WSR 14-18-004
WITHDRAWL OF PROPOSED RULES
SUPERINTENDENT OF PUBLIC INSTRUCTION
[Filed August 21, 2014, 12:17 p.m.]

On Thursday, July 17, 2014, the state superintendent of public instruction filed a CR-102 for proposed changes to chapter 392-143 WAC, WSR 14-15-087.

I am writing to request you to withdraw the public hearing scheduled for Tuesday, August 26, 2014, at 3:30 p.m., at the office of superintendent of public instruction. Further clarification is needed regarding the proposed changes.

Randy Dorn
State Superintendent
of Public Instruction

WSR 14-18-027
PROPOSED RULES
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
(Economic Services Administration)
(Community Services Division)
[Filed August 26, 2014, 2:54 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-02-119.

Title of Rule and Other Identifying Information: The department is proposing to amend WAC 388-492-0020 What are WASHCAP food benefits and what do I need to know about WASHCAP?, 388-492-0030 Who can get WASHCAP?, 388-492-0080 Where do I report changes?, and 388-492-0100 How is my eligibility for WASHCAP food benefits reviewed?

Hearing Location(s): Office Building 2, Lookout Room, DSHS Headquarters, 1115 Washington, Olympia, WA 98504 (public parking at 11th and Jefferson. A map is available at http://www1.dshs.wa.gov/msa/rpau/RPAU-OB-2directions.html), on October 7, 2014, at 10:00 a.m.

Date of Intended Adoption: Not earlier than October 8, 2014.

Submit Written Comments to: DSHS Rules Coordinator, P.O. Box 45850, Olympia, WA 98504, e-mail DSHSRPAURulesCoordinator@dshs.wa.gov, fax (360) 664-6185, by 5:00 p.m., October 7, 2014.

Assistance for Persons with Disabilities: Contact Jeff Kildahl, DSHS rules consultant, TTY (360) 664-6178 or (360) 664-6092 or e-mail Kildaja@dshs.wa.gov.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The department is proposing to amend these WACs to clarify the differences and similarities in definitions, eligibility requirements, reporting requirements, and benefit calculation for the WASHCAP demonstration project and Basic Food.

Reasons Supporting Proposal: The state of Washington operates WASHCAP under an approved demonstration project with the United States Department of Agriculture, Food and Nutrition Service (FNS). The demonstration project sets in place certain alternative procedures for WASHCAP from the supplemental nutrition assistance program (SNAP) administered in Washington state as Basic Food. In accordance with the approved demonstration project plan and the Food and Nutrition Act of 2008, all elements of the SNAP program not specifically waived as a part of the demonstration project apply to WASHCAP households.

Statutory Authority for Adoption: RCW 74.04.050, 74.04.055, 74.04.057, 74.04.500, 74.08.090, 74.08A.903.

Rule is necessary because of federal law, Title 7 C.F.R. Part 273.

Name of Proponent: Department of social and health services, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation, and Enforcement: Holly St. John, P.O. Box 45470, Olympia, WA, (360) 725-4895.

No small business economic impact statement has been prepared under chapter 19.85 RCW. These amendments are exempt as allowed under RCW 34.05.328 (5)(b)(vii) which states in part, "this section does not apply to … rules of the department of social and health services relating only to client medical or financial eligibility and rules concerning liability for care of dependents."

A cost-benefit analysis is not required under RCW 34.05.328. These amendments are exempt as allowed under RCW 34.05.328 (5)(b)(vii) which states in part, "this section does not apply to … rules of the department of social and health services relating only to client medical or financial eligibility and rules concerning liability for care of dependents."

August 22, 2014
Katherine I. Vasquez
Rules Coordinator

AMENDATORY SECTION (Amending WSR 10-23-115, filed 11/17/10, effective 12/18/10)

WAC 388-492-0020 What are WASHCAP food benefits and what do I need to know about WASHCAP? WASHCAP means the Washington State Combined Application Project.

