

***Technology, Telecommunications  
& Energy Committee***

***HB 1606***

***Brief Description:*** *Crediting certain charges for irrigation pumping installations.*

***Sponsors:*** *Representatives Clements, Crouse, B. Chandler, G. Chandler, Schoesler and Lisk.*

***Brief Summary of Bill***

- *Requires that fixed charges imposed by electric utilities on agricultural irrigation and soil drainage pumping installations be credited against the customers charges for actual use beginning April 1, 2001, through March 30, 2003.*

***Hearing Date:*** *2/19/01*

***Staff:*** *Pam Madson (786-7166).*

***Background:***

*The Washington Utilities and Transportation Commission has authority to approve or set rates for retail electricity service provided by investor-owned utilities. Rates must be fair, just, reasonable and sufficient to return reasonable compensation to the utility for the service provided.*

*Rates charged by publicly owned utilities are generally set by the utility's board, or by another governing body such as a commission or council. Elected officials in most cases are ultimately accountable for rates that are set.*

*One of the components considered in setting retail rates is the cost of providing electricity service to the customer. Rates are designed to meet a number of objectives. Rates can be flat rates where customers pay the same amount per kilowatt hour regardless of how much electricity is used or rates can be tiered (different rates based on level of use).*

*A demand charge is an example of another rate design element. Certain customers use large amounts of electricity for short intervals. Resources needed to meet peak demand may be idle at times. Demand charges are designed to recover the cost of these resources.*

***Summary of Bill:***

*For a period of 24 months, beginning April 1, 2001, any minimum or fixed charge imposed on agricultural irrigation and soil drainage pumping installations that does not reflect actual electricity used by a customer, must be credited against charges for actual electricity used for the annual billing period.*

*This provision applies to investor-owned utilities, municipal utilities, public utility districts, electric cooperatives and mutuals.*

***Appropriation: None.***

***Fiscal Note: Not Requested.***

***Effective Date: Ninety days after adjournment of session in which bill is passed.***