW, the consumer protection act. Acts in violation of chapter 36, Laws of 2017 3rd sp. sess. are not reasonable in relation to the development and preservation of business, and constitute matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(12) For the purposes of RCW 19.86.170, actions or transactions of a community solar company may not be deemed otherwise permitted, prohibited, or regulated by the commission. [2017 3rd sp.s. c 36 s 11.]

Findings—Intent—Effective date—2017 3rd sp.s. c 36: See notes following RCW 82.16.130.

RCW 80.28.380 Gas companies—Conservation targets. (1) Each gas company must identify and acquire all conservation measures that are available and cost-effective. Each company must establish an acquisition target every two years and must demonstrate that the target will result in the acquisition of all resources identified as available and cost-effective. The cost-effectiveness analysis required by this section must include the costs of greenhouse gas emissions established in RCW 80.28.395. The targets must be based on a conservation potential assessment prepared by an independent third party and approved by the commission. Conservation targets must be

approved by order by the commission. The initial conservation target must take effect by 2022.

(2) The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate the requirements of this section into an integrated system plan established under RCW 80.86.020. [2024 c 351 s 17; 2019 c 285 s 11.]

Findings—Intent—Effective date—2024 c 351: See notes following RCW 80.86.010.

Findings—2019 c 285: "(1) The legislature finds and declares that:

(a) Renewable natural gas provides benefits to natural gas utility customers and to the public; and

(b) The development of renewable natural gas resources should be encouraged to support a smooth transition to a low carbon energy economy in Washington.

(2) It is the policy of the state to provide clear and reliable guidelines for gas companies that opt to supply renewable natural gas resources to serve their customers and that ensure robust ratepayer protections." [2019 c 285 s 12.]

RCW 80.28.385 Renewable natural gas program. (1) A natural gas company may propose a renewable natural gas program under which the company would supply renewable natural gas for a portion of the natural gas sold or delivered to its retail customers. The renewable natural gas program is subject to review and approval by the commission. The customer charge for a renewable natural gas program may not exceed five percent of the amount charged to retail customers for natural gas.

(2) The environmental attributes of renewable natural gas provided under this section must be retired using procedures established by the commission and may not be used for any other purpose. The commission must approve procedures for banking and transfer of environmental attributes.

(3) As used in this section, "renewable natural gas" includes renewable natural gas as defined in RCW 54.04.190. The commission may approve inclusion of other sources of gas if those sources are produced without consumption of fossil fuels. [2019 c 285 s 13.]

Findings—2019 c 285: See note following RCW 80.28.380.

RCW 80.28.390 Tariff—Voluntary renewable natural gas service.

(1) Each gas company must offer by tariff a voluntary renewable natural gas service available to all customers to replace any portion of the natural gas that would otherwise be provided by the gas company. The tariff may provide reasonable limits on participation based on the availability of renewable natural gas and may use environmental attributes of renewable natural gas combined with natural gas. The voluntary renewable natural gas service must include delivery to, or the retirement on behalf of, the customer of all environmental attributes associated with the renewable natural gas.

(2) For the purposes of this section, "renewable natural gas" includes renewable natural gas as defined in RCW 54.04.190. The

commission may approve inclusion of other sources of gas if those sources are produced without consumption of fossil fuels. [2019 c 285 s 14.]

Findings—2019 c 285: See note following RCW 80.28.380.

RCW 80.28.395 Natural gas—Cost of greenhouse gas emissions—Calculation. For the purposes of RCW 80.28.380, the cost of greenhouse gas emissions resulting from the use of natural gas, including the effect of emissions occurring in the gathering, transmission, and distribution of natural gas to the end user is equal to the cost per metric ton of carbon dioxide emissions, using the two and one-half percent discount rate, listed in table 2, Technical Support Document: Technical update of the social cost of carbon for regulatory impact analysis under Executive Order 12866, published by the interagency working group on social cost of greenhouse gases of the United States government, August 2016. The commission must adjust the costs established in this section to reflect the effect of inflation. [2019 c 285 s 15.]

Findings—2019 c 285: See note following RCW 80.28.380.

RCW 80.28.400 Commission—Monitoring greenhouse gas emissions—Report. The commission must monitor the greenhouse gas emissions resulting from natural gas and renewable natural gas delivered by each gas company to its customers, relative to a proportionate share of the state's greenhouse gas emissions reduction goal. The commission must report to the governor by January 1, 2020, and every three years thereafter, an assessment of whether the gas companies are on track to meet a proportionate share of the state's greenhouse gas emissions reduction goal. The commission may rely on reports submitted by gas companies to the United States environmental protection agency or other governmental agencies in complying with this section. [2019 c 285 s 16.]

