

SENATE BILL REPORT

SB 5290

As Reported by Senate Committee On:
Environment, Water & Energy, January 27, 2009

Title: An act relating to requests made by a party concerning gas or electrical company discounts for low-income senior customers and low-income customers.

Brief Description: Concerning requests made by a party relating to gas or electrical company discounts for low-income senior customers and low-income customers.

Sponsors: Senators Franklin, Brown, Fraser, Kauffman, McAuliffe, Shin, Murray, Eide, Keiser, Berkey and Regala.

Brief History:

Committee Activity: Environment, Water & Energy: 1/21/09, 1/27/09 [DPS].

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Majority Report: That Substitute Senate Bill No. 5290 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Pridemore, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Hatfield, Holmquist, Marr, Morton and Sheldon.

Staff: William Bridges (786-7416)

Background: Utilities regulated by the Washington Utilities and Transportation Commission (WUTC) are generally prohibited from offering free or reduced rates. There are exceptions for such groups as charities and "indigent and destitute persons," among others. Because no definition of "indigent and destitute persons" was provided in law, few if any gas or electric utilities were offering free or reduced rates for low-income customers prior to 1999. In that year, regulated gas and electric utilities were authorized by statute to provide discounts and other services to low-income customers and low-income senior customers.

Under the current law, only a gas or electric utility may initiate a request to approve or change a low-income program. The utility may make the request as part of a general rate case, a single rate case, or file a tariff, which would become effective after 30 days unless set for a hearing by the commission.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): A party to a general rate case hearing, in addition to an electrical or gas company, may request changes to a gas or electric utility's program for low-income senior customers and low-income customers.

EFFECT OF CHANGES MADE BY ENVIRONMENT, WATER & ENERGY COMMITTEE (Recommended Substitute): A technical change is made.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: The bill is in the best interests of the low-income community. The bill allows low-income advocates a chance to seek changes in utility programs for low-income customers; the WUTC will still have the final say on approving changes in the program. This is a timely bill given the state of the economy and the rising cost of energy. The prime sponsor is agreeable to clarifying language offered by the WUTC.

OTHER: Under the current law, only utilities are allowed to seek changes to their utility low-income programs.

Persons Testifying: PRO: Senator Franklin, prime sponsor; Charles Eberdt, The Energy Project.

OTHER: Pat Oshie, commissioner, WUTC.