(1) WASHCAP is a simplified food benefits program for most single supplemental security income (SSI) recipients.

(a) WASHCAP uses policy of the supplemental nutrition assistance program (SNAP).

(i) The food and nutrition act of 2008;

(ii) Federal regulations for the SNAP program under Title 7 of the Code of Federal Regulations; and

(iii) The current demonstration project waiver for WASHCAP approved by USDA food and nutrition service (FNS).

(b) Unless specifically stated in ((~~this WAC~~)) chapter 388-492 WAC, WASHCAP food benefits follow all the program requirements of the Basic Food program as described under Title 388 WAC ((~~388-400-0040~~)).

(2) The Social Security Administration (SSA) asks you if you want to get food benefits when you apply for SSI in Washington state. You do not have to go to your local community services office (CSO) to apply for WASHCAP.

(3) If you meet the requirements of WAC 388-492-0030, you will get WASHCAP food benefits unless you can choose Basic Food benefits under WAC 388-492-0040.

(4) If you are eligible for WASHCAP food benefits under WAC 388-492-0030, SSA will electronically ((sends)) send us the information we need to open and update your WASHCAP food benefits.

(5) When the DSHS and SSA systems match exactly, WASHCAP food benefits begin the first month after the month you apply and are eligible for ongoing SSI and meet WASHCAP program requirements.

(6) ((You do not have to go to your local community services office (CSO) to apply for WASHCAP.

(7))) If you want Basic Food benefits before WASHCAP food benefits begin, you can apply:

(a) By contacting the customer service center (CSC) at 1-877-501-2233 to request an application be mailed to you;

(b) ((Over the internet)) Online at washingtonconnection.org;

(c) At any community services office (CSO);

(d) At any home and community services office (HCS); or

(e) At any Social Security Administration (SSA) office.

(((8))) (7) If you get Basic Food benefits, these benefits will continue:

(a) Through the end of your certification period; or

(b) Through the month before your WASHCAP food benefits start.

(((9) While you get WASHCAP food benefits,)) (8) We calculate your WASHCAP benefits using the information we receive from SSA. Because of this, you must report all changes to SSA.

(((10))) (9) You do not have to report changes to your WASHCAP worker. See WAC 388-492-0080.

(10) When the department learns of a change in your circumstances, we may also update your WASHCAP food benefits.

AMENDATORY SECTION (Amending WSR 10-23-115, filed 11/17/10, effective 12/18/10)

WAC 388-492-0030 Who can get WASHCAP? (1) You can ((get)) receive WASHCAP food benefits if:

(a) You ((are eligible to)) receive federal SSI benefits; and

(b) You do not have earned income when you apply for WASHCAP; and

(c) You are eighteen years of age or older; and

(((c))) (i) You live alone, or SSA considers you as a single household; ((or))

(((d))) (ii) You are age eighteen through twenty-one, living with your parent(s) who do not get Basic Food benefits, and you purchase food separately; or

(((e))) (iii) You live with others but buy and cook your food separately from them((; and)).

(((f) You do not have earned income when you apply for SSI; or

(g) You already get WASHCAP food benefits and become employed and receive earned income for less than three consecutive months and are still eligible to receive federal SSI cash benefits; or

(h) You already get WASHCAP and move to an institution for ninety days or less.))

(2) You are not eligible for WASHCAP food benefits if:

(a) You live in an institution;

(b) You are under age eighteen;

(c) You live with your spouse;

(d) You are under age twenty-two and you live with your parent(s) who are getting Basic Food benefits;

(e) You begin working after you have been approved for WASHCAP and have earned income for more than three consecutive months;

(f) You live with others and do not buy and cook your food separately from them; or

(g) You live with your child who is under 22 years of age that you are responsible for;

(h) You are ineligible for Basic Food benefits ((under)) for a reason described in WAC 388-400-0040 (((14)(b) and (c))) (12).