Findings—2019 c 285: See note following RCW 80.28.380.

RCW 80.28.405 Clean energy action plan—Greenhouse gas emissions—Calculation of cost. For the purposes of chapter 288, Laws of 2019, the cost of greenhouse gas emissions resulting from the generation of electricity, including the effect of emissions, is equal to the cost per metric ton of carbon dioxide equivalent emissions, using the two and one-half percent discount rate, listed in table 2, technical support document: Technical update of the social cost of carbon for regulatory impact analysis under Executive Order No. 12866, published by the interagency working group on social cost of greenhouse gases of the United States government, August 2016. The commission must adjust the costs established in this section to reflect the effect of inflation. [2019 c 288 s 15.]

Findings—Intent—Effective date—2019 c 288: See RCW 19.405.010 and 19.405.901.

RCW 80.28.410 Clean energy action plan—Account for and defer costs. (1) An electrical company may account for and defer for later consideration by the commission costs incurred in connection with major projects in the electrical company's clean energy action plan pursuant to RCW 19.280.030(1)(1), or selected in the electrical company's solicitation of bids for delivering electric capacity, energy, capacity and energy, or conservation. The deferral in this subsection begins with the date on which the resource begins commercial operation or the effective date of the power purchase agreement and continues for a period not to exceed thirty-six months. However, if during such a period the electrical company files a general rate case or other proceeding for the recovery of such costs, deferral ends on the effective date of the final decision by the commission in such a proceeding. Creation of such a deferral account does not by itself determine the actual costs of the resource or power purchase agreement, whether recovery of any or all of these costs is appropriate, or other issues to be decided by the commission in a general rate case or other proceeding.

(2) The costs that an electrical company may account for and defer for later consideration by the commission pursuant to subsection (1) of this section include all operating and maintenance costs, depreciation, taxes, cost of capital associated with the applicable resource or the execution of a power purchase agreement. Such costs of capital include:

(a) The electrical company's authorized return on equity for any resource acquired or developed by the electrical company; or

(b) For the duration of a power purchase agreement, a rate of return of no less than the authorized cost of debt and no greater than the authorized rate of return of the electrical company, which would be multiplied by the operating expense incurred by the electrical company under the power purchase agreement. [2019 c 288 s 21.]

Findings—Intent—Effective date—2019 c 288: See RCW 19.405.010 and 19.405.901.

RCW 80.28.420 Gas company recovery of costs associated with replacing certain pipeline facilities—Information to be submitted to the commission—Definitions. (1) The commission must initiate a proceeding to provide conditions concerning the interim recovery between rate cases by a gas company of the costs associated with replacing pipeline facilities that are demonstrated to have an elevated risk of failure and the costs associated with measures to expedite the reduction of hazardous leaks and reduce as practicable nonhazardous leaks from the gas company's gas pipelines.

(2) A gas company seeking an interim recovery between rate cases may submit to the commission, as part of a general rate case or a commission-approved interim rate treatment mechanism regarding the replacement of pipeline facilities, a description of equipment and new facilities that aid in the reduction of methane emissions and a list of projects and changes to operational procedures including, but not limited to, venting, blowdowns, and others, to expedite the replacement of pipeline facilities that present an elevated risk of failure and expedite the repairs of hazardous leaks and nonhazardous leaks. Items on the list must be ranked according to risk, severity, complexity, and impact to the environment and public health. A gas

company may also include in its filing methods to implement and deploy leak detection technology capable of rapidly identifying leaks. As part of its filing, the gas company must include a cost-effectiveness analysis and propose a cap for annual expenditures recoverable through a cost recovery mechanism to be approved by the commission. The cost-effectiveness analysis must include considerations of risk and impacts to the environment and public health. A gas company may consider a percent of rate base, percent of revenues, total expenditures, or other basis for its proposed cap. As part of the proposal, the gas company must address the expected impact to ratepayers and other factors that may be required by the commission by rule.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Gas pipeline" has the same meaning as defined in RCW 81.88.010.

(b) "Hazardous leak" means a leak that represents an existing or probable hazard to persons or property and requires immediate repair or continuous action until the conditions are no longer hazardous.

