
ENGROSSED SUBSTITUTE SENATE BILL 6006

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Energy & Utilities (originally sponsored by Senators Finkbeiner and Rossi)

Read first time 03/05/97.

1 AN ACT Relating to the electric utility industry; amending RCW
2 80.28.075; adding a new chapter to Title 80 RCW; and creating a new
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

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

18 (2) The legislature intends to:

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

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

5 (c) Require new market entrants that are not existing electric
6 utilities in the state to register with the utilities and
7 transportation commission.

8 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
9 section apply throughout this chapter unless the context clearly
10 requires otherwise.

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

12 (2) "Consumer-owned utility" means an electric cooperative formed
13 under chapter 23.86 RCW, an irrigation district formed under chapter
14 87.03 RCW that sells electricity to retail electric customers, a
15 municipal electric utility formed under Title 35 RCW, a mutual
16 corporation or association formed under chapter 24.06 RCW that sells
17 electricity to retail electric customers, or a public utility district
18 formed under Title 54 RCW.

19 (3) "Control area services" means reactive power, spinning
20 reserves, voltage control and regulation, and other related services
21 necessary to sustain reliable delivery of electricity to a retail
22 electric customer.

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

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

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

31 (7) "Electricity service supplier" means any person or entity that
32 sells electricity to more than one retail electric customer, including
33 but not limited to an electrical company, consumer-owned utility,
34 aggregator, power marketer, broker, or independent power producer. The
35 Bonneville power administration, established pursuant to 16 U.S.C. Sec.
36 832 et seq., or its successor, is not an electricity service supplier
37 for purposes of this chapter.

1 (8) "Governing body" means the board of directors, the council of
2 a city or town, or the commissioners of an electric cooperative,
3 irrigation district, municipal electric utility, mutual association, or
4 public utility district, respectively, that has the authority to set
5 and approve rates.

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

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

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

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

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

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

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

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

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

15 NEW SECTION. **Sec. 8.** If any provision of this act or its
16 application to any person or circumstance is held invalid, the
17 remainder of the act or the application of the provision to other
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 9.** Sections 1 through 5 of this act constitute
20 a new chapter in Title 80 RCW.

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