

FINAL BILL REPORT

ESSB 6560

PARTIAL VETO

C 300 L 98

Synopsis as Enacted

Brief Description: Protecting the rights of consumers of electric power.

Sponsors: Senate Committee on Energy & Utilities (originally sponsored by Senators Brown, Jacobsen, T. Sheldon, Kohl, Hargrove, Fairley, B. Sheldon, Prentice, Wojahn, Loveland, Thibaudeau, McAuliffe, Heavey, Spanel, Snyder, Rasmussen, Haugen, Patterson and Franklin).

Senate Committee on Energy & Utilities

House Committee on Energy & Utilities

House Committee on Appropriations

Background: Currently, consumer protection requirements and remedies for retail electric customers differ depending on whether the utility providing service is a consumer-owned utility or an investor-owned utility.

Investor-owned utilities must comply with statutory consumer protection requirements and additional consumer protection policies established in rule by the Washington Utilities and Transportation Commission (WUTC). Current law and regulations address a number of consumer protection issues, including permissible methods for establishing customer credit histories, deposit requirements, payment plan options and disconnection policies, and metering practices.

Consumer-owned utilities are not subject to statutory consumer protection requirements, but instead may establish policies through their governing boards or commissions.

WUTC has jurisdiction to receive and resolve customer complaints only about investor-owned utilities.

Power marketers do not currently market electricity in Washington directly to residential or commercial retail electric customers because such customers do not have the ability to choose to receive their electricity from anyone other than their local utility.

Under some potential scenarios for deregulating or restructuring the retail electric industry, local utilities and power marketers would be able to market and sell their electricity directly to any retail customers located anywhere in the state. Concerns have been raised about the need for consumers to understand their rights regarding electricity supply and service and to be protected from potentially unfair and deceptive practices if the state restructures or deregulates the retail electricity industry.

Additional concerns have been raised about the potential impacts of deregulation or restructuring on cost-shifting by utilities between and among different customer classes, on

the reliability of the state's electricity distribution systems, and on the quality of service provided to retail customers.

Summary: Retail electric customers have the right to receive specified disclosures from their electricity distribution utilities. Required disclosures include consumer protection policies and procedures and the utility's annual report containing specified information.

The consumer protection policies and procedures must include the following: (1) credit and deposit requirements; (2) rates and charges; (3) metering and measurement policies; (4) bill payment policies; (5) payment arrangement options; (6) disconnection notice requirements; (7) confidentiality policies for customer records; and (8) customer inquiry and complaint procedures.

A utility's annual report must include at least the following information: (1) number of customers by class and amount of electricity consumed by each class; (2) summary of average rates by class; (3) amount invested in public purposes; and (4) taxes paid by the utility and its customers.

Notice that required disclosures are available upon request and without charge must be provided at the time service is established and at least once a year thereafter. Notice may be given by the utility as a prominent part of each customer's bill or in a separate mailing.

Utilities must identify on all customer billing statements, or by a separate written notice mailed quarterly, the various components of electricity service that customers are charged for as part of their bills, including electricity, distribution, metering, overhead, utility investments in conservation and non-hydro renewables, and federal, state, and local taxes.

The Washington Utilities and Transportation Commission (WUTC) and Department of Community, Trade, and Economic Development (CTED) are directed jointly to study the following issues: (1) retail electricity rates and costs in Washington; (2) demographics of retail electric customers; (3) cost-shifting; (4) consumer protection policies and procedures; (5) service territory agreements; (6) service quality and reliability; and (7) investments in public purposes. WUTC and CTED are directed to consult with the chairs and ranking minority members of the Senate and House Energy and Utilities Committees and other stakeholders during preparation of the study and report, and utilities are directed to cooperate in the preparation of the report. The report is due to the Legislature by December 31, 1998. The study provision is null and void if not specifically funded in the budget.

Small utilities are exempt from the requirements of the act but are encouraged to voluntarily comply.

Consumer-owned utilities are authorized to charge reduced rates to all low-income citizens served by the utility, rather than only those low-income citizens who are senior citizens or disabled.

Votes on Final Passage:

Senate 47 0
House 98 0 (House amended)
Senate 48 0 (Senate concurred)

Effective: June 11, 1998

Partial Veto Summary: The Governor vetoed the null and void clause in section 9 and the emergency clause in section 12.