(3) If you already receive WASHCAP, and begin receiving earned income, you can continue to receive WASHCAP only if:

(a) You do not have earned income for three or more consecutive months;

(b) SSI removes earned income from the State Data Exchange (SDX) SSA uses to communicate changes to the department; and

(c) You continue to receive SSI.

(4) If you already receive WASHCAP and move to an institution, you can continue to receive WASHCAP if you are in the institution for ninety days or less. We must close WASHCAP benefits earlier than 90 days if you move to an institution, you are not responsible for your own food purchase or preparation, and the change is reported directly the department.

(5) We use ((SSA)) information from SSA as well as other sources including local, state, and federal agencies to determine your WASHCAP eligibility.

AMENDATORY SECTION (Amending WSR 10-23-115, filed 11/17/10, effective 12/18/10)

WAC 388-492-0080 Where do I report changes? (1) You report all changes to the Social Security Administration (SSA) according to their reporting requirements. ((Social Security reports these changes to your WASHCAP worker)) SSA provides the department the necessary information to update your WASHCAP benefits.

(2) Even if you don't report a change, we use information from SSA as well as other sources including local, state, and federal agencies to determine your WASHCAP eligibility.

(3) SSA will not accept or report shelter costs changes to WASHCAP until SSA does its redetermination.

(((3))) (4) You do not have to report any changes to your WASHCAP worker.

(((4))) (5) You can choose to report the following changes to your WASHCAP worker to see if you will get more food benefits((.)):

(a) A change in your address;

(b) An increase in your shelter costs; or

(c) An increase in your out-of-pocket medical expenses.

((~~(5)~~)) (6) If you or someone you authorize reports changes to DSHS, we may need proof ((~~may be required~~)) of the change.

((~~(6)~~)) (7) If you report a change that could increase the amount of your food benefits, we will not increase the benefit amount if we have asked for proof and it has not been provided.

AMENDATORY SECTION (Amending WSR 10-23-115, filed 11/17/10, effective 12/18/10)

WAC 388-492-0100 How is my eligibility for WASHCAP food benefits reviewed? (1) If the Social Security Administration (SSA) reviews your supplemental security income (SSI) eligibility, they ((~~will~~)) may also complete your review for WASHCAP. SSA sends us this information electronically, which we use to update your benefits.

(a) ((~~and we~~)) We will automatically extend your WASHCAP certification period if you are still eligible for benefits.

(b) If SSA's review tells us you are not eligible for WASHCAP, we will end your WASHCAP benefits. You can apply for benefits under the Washington basic food program.

(2) If SSA does not review your SSI eligibility, we will mail you a one-page application two months before your WASHCAP benefits end. You must complete and return this application to the WASHCAP unit or your local home and community services office (HCS).

(3) We do WASHCAP reviews by mail. If you bring your WASHCAP application to the local office, we will process the application as follows:

(a) If you get long-term care services, your local HCS office will process your application; or

(b) If you do not get long-term care services, ((~~the local office will forward your application to~~)) the WASHCAP central unit will process your application.

(4) If we get your completed application after your WASHCAP food benefits end, we will reopen your benefits back to the first of the month if:

(a) We get your application form ((~~within thirty days from the end of your~~)) any time during the first month following the end of your certification period; and

(b) You are still eligible for WASHCAP food benefits.

(5) If we get your completed application form ((~~more than thirty days after your benefits end, your~~)) after the end of the month following the end of your certification period WASHCAP food benefits open the first of the next month after:

(a) You turn in your application; and

(b) SSA shows you are eligible for WASHCAP in their system.

(6) If your application is not complete, we will return it to you to complete.

(7) If you want Basic Food benefits while you are waiting for WASHCAP food benefits, you must apply for these benefits:

(a) By contacting the customer service center (CSC) at 1-877-501-2233 to request an application be mailed to you;

(b) ((~~Over the internet~~)) Online at washingtonconnection.org;

(c) At any community services office (CSO);

(d) At any home and community services office (HCS); or

(e) At any Social Security ((~~Adminstration [Administration]~~)) Administration (SSA) office.

