

SENATE BILL REPORT

SB 5624

As Reported by Senate Committee On:
Energy, Environment & Telecommunications, February 16, 2017
Energy, Environment & Technology, January 18, 2018

Title: An act relating to transparency in retail electrical customer billing.

Brief Description: Concerning transparency in retail electrical customer billing.

Sponsors: Senators Hasegawa and Fortunato.

Brief History:

Committee Activity: Energy, Environment & Telecommunications: 2/14/17, 2/16/17 [DP].
Energy, Environment & Technology: 1/10/18, 1/18/18 [DPS].

Brief Summary of First Substitute Bill

- Requires each electric utility to provide either written or electronic notice of public hearings where changes in electricity rates will be considered or approved by the Utilities and Transportation Commission (UTC) or governing body.
- Requires that an electric utility must disclose the local tax rate imposed on the electric utility by a city or town on each billing statement.

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

Majority Report: Do pass.

Signed by Senators Sheldon, Vice Chair; Carlyle, Ranking Minority Member; Brown, Hobbs, Honeyford, Ranker, Short and Wellman.

Staff: Kimberly Cushing (786-7421)

SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TECHNOLOGY

Majority Report: That Substitute Senate Bill No. 5624 be substituted therefor, and the substitute bill do pass.

Signed by Senators Carlyle, Chair; Palumbo, Vice Chair; Ericksen, Ranking Member; Brown, Hawkins, Hobbs, McCoy, Ranker, Sheldon and Wellman.

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.

Staff: Kimberly Cushing (786-7421)

Background: Disclosure to Retail Electric Customers. Retail electric customers have the right to receive specified disclosures from all electric utilities, other than small electric utilities. The disclosures must include:

- credit and deposit requirements;
- rates and charges, including how to receive notice for public hearings on changes in rates;
- metering and measurement policies;
- bill payment policies;
- payment arrangement options;
- disconnection notice requirements;
- confidentiality policies for customer records;
- customer inquiry and complaint procedures; and
- an annual report.

Notice of Disclosures to Retail Electric Customers. At the time service is established and at least once a year thereafter, an electric utility must provide notice that disclosures are available upon request and without charge. This notice must either be a prominent part of each customer's bill or provided in a separate mailing.

Utilities must identify on all customer billing statements, or by a separate quarterly written notice, the various components of electricity service that customers are charged for as part of their bills, including: electricity, distribution, metering, overhead, conservation investments, and taxes.

Small Electric Utilities. A small utility is defined as any consumer-owned utility with 25,000 or fewer electric meters in service, or that has an average of seven or fewer customers per mile of distribution line.

Additional Tax Information on Customer Billings. Any customer billing issued by a light or power business that serves more than 20,000 customers in Washington must include:

- the rates and amounts of taxes paid directly by the customer on products or services from the light and power business; and
- the rate, origin, and approximate amount of each tax levied on the revenue of the light and power business.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): All electric utilities, other than small electric utilities, must provide the following:

- written or electronic notice, in a form or manner as required by the UTC or governing body, for any public hearing when changes in electricity rates will be considered or approved by the UTC or governing body; and
- the rate of tax imposed on the electric utility by a city or town, if any, and the amount of the tax to be paid directly by the retail electric customer through the billing statement.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (Energy, Environment & Telecommunications): *Testimony from 2017 Regular Session.* PRO: Public utility bills do not reflect what taxes are being collected. The state government has been shifting the tax burden to local governments, which forces the public utilities to collect the taxes for the cities. The tax shift should be transparent so that utility ratepayers understand what is going on. The annual report is not very user-friendly and does not separate out the category of total miscellaneous taxes. This will clarify what the taxpayers are spending money on. Seattle City Light intends to put both the city utility tax and state public utility tax in the customer bill, but it will take some time. Currently the tax is imbedded in the kilowatt rate.

Persons Testifying (Energy, Environment & Telecommunications): PRO: Senator Bob Hasegawa, Prime Sponsor; Rose Feliciano, Seattle City Light.

Persons Signed In To Testify But Not Testifying (Energy, Environment & Telecommunications): No one.

Staff Summary of Public Testimony on First Substitute (Energy, Environment & Technology): PRO: This bill provides transparency. The cities have ability to pass taxes and public utility districts have to charge ratepayers for decisions on a tax that they did not make. We want people to know where the taxes are coming from and going to.

Persons Testifying (Energy, Environment & Technology): PRO: Senator Bob Hasegawa, Prime Sponsor.

Persons Signed In To Testify But Not Testifying (Energy, Environment & Technology): No one.