

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

4 ADOPTED AS AMENDED 3/5/98

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

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

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

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

13 (2) The legislature intends to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 NEW SECTION. **Sec. 11.** If any provision of this act or its  
12 application to any person or circumstance is held invalid, the  
13 remainder of the act or the application of the provision to other  
14 persons or circumstances is not affected.

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

19 Correct the title.

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