WSR 14-18-031
PROPOSED RULES
DEPARTMENT OF HEALTH
(Dental Quality Assurance Commission)

[Filed August 27, 2014, 7:41 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-04-019.

Title of Rule and Other Identifying Information: WAC 246-817-740, minimal sedation by inhalation; WAC 246-817-745, moderate sedation; WAC 246-817-760, moderate sedation with parenteral agents; and WAC 246-817-772, training requirements for anesthesia monitor. The dental quality assurance commission (commission) is proposing changing monitoring and equipment requirements when dentists administer anesthetic agents for dental procedures.

Hearing Location(s): The Davenport Hotel, 10 South Post Street, Isabella Room, Spokane, WA, on October 24, 2014, at 8:05 a.m.

Date of Intended Adoption: October 24, 2014.

Submit Written Comments to: Jennifer Santiago, P.O. Box 47852, Olympia, WA 98504-7852, e-mail http://www3.doh.wa.gov/policyreview/, fax (360) 236-2901, by October 20, 2014.

Assistance for Persons with Disabilities: Contact Jennifer Santiago by October 20, 2014, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rules clarify charting requirements, monitoring of expired carbon dioxide (CO_2), and required use of a pulse oximetry, electrocardiographic and end-tidal (CO_2) monitors. Proposed changes will align existing rules with national practice standards currently being used by dentists.

Reasons Supporting Proposal: Dentists must comply with requirements listed in WAC 246-817-701 through 246-817-790 when administering any type of anesthetic agents for a dental procedure. This includes local anesthetic, minimal sedation, moderate sedation, deep sedation/analgesia, and general anesthesia. Updating the monitoring and equipment requirements of WAC 246-817-740, 246-817-745, 246-817-760, and 246-817-772, will help safeguard patients and be consistent with the recognized standard of care.

Statutory Authority for Adoption: RCW 18.32.0365 and 18.32.640.

Statute Being Implemented: RCW 18.32.640.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state dental quality assurance commission, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation, and Enforcement: Jennifer Santiago, 111 Israel Road S.E., Tumwater, WA 98501, (360) 236-4893.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule would not impose more than minor costs on businesses in an industry.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Jennifer Santiago, P.O. Box 47852, Olympia, WA 98504-7852, phone (360) 236-4893, fax (360) 236-2901, e-mail jennifer.santiago@doh.wa.gov.

August 27, 2014
Robert R. Shaw, D.M.D., Chair
Dental Quality Assurance Commission

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

WAC 246-817-740 "Minimal sedation by inhalation" (to include but not limited to nitrous oxide). (1) Training requirements: To administer inhalation minimal sedation a dentist must have completed a course containing a minimum of fourteen hours of either predoctoral dental school or post-graduate instruction in inhalation minimal sedation.

(2) Procedures for administration: Inhalation minimal sedation must be administered under the close supervision of a person qualified under this chapter and dental hygienists as provided in chapter 18.29 RCW:

(a) When administering inhalation minimal sedation, a second individual must be on the office premises and able to immediately respond to any request from the person administering the inhalation minimal sedation;

(b) The patient must be continuously observed while inhalation minimal sedation is administered.

(3) Equipment and emergency medications: All offices in which inhalation minimal sedation is administered must comply with the recordkeeping and equipment standards listed in WAC 246-817-724.

(4) Dental records must contain documentation in the chart of either nitrous oxide, oxygen or any other inhalation sedation agent dispensed. In the case of nitrous oxide ((~~sedation only "N_2O used" is~~)), notation of its use, percent concentration, and beginning and ending blood pressure are required. Other inhalation agents require a dose record noting the time each concentration or agent was used.