(c) "Nonhazardous leak" includes a leak that is:

(i) Recognized as being not hazardous at the time of detection but justifies scheduled repair based on the potential for creating a future hazard; and

(ii) Not hazardous at the time of detection and can reasonably be expected to remain not hazardous.

(4) Nothing in this section may be construed to preempt the process by which a gas company is required to petition relevant state or local authorities when seeking to expand the capacity of the company's gas transmission or distribution lines.

(5) Nothing in this section may be construed to impose requirements or restrictions on or otherwise regulate interstate pipelines. [2020 c 32 s 2.]

Intent—2020 c 32: "It is the intent of the legislature to encourage a safer and more efficient natural gas transmission and distribution system through investments that address and minimize leaks in the natural gas pipeline system." [2020 c 32 s 1.]

RCW 80.28.425 Multiyear rate plan. (1) Beginning January 1, 2022, every general rate case filing of a gas or electrical company must include a proposal for a multiyear rate plan as provided in this chapter. The commission may, by order after an adjudicative proceeding as provided by chapter 34.05 RCW, approve, approve with conditions, or reject, a multiyear rate plan proposal made by a gas or electrical company or an alternative proposal made by one or more parties, or any combination thereof. The commission's consideration of a proposal for a multiyear rate plan is subject to the same standards applicable to other rate filings made under this title, including the public interest and fair, just, reasonable, and sufficient rates. In determining the public interest, the commission may consider such factors including, but not limited to, environmental health and greenhouse gas emissions reductions, health and safety concerns, economic development, and equity, to the extent such factors affect the rates, services, and practices of a gas or electrical company regulated by the commission.

(2) The commission may approve, disapprove, or approve with modifications any proposal to recover from ratepayers up to five percent of the total revenue requirement approved by the commission for each year of a multiyear rate plan for tariffs that reduce the energy burden of low-income residential customers including, but not limited to: (a) Bill assistance programs; or (b) one or more special rates. For any multiyear rate plan approved under this section resulting in a rate increase, the commission must approve an increase in the amount of low-income bill assistance to take effect in each year of the rate plan where there is a rate increase. At a minimum, the amount of such low-income assistance increase must be equal to double the percentage increase, if any, in the residential base rates approved for each year of the rate plan. The commission may approve a larger increase to low-income bill assistance based on an appropriate record.

(3) (a) If it approves a multiyear rate plan, the commission shall separately approve rates for each of the initial rate year, the second rate year and, if applicable, the third rate year, and the fourth rate year.

(b) The commission shall ascertain and determine the fair value for rate-making purposes of the property of any gas or electrical company that is or will be used and useful under RCW 80.04.250 for service in this state by or during each rate year of the multiyear rate plan. For the initial rate year, the commission shall, at a minimum, ascertain and determine the fair value for rate-making purposes of the property of any gas or electrical company that is used and useful for service in this state as of the rate effective date. The commission may order refunds to customers if property expected to be used and useful by the rate effective date when the commission approves a multiyear rate plan is in fact not used and useful by such a date.

(c) The commission shall ascertain and determine the revenues and operating expenses for rate-making purposes of any gas or electrical company for each rate year of the multiyear rate plan.

(d) In ascertaining and determining the fair value of property of a gas or electrical company pursuant to (b) of this subsection and projecting the revenues and operating expenses of a gas or electrical company pursuant to (c) of this subsection, the commission may use any standard, formula, method, or theory of valuation reasonably calculated to arrive at fair, just, reasonable, and sufficient rates.

(e) If the commission approves a multiyear rate plan with a duration of three or four years, then the electrical company must update its power costs as of the rate effective date of the third rate year. The proceeding to update the electrical company's power costs is subject to the same standards that apply to other rate filings made under this title.

(4) Subject to subsection (5) of this section, the commission may by order establish terms, conditions, and procedures for a multiyear rate plan and ensure that rates remain fair, just, reasonable, and sufficient during the course of the plan.

(5) Notwithstanding subsection (4) of this section, a gas or electrical company is bound by the terms of the multiyear rate plan approved by the commission for each of the initial rate year and the second rate year. A gas or electrical company may file a new multiyear rate plan in accordance with this section for the third rate year and fourth rate year, if any, of a multiyear rate plan.

(6) If the annual commission basis report for a gas or electrical company demonstrates that the reported rate of return on rate base of the company for the 12-month period ending as of the end of the period for which the annual commission basis report is filed is more than .5 percent higher than the rate of return authorized by the commission in the multiyear rate plan for such a company, the company shall defer all revenues that are in excess of .5 percent higher than the rate of return authorized by the commission for refunds to customers or another determination by the commission in a subsequent adjudicative proceeding. If a multistate electrical company with fewer than 250,000 customers in Washington files a multiyear rate plan that provides for no increases in base rates in consecutive years beyond the initial rate year, the commission shall waive the requirements of this subsection provided that such a waiver results in just and reasonable rates.

