

SENATE BILL REPORT

SB 6355

As Reported By Senate Committee On:
Environment, Energy & Water, February 7, 2002

Title: An act relating to expanding the authority to request the utilities and transportation commission to approve low-income discounts for electric or gas services.

Brief Description: Expanding request authority for approval of low-income discounts for electric or gas services.

Sponsors: Senators Regala, Poulsen, Finkbeiner, Franklin, Morton, Deccio, Fraser and Kline.

Brief History:

Committee Activity: Environment, Energy & Water: 1/22/02, 2/7/02 [DPS].

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

Majority Report: That Substitute Senate Bill No. 6355 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Hale, Honeyford, Jacobsen, Keiser, McDonald and Morton.

Staff: Andrea McNamara (786-7483)

Background: In 1999, the Legislature authorized private, investor-owned electric and gas utilities (IOUs) to request that the Washington Utilities and Transportation Commission (WUTC) approve discount programs to assist low-income customers with their energy bills. Programs may include discounts on rates, charges, services, and/or physical facilities. Requests by IOUs to initiate such programs are voluntary.

In approving any low-income program, current law requires the WUTC to include expenses and lost revenues resulting from the discounts in the company's cost of service and allow the company to recover those costs in rates to other customers.

Summary of Substitute Bill: The Attorney General may also request the Washington Utilities and Transportation Commission to approve low-income discount programs for electric and gas companies if a company does not have a program in place.

Any program implemented through this provision must be funded by a separate charge to a company's tariffs.

Substitute Bill Compared to Original Bill: The substitute limits the Attorney General's authority to file a request to only those circumstances where a company does not already have a low-income program in place. It specifies that any low-income program implemented under this section must be funded through a separate schedule to the company's existing tariffs

(e.g., a surcharge), and it clarifies that a filing does not trigger a general rate case nor does it preclude other types of complaints from being filed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Giving the AG the authority to initiate a proceeding to create a low-income program is appropriate because the AG's Public Counsel is in a good position to balance the costs and benefits of such programs to all ratepayers of a utility. Currently, two of the three private electric companies offer programs and neither of the two gas companies do. Without this bill, serious discussions about low-income programs can only be initiated by the companies.

Testimony Against: Concerns: This bill could put the AG in an awkward position of both proposing a special rate for a certain class of customers but then being required to advocate on behalf of ALL ratepayers in the proceedings.

Testified: PRO: Toni Potter, League of Women Voters; Danielle Dixon, NWECA; Chuch Eberdt, The Energy Project, A World Institute for Sustainable Humanity (AWISH); Matt Steuerwalt, Office of Attorney General. NEUTRAL: Beth Redfield, WUTC. CONCERNS: Mike Tracy, Puget Sound Energy.