
SUBSTITUTE SENATE BILL 5333

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Energy, Technology & Telecommunications
(originally sponsored by Senators Brown, Fairley, Fraser, Goings,
Winsley, Costa and Kohl-Welles)

Read first time 03/03/99.

1 AN ACT Relating to reduced rates and charges for utility service by
2 electrical and gas companies for low-income citizens; amending RCW
3 80.28.010, 80.28.080, 80.28.090, and 80.28.100; adding a new section to
4 chapter 80.28 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that discounts on
7 rates and services by electrical and gas companies for their low-income
8 customers may:

9 (a) Facilitate the provision of uninterrupted basic services to
10 low-income customers;

11 (b) Be a cost-effective mechanism to reduce a utility's cost of
12 service associated with collecting overdue bills, disconnecting
13 delinquent accounts, and writing off uncollectible debts; and

14 (c) Assist in the achievement of the state's energy conservation
15 goals.

16 (2) The legislature further finds that ambiguity exists as to
17 whether and how electrical or gas companies may offer discounts to
18 their low-income customers. The legislature therefore intends to
19 clarify the authority of the utilities and transportation commission to

1 approve such reduced rates and charges for low-income customers of
2 electrical and gas companies. It is not the legislature's intent that
3 the commission allow substantial cost shifts to other ratepayers as a
4 result of such discounts.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.28 RCW
6 to read as follows:

7 Upon request by an electrical or gas company, the commission may
8 approve rates, charges, services, and/or physical facilities at a
9 discount for low-income senior customers and low-income customers.
10 Expenses and lost revenues as a result of these discounts shall be
11 included in the company's cost of service and recovered in rates to
12 other customers.

13 **Sec. 3.** RCW 80.28.010 and 1995 c 399 s 211 are each amended to
14 read as follows:

15 (1) Except as provided in section 2 of this act, all charges made,
16 demanded or received by any gas company, electrical company or water
17 company for gas, electricity or water, or for any service rendered or
18 to be rendered in connection therewith, shall be just, fair, reasonable
19 and sufficient.

20 (2) Every gas company, electrical company and water company shall
21 furnish and supply such service, instrumentalities and facilities as
22 shall be safe, adequate and efficient, and in all respects just and
23 reasonable.

24 (3) All rules and regulations issued by any gas company, electrical
25 company or water company, affecting or pertaining to the sale or
26 distribution of its product, shall be just and reasonable.

27 (4) Utility service for residential space heating shall not be
28 terminated between November 15 through March 15 if the customer:

29 (a) Notifies the utility of the inability to pay the bill,
30 including a security deposit. This notice should be provided within
31 five business days of receiving a payment overdue notice unless there
32 are extenuating circumstances. If the customer fails to notify the
33 utility within five business days and service is terminated, the
34 customer can, by paying reconnection charges, if any, and fulfilling
35 the requirements of this section, receive the protections of this
36 chapter;

1 (b) Provides self-certification of household income for the prior
2 twelve months to a grantee of the department of community, trade, and
3 economic development which administers federally funded energy
4 assistance programs. The grantee shall determine that the household
5 income does not exceed the maximum allowed for eligibility under the
6 state's plan for low-income energy assistance under 42 U.S.C. 8624 and
7 shall provide a dollar figure that is seven percent of household
8 income. The grantee may verify information provided in the self-
9 certification;

10 (c) Has applied for home heating assistance from applicable
11 government and private sector organizations and certifies that any
12 assistance received will be applied to the current bill and future
13 utility bills;

14 (d) Has applied for low-income weatherization assistance to the
15 utility or other appropriate agency if such assistance is available for
16 the dwelling;

17 (e) Agrees to a payment plan and agrees to maintain the payment
18 plan. The plan will be designed both to pay the past due bill by the
19 following October 15 and to pay for continued utility service. If the
20 past due bill is not paid by the following October 15, the customer
21 shall not be eligible for protections under this chapter until the past
22 due bill is paid. The plan shall not require monthly payments in
23 excess of seven percent of the customer's monthly income plus one-
24 twelfth of any arrearage accrued from the date application is made and
25 thereafter during November 15 through March 15. A customer may agree
26 to pay a higher percentage during this period, but shall not be in
27 default unless payment during this period is less than seven percent of
28 monthly income plus one-twelfth of any arrearage accrued from the date
29 application is made and thereafter. If assistance payments are
30 received by the customer subsequent to implementation of the plan, the
31 customer shall contact the utility to reformulate the plan; and

32 (f) Agrees to pay the moneys owed even if he or she moves.