(5) Continuing education: A dentist who administers inhalation sedation to patients must participate in seven hours of continuing education or equivalent every five years.

(a) The education must include instruction in one or more of the following areas: Sedation; physiology; pharmacology; inhalation analgesia; patient evaluation; patient monitoring and medical emergencies;

(b) Health care provider basic life support (BLS), or advanced cardiac life support (ACLS) training does not count towards this requirement; however, these continuing education credit hours may be used to meet renewal requirements for the dental license.

(6) A permit of authorization is not required.

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

WAC 246-817-745 "Minimal sedation." (1) Training requirements: To administer "minimal sedation," including:

(a) A single oral agent, a dentist must have completed a course containing a minimum of fourteen hours of a predoctoral dental school, postgraduate instruction, or continuing education (as defined in WAC 246-817-440) in the use of oral agents;

(b) Any oral agent in combination with a different agent or multiple agents other than nitrous oxide or injectable agents, a dentist must have completed a course containing a minimum of twenty-one hours of either predoctoral dental school or postgraduate instruction.

(2) Procedures for administration:

(a) Oral sedative agents can be administered in the treatment setting or prescribed for patient dosage prior to the appointment;

(b) A second individual must be on the office premises and able to immediately respond to any request from the person administering the drug;

(c) The patient ((~~shall~~)) must be continuously observed while in the office under the influence of the drug;

(d) Any adverse reactions must be documented in the records;

(e) If a patient unintentionally enters into a moderate level of sedation, the patient must be returned to a level of minimal sedation as quickly as possible. While returning the patient to the minimal sedation level, periodic monitoring of pulse, respiration, and blood pressure must be maintained. In such cases, these same parameters must be taken and recorded at appropriate intervals throughout the procedure and vital signs and level of consciousness must be recorded during the sedation and prior to dismissal of the patient.

(3) Dental records must contain documentation in the chart of all agents administered, time administered, and dosage for minimal sedation. In the case of nitrous oxide ((~~sedation only "N_2O used" is~~)), notation of its use, percent concentration, and beginning and ending blood pressure are required. Other inhalation agents require a dose record noting the time each concentration and agent was used.

(4) Continuing education: A dentist who administers minimal sedation to patients must participate in seven hours of continuing education or equivalent every five years.

(a) The education must include instruction in one or more of the following areas:

(i) Sedation;

(ii) Physiology;

(iii) Pharmacology;

(iv) Nitrous oxide analgesia;

(v) Patient evaluation;

(vi) Patient monitoring; and

(vii) Medical emergencies;

(b) Health care provider basic life support (BLS) or advanced cardiac life support (ACLS) must be taken in addition to the continuing education requirement; however, these

continuing education credit hours may be used to meet the renewal requirements for the dental license.

(5) A permit of authorization is not required.

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

WAC 246-817-760 Moderate sedation with parenteral agents. (1) Training requirements: To administer moderate sedation with parenteral agents, the dentist must have successfully completed a postdoctoral course(s) of sixty clock hours or more which includes training in basic moderate sedation, physical evaluation, venipuncture, technical administration, recognition and management of complications and emergencies, monitoring, and supervised experience in providing moderate sedation to fifteen or more patients.

(2) In addition to meeting the ((~~above~~)) criteria in subsection (1) of this section, the dentist must also have a current and documented proficiency in advanced cardiac life support (ACLS) or pediatric advanced life support (PALS). One way to demonstrate such proficiency is to hold a valid and current ACLS, PALS certificate or equivalent.

(3) Procedures for administration of moderate sedation with parenteral agents by a dentist and an individual trained in monitoring sedated patients:

(a) In the treatment setting, a patient receiving moderate parenteral sedation must have that sedation administered by a person qualified under this chapter.

(b) A patient may not be left alone in a room and must be continually monitored by a dentist or trained anesthesia monitor.

(c) An intravenous infusion ((~~shall~~)) must be maintained during the administration of a parenteral agent.

