

2 **SSB 6006** - S AMD - 219
3 By Senators Finkbeiner and Rossi

4 ADOPTED 3/18/97

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

7 NEW SECTION. **Sec. 1.** FINDINGS AND INTENT. (1) The legislature
8 finds that:

9 (a) The electric utility industry is undergoing fundamental change
10 as a result of federal legislation and regulatory decisions that
11 require utilities to provide other users with nondiscriminatory access
12 to transmission lines.

13 (b) It is in the interest of all Washington consumers to develop a
14 state-wide framework that is compatible with federal developments. The
15 goal of this new structure is to provide competitive electricity
16 service, while maintaining existing reliability, to all of the state's
17 residents and businesses.

18 (c) The state should take the first steps toward providing an
19 orderly transition to more competitive markets for electricity.

20 (2) The legislature intends to:

21 (a) Require electric utilities to separately account for their
22 generation, transmission, and distribution assets and operations;

23 (b) Require that bills for retail electric customers contain new
24 price information; and

25 (c) Require new market entrants that are not existing electric
26 utilities in the state to register with the utilities and
27 transportation commission.

28 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
29 section apply throughout this chapter unless the context clearly
30 requires otherwise.

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

32 (2) "Consumer-owned utility" means an electric cooperative formed
33 under chapter 23.86 RCW, an irrigation district formed under chapter
34 87.03 RCW that sells electricity to retail electric customers, a
35 municipal electric utility formed under Title 35 RCW, a mutual

1 corporation or association formed under chapter 24.06 RCW that sells
2 electricity to retail electric customers, or a public utility district
3 formed under Title 54 RCW.

4 (3) "Control area services" means reactive power, spinning
5 reserves, voltage control and regulation, and other related services
6 necessary to sustain reliable delivery of electricity to a retail
7 electric customer.

8 (4) "Delivery services" means the services needed to deliver
9 electricity to a retail electric customer using the transmission,
10 distribution, and other facilities of an electrical company or
11 consumer-owned utility.

12 (5) "Electrical company" means a company owned by investors that
13 meets the definition of RCW 80.04.010.

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

16 (7) "Electricity service supplier" means any person or entity that
17 sells electricity to more than one retail electric customer, including
18 but not limited to an electrical company, consumer-owned utility,
19 aggregator, power marketer, broker, or independent power producer. The
20 Bonneville power administration, established pursuant to 16 U.S.C. Sec.
21 832 et seq., or its successor, is not an electricity service supplier
22 for purposes of this chapter.

23 (8) "Governing body" means the board of directors, the council of
24 a city or town, or the commissioners of an electric cooperative,
25 irrigation district, municipal electric utility, mutual association, or
26 public utility district, respectively, that has the authority to set
27 and approve rates.

28 (9) "Joint operating agency" means an agency organized pursuant to
29 chapter 43.52 RCW.

30 (10) "Retail electric customer" means any person or entity,
31 including but not limited to residential, commercial, and industrial
32 consumer, that purchases electricity for ultimate consumption and not
33 for resale.

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

1 NEW SECTION. **Sec. 3.** SEPARATE ACCOUNTING REQUIREMENTS. No later
2 than September 1, 1998, every consumer-owned utility and electrical
3 company shall: (1) Separately account for generation, transmission,
4 and distribution assets and operations, according to the costs
5 contributed by each class of customers, to facilitate the accurate
6 assessment of the costs of such functions; and (2) restate its
7 published rates into at least the following rate elements:
8 Electricity; delivery services; and control area services.

9 NEW SECTION. **Sec. 4.** DISCLOSURE TO CONSUMERS. No later than
10 October 1, 1998, every consumer-owned utility, electrical company, or
11 electricity service supplier shall provide on a regular basis the
12 following information to its retail electric customers: (1) A complete
13 and accurate list of the rates for each service or product set forth in
14 section 3(2) of this act that the customer is purchasing; (2) the rates
15 of state and local electricity taxes, if any, paid by the customer; and
16 (3) other price information necessary to facilitate customer choice, as
17 determined by the commission for electrical companies and electricity
18 service suppliers, pursuant to rules adopted under RCW 80.04.160, or by
19 the governing body of each consumer-owned utility.

20 NEW SECTION. **Sec. 5.** SMALL UTILITIES. Small consumer-owned
21 utilities are not required to comply with sections 3 and 4 of this act
22 until January 1, 1999.

23 **Sec. 6.** RCW 80.28.075 and 1988 c 166 s 2 are each amended to read
24 as follows:

25 Upon request by a natural gas company or an electrical company, the
26 commission may approve a tariff that includes banded rates for any
27 (~~nonresidential~~) natural gas or electric service that is subject to
28 effective competition from energy suppliers not regulated by the
29 utilities and transportation commission. "Banded rate" means a rate
30 that has a minimum and maximum rate. Rates may be changed within the
31 rate band upon such notice as the commission may order.

32 NEW SECTION. **Sec. 7.** Captions used in this act are not part of
33 the law.