33 (5) The utility shall:

34 (a) Include in any notice that an account is delinquent and that
35 service may be subject to termination, a description of the customer's
36 duties in this section;

37 (b) Assist the customer in fulfilling the requirements under this
38 section;

1 (c) Be authorized to transfer an account to a new residence when a
2 customer who has established a plan under this section moves from one
3 residence to another within the same utility service area;

4 (d) Be permitted to disconnect service if the customer fails to
5 honor the payment program. Utilities may continue to disconnect
6 service for those practices authorized by law other than for nonpayment
7 as provided for in this subsection. Customers who qualify for payment
8 plans under this section who default on their payment plans and are
9 disconnected can be reconnected and maintain the protections afforded
10 under this chapter by paying reconnection charges, if any, and by
11 paying all amounts that would have been due and owing under the terms
12 of the applicable payment plan, absent default, on the date on which
13 service is reconnected; and

14 (e) Advise the customer in writing at the time it disconnects
15 service that it will restore service if the customer contacts the
16 utility and fulfills the other requirements of this section.

17 (6) A payment plan implemented under this section is consistent
18 with RCW 80.28.080.

19 (7) Every gas company and electrical company shall offer
20 residential customers the option of a budget billing or equal payment
21 plan. The budget billing or equal payment plan shall be offered low-
22 income customers eligible under the state's plan for low-income energy
23 assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without
24 limiting availability to certain months of the year, without regard to
25 the length of time the customer has occupied the premises, and without
26 regard to whether the customer is the tenant or owner of the premises
27 occupied.

28 (8) Every gas company, electrical company and water company shall
29 construct and maintain such facilities in connection with the
30 manufacture and distribution of its product as will be efficient and
31 safe to its employees and the public.

32 (9) An agreement between the customer and the utility, whether oral
33 or written, shall not waive the protections afforded under this
34 chapter.

35 (10) In establishing rates or charges for water service, water
36 companies as defined in RCW 80.04.010 may consider the achievement of
37 water conservation goals and the discouragement of wasteful water use
38 practices.

1 **Sec. 4.** RCW 80.28.080 and 1985 c 427 s 2 are each amended to read
2 as follows:

3 Except as provided in section 2 of this act, no gas company,
4 electrical company or water company shall charge, demand, collect or
5 receive a greater or less or different compensation for any service
6 rendered or to be rendered than the rates and charges applicable to
7 such service as specified in its schedule filed and in effect at the
8 time, nor shall any such company directly or indirectly refund or remit
9 in any manner or by any device any portion of the rates or charges so
10 specified, or furnish its product at free or reduced rates except to
11 its employees and their families, and its officers, attorneys, and
12 agents; to hospitals, charitable and eleemosynary institutions and
13 persons engaged in charitable and eleemosynary work; to indigent and
14 destitute persons; to national homes or state homes for disabled
15 volunteer soldiers and soldiers' and sailors' homes: PROVIDED, That
16 the term "employees" as used in this paragraph shall include
17 furloughed, pensioned and superannuated employees, persons who have
18 become disabled or infirm in the service of any such company; and the
19 term "families," as used in this paragraph, shall include the families
20 of those persons named in this proviso, the families of persons killed
21 or dying in the service, also the families of persons killed, and the
22 surviving spouse prior to remarriage, and the minor children during
23 minority of persons who died while in the service of any of the
24 companies named in this paragraph: PROVIDED FURTHER, That water
25 companies may furnish free or at reduced rates water for the use of the
26 state, or for any project in which the state is interested: AND
27 PROVIDED FURTHER, That gas companies, electrical companies, and water
28 companies may charge the defendant for treble damages awarded in
29 lawsuits successfully litigated under RCW 80.28.240.

30 No gas company, electrical company or water company shall extend to
31 any person or corporation any form of contract or agreement or any rule
32 or regulation or any privilege or facility except such as are regularly
33 and uniformly extended to all persons and corporations under like
34 circumstances.

35 **Sec. 5.** RCW 80.28.090 and 1961 c 14 s 80.28.090 are each amended
36 to read as follows:

37 Except as provided in section 2 of this act, no gas company,
38 electrical company or water company shall make or grant any undue or

1 unreasonable preference or advantage to any person, corporation, or
2 locality, or to any particular description of service in any respect
3 whatsoever, or subject any particular person, corporation or locality
4 or any particular description of service to any undue or unreasonable
5 prejudice or disadvantage in any respect whatsoever.

6 **Sec. 6.** RCW 80.28.100 and 1961 c 14 s 80.28.100 are each amended
7 to read as follows:

8 Except as provided in section 2 of this act, no gas company,
9 electrical company or water company shall, directly or indirectly, or
10 by any special rate, rebate, drawback or other device or method,
11 charge, demand, collect or receive from any person or corporation a
12 greater or less compensation for gas, electricity or water, or for any
13 service rendered or to be rendered, or in connection therewith, except
14 as authorized in this chapter, than it charges, demands, collects or
15 receives from any other person or corporation for doing a like or
16 contemporaneous service with respect thereto under the same or
17 substantially similar circumstances or conditions.

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