(d) When the operative dentist is also the person administering the moderate sedation, the operative dentist must be continuously assisted by at least one individual experienced in monitoring sedated patients.

(e) In the treatment setting, a patient experiencing moderate sedation with parenteral agents ((~~shall have visual and tactile observation as well as continual monitoring of pulse, respiration, blood pressure and blood oxygen saturation. Unless prevented by the patient's physical or emotional condition, these vital sign parameters must be noted and recorded whenever possible prior to the procedure.~~)) must be visually and tactilely monitored by the dentist or an individual experienced in monitoring sedated patients. Patient monitoring must include:

(i) Heart rate;

(ii) Blood pressure;

(iii) Respiration; and

(iv) Expired carbon dioxide (CO_2).

The dentist shall use electrocardiographic monitoring, pulse oximetry, and end-tidal CO_2 monitoring.

(f) The patient's blood pressure and heart rate must be recorded every five minutes, pulse oximetry recorded every five minutes, and respiration rate must be recorded at least every fifteen minutes. In all cases these vital sign parameters must be noted and recorded at the conclusion of the procedure.

((~~(f)~~)) (g) Blood oxygen saturation must be continuously monitored and recorded at appropriate intervals.

((~~(g)~~)) (h) The patient's level of consciousness ((~~shall~~)) must be recorded prior to the dismissal of the patient.

((~~(h)~~)) (i) Patient's receiving these forms of sedation must be accompanied by a responsible adult upon departure from the treatment facility.

((~~(i)~~)) (j) If a patient unintentionally enters a deeper level of sedation, the patient must be returned to a level of moderate sedation as quickly as possible. While returning the patient to the moderate level of sedation, periodic monitoring of pulse, respiration, blood pressure and continuous monitoring of oxygen saturation must be maintained. In such cases, these same parameters must be taken and recorded at appropriate intervals throughout the procedure and vital signs and level of consciousness must be recorded during the sedation and prior to dismissal of the patient.

(4) Dental records must contain appropriate medical history and patient evaluation. ((~~Dosage and forms of medications dispensed shall be noted.~~)) Sedation records must be recorded during the procedure in a timely manner and must include:

(a) Blood pressure;

(b) Heart rate;

(c) Respiration;

(d) Pulse oximetry;

(e) End-tidal CO_2;

(f) Drugs administered including amounts and time administered;

(g) Length of procedure; and

(h) Any complications of sedation.

(5) Equipment and emergency medications: All offices in which moderate parenteral sedation is administered or prescribed must comply with the following equipment standards:

Office facilities and equipment shall include:

(a) Suction equipment capable of aspirating gastric contents from the mouth and pharynx;

(b) Portable oxygen delivery system including full face masks and a bag-valve-mask combination with appropriate connectors capable of delivering positive pressure, oxygen-enriched patient ventilation and oral and nasal pharyngeal airways of appropriate size;

(c) A blood pressure cuff (sphygmomanometer) of appropriate size and stethoscope; or equivalent monitoring devices;

(d) End-tidal CO_2 monitoring equipment;

(e) An emergency drug kit with minimum contents of:

(i) Sterile needles, syringes, and tourniquet;

(ii) Narcotic antagonist;

(iii) Alpha and beta adrenergic stimulant;

(iv) Vasopressor;

(v) Coronary vasodilator;

(vi) Antihistamine;

(vii) Parasympatholytic;

(viii) Intravenous fluids, tubing, and infusion set; and

(ix) Sedative antagonists for drugs used, if available.

(6) Continuing education: A dentist who administers moderate parenteral sedation must participate in eighteen

hours of continuing education or equivalent every three years.

(a) The education must include instruction in one or more of the following areas: Venipuncture; intravenous sedation; physiology; pharmacology; nitrous oxide analgesia; patient evaluation; patient monitoring and medical emergencies.