(7) The commission must, in approving a multiyear rate plan, determine a set of performance measures that will be used to assess a gas or electrical company operating under a multiyear rate plan. These performance measures may be based on proposals made by the gas or electrical company in its initial application, by any other party to the proceeding in its response to the company's filing, or in the testimony and evidence admitted in the proceeding. In developing performance measures, incentives, and penalty mechanisms, the commission may consider factors including, but not limited to, lowest reasonable cost planning, affordability, increases in energy burden, cost of service, customer satisfaction and engagement, service reliability, clean energy or renewable procurement, conservation acquisition, demand side management expansion, rate stability, timely execution of competitive procurement practices, attainment of state energy and emissions reduction policies, rapid integration of renewable energy resources, and fair compensation of utility employees.

(8) Nothing in this section precludes any gas or electrical company from making filings required or permitted by the commission.

(9) The commission shall align, to the extent practical, the timing of approval of a multiyear rate plan of an electrical company submitted pursuant to this section with the clean energy implementation plan of the electrical company filed pursuant to RCW 19.405.060.

(10) The provisions of this section may not be construed to limit the existing rate-making authority of the commission.

(11) The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate the requirements of this section into an integrated system plan established under RCW 80.86.020. [2024 c 351 s 18; 2021 c 188 s 2.]

Findings—Intent—Effective date—2024 c 351: See notes following RCW 80.86.010.

Legislative directive—2021 c 188: "(1) To provide clarity and certainty to stakeholders on the details of performance-based regulation, the utilities and transportation commission is directed to conduct a proceeding to develop a policy statement addressing alternatives to traditional cost of service rate making, including performance measures or goals, targets, performance incentives, and penalty mechanisms. As part of such a proceeding, the utilities and

transportation commission must consider factors including, but not limited to, lowest reasonable cost planning, affordability, increases in energy burden, cost of service, customer satisfaction and engagement, service reliability, clean energy or renewable procurement, conservation acquisition, demand side management expansion, rate stability, timely execution of competitive procurement practices, attainment of state energy and emissions reduction policies, rapid integration of renewable energy resources, and fair compensation of utility employees.

(2) In developing its policy statement, the utilities and transportation commission must in its proceeding allow for participation and consultation with regulated utilities, the attorney general's office, and other interested stakeholders including, but not limited to, residential, industrial, commercial, and low-income customers and organizations, as well as environmental or community organizations and stakeholders.

(3) By January 1, 2022, the utilities and transportation commission shall notify the chairs and ranking members of the appropriate committees of the legislature of the process to date, the expected duration of, and work plan associated with this proceeding." [2021 c 188 s 1.]

RCW 80.28.430 Authority to enter into agreements with certain organizations—Agreement to govern manner in which financial assistance is provided to an organization—Requirements. (1) A gas company or electrical company shall, upon request, enter into one or more written agreements with organizations that represent broad customer interests in regulatory proceedings conducted by the commission, subject to commission approval in accordance with subsection (2) of this section, including but not limited to organizations representing low-income, commercial, and industrial customers, vulnerable populations, or highly impacted communities. The agreement must govern the manner in which financial assistance may be provided to the organization. More than one gas company, electrical company, or organization representing customer interests may join in a single agreement. Any agreement entered into under this section must be approved, approved with modifications, or rejected by the commission. The commission must consider whether the agreement is consistent with a reasonable allocation of financial assistance provided to organizations pursuant to this section among classes of customers of the gas or electrical company.

(2) Before administering an agreement entered into under subsection (1) of this section, the commission shall, by rule or order, determine:

(a) The amount of financial assistance, if any, that may be provided to any organization;

(b) The manner in which the financial assistance is distributed;

(c) The manner in which the financial assistance is recovered in the rates of the gas company or electrical company under subsection (3) of this section; and

(d) Other matters necessary to administer the agreement.

(3) The commission shall allow a gas company or electrical company that provides financial assistance under this section to recover the amounts provided in rates. The commission shall allow a gas company or electrical company to defer inclusion of those amounts

in rates if the gas company or electrical company so elects. An agreement under this section may not provide for payment of any amounts to the commission.