(b) Health care provider basic life support (BLS), advanced cardiac life support (ACLS) or pediatric advanced life support (PALS) must be taken in addition to the continuing education requirement; however, these continuing education credit hours may be used to meet the renewal requirements for the dental license.

(7) A permit of authorization is required. See WAC 246-817-774 for permitting requirements.

AMENDATORY SECTION (Amending WSR 09-04-042, filed 1/30/09, effective 3/2/09)

WAC 246-817-772 Training requirements for anesthesia monitor. (1) ((~~In addition to those individuals necessary to assist the practitioner in performing the procedure, a trained individual must be present to monitor the patient's cardiac and respiratory functions.~~

~~(2)~~)) When the dentist is also administering the deep sedation or general anesthesia, one additional appropriately trained team member must be designated for patient monitoring.

((~~(3)~~)) (2) When deep sedation or general anesthesia is administered by a dedicated anesthesia provider, the anesthesia provider may serve as the monitoring personnel.

((~~(4)~~)) (3) The dentist cannot employ an individual to monitor patients receiving deep sedation or general anesthesia unless that individual has received a minimum of fourteen hours of documented training (such as national certification American Association of Oral and Maxillofacial Surgeons "AAOMS") in a course specifically designed to include instruction and practical experience in use of equipment to include, but not be limited to, the following equipment:

(a) Sphygmomanometer; or a device able to measure blood pressure;

(b) Pulse oximeter; or other respiratory monitoring equipment;

(c) Electrocardiogram;

(d) Bag-valve-mask resuscitation equipment;

(e) Oral and nasopharyngeal airways;

(f) Defibrillator; automatic external defibrillator.

((~~(5)~~)) (4) The course referred to in subsection ((~~(4)~~)) (3) of this section must also include instruction in:

(a) Basic sciences;

(b) Evaluation and preparation of patients with systemic diseases;

(c) Anesthetic drugs and techniques;

(d) Anesthesia equipment and monitoring; and

(e) Office anesthesia emergencies.

WSR 14-18-033
PROPOSED RULES
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
(Office of the Deaf and Hard of Hearing)

[Filed August 27, 2014, 9:45 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-21-129.

Title of Rule and Other Identifying Information: The department is proposing to amend WAC 388-818-0010, 388-818-0020, 388-818-0040, and to add new sections to establish the standards for sign language and intermediary interpreters to be qualified to work in Washington courts.

Hearing Location(s): Office Building 2, Lookout Room, DSHS Headquarters, 1115 Washington, Olympia, WA 98504 (public parking at 11th and Jefferson. A map is available at http://www1.dshs.wa.gov/msa/rpau/RPAU-OB-2directions.html), on October 7, 2014, at 10:00 a.m.

Date of Intended Adoption: Not earlier than October 8, 2014.

Submit Written Comments to: DSHS Rules Coordinator, P.O. Box 45850, Olympia, WA 98504, e-mail DSHSRPAURulesCoordinator@dshs.wa.gov, fax (360) 664-6185, by 5:00 p.m., October 7, 2014.

Assistance for Persons with Disabilities: Contact Jeff Kildahl, DSHS rules consultant, by September 23, 2014, TTY (360) 664-6178 or (360) 664-6092 or by e-mail jeff.kildahl@dshs.wa.gov.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The office of deaf and hard of hearing must keep a list of qualified interpreters and set fee standards. These rules formalize the preexisting process and interpret the statute, chapter 2.42 RCW, by further defining interpreter qualifications in detail.

The proposed language will help define the criteria and expectations for sign language interpreters to work in Washington courts.

Reasons Supporting Proposal: See above.

Statutory Authority for Adoption: Chapter 2.42 RCW, RCW 2.42.130, 2.42.170.

Statute Being Implemented: Chapter 2.42 RCW, RCW 2.42.130, 2.42.170.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of social and health services, governmental.