(4) Organizations representing vulnerable populations or highly impacted communities must be prioritized for funding under this section. [2021 c 188 s 4.]

Legislative directive—2021 c 188: See note following RCW 80.28.425.

RCW 80.28.435 Replacement of natural gas with hydrogen—Notice to commission—Tariff approval. (1) A gas company must file a notice with the utilities and transportation commission prior to replacing natural gas with renewable hydrogen or green electrolytic hydrogen to serve customers. The notice must establish that the company has received all necessary siting and permitting approvals. The notice must also include a description of the following:

(a) Whether the use of clean electricity to produce hydrogen is consistent with the company's most recent integrated resource plan;

(b) Potential impacts to electrical grid reliability, including resource adequacy, resulting from renewable hydrogen and green electrolytic hydrogen production and deployment; and

(c) Standards, including safety standards, for blending of green electrolytic hydrogen and renewable hydrogen into natural gas distribution infrastructure.

(2) The commission shall consider the recommendations made by the department of commerce through its work outlined in RCW 43.330.570(1)(d), the information contained in the notice, and additional relevant data and analyses when making a determination on a company's request for approval of any tariff related to the use of green electrolytic hydrogen or renewable hydrogen as a replacement for natural gas. [2022 c 292 s 601.]

Findings—Intent—2022 c 292: See note following RCW 43.330.565.

RCW 80.28.440 Wildfire mitigation plan—Review/revision. (1) By October 31, 2024, and every three years thereafter, each investor-owned utility must review and, if appropriate, revise its wildfire mitigation plan. When reviewing or revising a wildfire mitigation plan, an investor-owned utility must use the recommended format and elements pursuant to RCW 76.04.185.

(a) Local fire protection districts must be provided the opportunity to provide input for each wildfire mitigation plan. Each investor-owned utility must submit its wildfire mitigation plan to the utilities and transportation commission for review, and the commission will confirm whether or not the plan contains the recommended elements. Each investor-owned utility must provide a copy of their wildfire mitigation plan to the department of natural resources, along with a list and description of wildland fires involving utility equipment over the previous two years as reported by the department of natural resources. The wildfire mitigation plan must be submitted to the utility wildland fire prevention advisory committee created in RCW 76.04.780 to be posted on their website as specified in RCW 76.04.780.

(b) The utilities and transportation commission is not liable for an investor-owned utility's implementation of its wildfire mitigation plan. An investor-owned utility may pursue recovery of costs and investments associated with a wildfire mitigation plan through a proceeding to set rates at the commission.

(c) Investor-owned utilities are encouraged to submit any 2023 wildfire mitigation plans to the utility wildland fire prevention advisory committee created in RCW 76.04.780 prior to the revision date required in this subsection.

(2) Nothing in this section prohibits an investor-owned utility from reviewing or updating its wildfire mitigation plan more often than required in subsection (1) of this section.

(3) For the purposes of this section, the term "investor-owned utility" means a corporation owned by investors that meets the definition of "corporation" as defined in RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state. [2023 c 132 s 3.]

Findings—Intent—2023 c 132: See note following RCW 76.04.185.

RCW 80.28.450 Thermal energy networks. (1) Any gas company and any electrical company may deploy a thermal energy network within their service territories, in accordance with RCW 80.28.460. If a gas company or electrical company intends to deploy a thermal energy network, the company must submit the project for review and validation of costs assessments to the commission, in the case of an investor-owned gas company or electrical company, or to the governing body of the utility, in the case of a consumer-owned gas company or electrical company.

(2) For an investor-owned gas company or investor-owned electrical company, if the commission validates the costs assessments selection of a thermal energy network, the company may propose to recover the costs of building and operating the project from ratepayers in a rate case filing before the commission. The commission's validation of the utility's costs assessment of a thermal energy network resource does not constitute a prudence finding by the commission or a finding that the resource is used and useful for rate-making purposes.

(3) Companies exempt from commission oversight under RCW 80.04.550 are not subject to regulation by the commission under this chapter. [2024 c 348 s 2.]

RCW 80.28.460 Thermal energy network pilot project program. A thermal energy network pilot project program is established.

(1) The department of commerce may award grants for the thermal energy network pilot project program in accordance with RCW 43.31.033.

(2) (a) A gas company has priority for developing thermal energy network pilot projects in the gas company's service territory, but the gas company must announce in writing to the commission its intention to deploy a pilot project in a specific location within 12 months of June 6, 2024, and then must deploy a pilot project within 30 months of June 6, 2024, to maintain this priority. The gas company may request an extension of these deadlines and the commission may approve the

extension if the commission determines the gas company is making substantial progress towards deploying a thermal energy network.

(b) In a specific location where an existing thermal energy company has deployed or is developing a thermal energy network, the commission may opt to not provide priority to the gas company for that location.

(3) When reviewing a thermal energy network pilot project for approval, the commission must consider the following information related to the pilot project:

(a) The number and type of customers served, including the percent of low-income customers served;

(b) The use of the existing natural gas workforce and other labor considerations, such as efforts to transition the natural gas workforce to thermal energy work, training, recruiting, job creation and retention, payment of prevailing wages, and state-registered apprenticeship utilization;

(c) The ability to maintain infrastructure safety and reliability;

(d) The ability to meet 100 percent of the pilot project customers' demand for space heating;

(e) Whether the pilot project creates benefits to customers, communities, and society at large including, but not limited to, public health benefits such as improved air quality in areas with disproportionate environmental or public health burdens and disadvantaged communities as identified by the environmental health disparities map described in RCW 43.70.815, and increased affordability of thermal energy options;

(f) Coordination with any electric utility providing electrical service to areas served by the pilot project;

(g) Whether the pilot project furthers the climate justice mandates of chapter 70A.02 RCW and the emissions reduction mandates of chapter 70A.45 RCW;

(h) Whether the pilot project advances financial and technical approaches to equitable and affordable building electrification;

(i) Whether the pilot project will develop information useful for the commission's adoption of rules governing thermal energy networks;

(j) Enrollment in an electric utility demand response program;

(k) The potential to enable gas pipeline decommissioning and its potential to supplant the need for gas pipeline replacement and the need to spend on gas pipeline replacement programs; and

(l) Whether the thermal energy network is a distributed system that uses ambient temperature fluid and high-efficiency heat pump equipment in each building in the network.

(4) When reviewing a thermal energy network pilot project for approval, the commission may also consider the following information related to the pilot project:

(a) Greenhouse gas emissions reductions;

(b) The use of waste heat, ground-source heat, geothermal resources, or other nonfossil fuel and noncombustion sources, and the use of electric heat pumps;

(c) The ability to provide the pilot project customers' hot water demands;

(d) The ability to provide the pilot project customers' cooling demands; and

(e) The consideration of options to provide thermal energy storage.

(5) Thermal energy network pilot projects under review by the commission are subject to a public comment period of no less than 30 days.

(6) When submitting a thermal energy network pilot project to the commission for review, a gas or electrical company must include specific metrics that the company proposes to use to evaluate the pilot project. These metrics are intended to help inform the commission's rule making and rate making and specifically to help inform any future standardized metrics that the commission may adopt for thermal energy network pilot projects. [2024 c 348 s 3.]

RCW 80.28.470 Thermal energy network pilot project—Request for proposals. (1) Prior to deploying a thermal energy network pilot project, an investor-owned gas company must issue a request for proposals for a thermal energy network pilot project. When reviewing the proposals, the investor-owned gas company must compare the cost of deployment of a proposed thermal energy network pilot project to the lowest reasonable cost alternative resource for heating services under the gas company's current business practices. This cost comparison must be shared with the commission and considered in calculating grant award amounts as determined pursuant to RCW 43.31.033(4).

(2) An investor-owned gas company may petition the commission to use an alternative process from the process described in subsection (1) of this section to estimate the cost to deploy a thermal energy network pilot project. The commission must review such a petition and then accept, deny, or accept with modifications such an alternative process. [2024 c 348 s 5.]

RCW 80.28.480 Merger of gas and thermal energy rate bases. (1) In any multiyear rate plan proposed by a natural gas company or combination utility, the company may propose a merger into a single rate base of its regulated gas operations with its operation of a thermal energy network. The commission may approve the merger of gas and thermal energy rate bases if the commission finds that such a merger is in the public interest.

(2) For a natural gas company or combination utility that has merged gas and thermal energy rate bases, the natural gas company or combination utility must monetize benefits received from any applicable federal and state tax and other incentives for the benefit of customers. These benefits must be separately accounted for and amortized on a schedule designed to mitigate the rate impacts to customers after the rate bases are combined. These credits may not be used for any other purpose, unless directed by the commission. [2024 c 348 s 7.]

RCW 80.28.900 Construction—Chapter applicable to state registered domestic partnerships—2009 c 521. For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered

domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships. [2009 c 521 s 186.]