Name of Agency Personnel Responsible for Drafting: Eric Raff, P.O. Box 45301, (360) 915-5835; Implementation and Enforcement: Berle Ross, P.O. Box 45301, (360) 339-4559.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules do not have an economic impact on small businesses. The proposed language will help define the criteria and expectations for sign language interpreters to work in Washington courts.

A cost-benefit analysis is not required under RCW 34.05.328. The rules are not considered significant legislative rule by definition under RCW 34.05.328 (5)(c)(iii).

August 22, 2014
Katherine I. Vasquez
Rules Coordinator

AMENDATORY SECTION (Amending WSR 03-05-100, filed 2/19/03, effective 3/22/03)

WAC 388-818-0010 What is the purpose of this chapter? (1) The purpose of this chapter is to provide regulations about social ((and)) services, telecommunications access services and reasonable accommodations sign language interpreting services for quasi-judicial and judicial proceedings for people with hearing loss and or speech impairments.

(2) These services are provided:

(a) Under contract with qualified service providers; or

(b) Directly through the office of the deaf and hard of hearing (ODHH) at the department of social and health services (DSHS).

(3) The purpose of this chapter related to sign language interpreting services in judicial and quasi-judicial settings legal proceedings is to:

(a) Establish the minimum qualifications for sign language interpreters to interpret in judicial and quasi-judicial settings pursuant to RCW 2.42.130; and

(b) Establish standards for payment of sign language interpreting services, pursuant to RCW 2.24.170.

AMENDATORY SECTION (Amending WSR 03-05-100, filed 2/19/03, effective 3/22/03)

WAC 388-818-0020 What does the office of the deaf and hard of hearing do? (1) The office of the deaf and hard of hearing (ODHH) within DSHS provides the following services ((~~to DSHS staff~~)):

(a) Provides information about hearing loss;

(b) Offers technical assistance and workshops about deafness; ((~~and~~))

(c) Identifies ways for DSHS staff to get sign language interpreter services for their clients who have hearing loss; and

(d) Administers and monitors contracts with sign language interpreters and sign language interpreter referral agencies.

(2) ODHH administers and monitors contracts with qualified service providers. These service providers offer community-based social services for clients who have hearing loss.

(3) ODHH manages the telecommunications access service program.

(4) ODHH contracts to provide telecommunications relay services (TRS).

(5) ODHH ((~~facilitates the DSHS telecommunications relay services (TRS) advisory committee on deafness~~)) provides a list of sign language interpreters and fee for service standards for fee considerations for Washington courts.

AMENDATORY SECTION (Amending WSR 03-05-100, filed 2/19/03, effective 3/22/03)

WAC 388-818-0040 What definitions apply to this chapter? **"AOC"** means the administrative office of the courts, established in chapter 2.56 RCW.

"Amplified telephone" means an electrical device that increases the volume or tone of sounds being received during a telephone call.

"Applicant" means a client who applies for specialized telecommunications equipment.

"Audiologist" means a person who has a certificate of clinical competence in audiology from the American Speech, Hearing, and Language Association and is licensed to practice in the state of Washington.

"Certified Court Intermediary interpreter" means an interpreter who is deaf who may be needed when the communication mode of the deaf consumer is so unique that it cannot be adequately understood by interpreters who are hearing. An intermediary interpreter acts as an intermediary between a hearing sign language interpreter and the deaf consumer.

"Certified court sign language interpreter" means a sign language interpreter who meets the qualifications required in this chapter and is included on the list administered by ODHH.

"Client" means a person who is deaf, hard of hearing, speech impaired, or deaf-blind and may receive services from ODHH.

"Deaf" means a condition where a person's hearing ability is absent or mostly absent.

"Deaf-blind" means a person with both hearing loss and visual impairments.

"DSHS or department" means the department of social and health services.

"Federal poverty guidelines" means the poverty level established by the **"Poverty Income Guideline"** updated annually in the Federal Register.

"Hard of hearing" means a condition where a person has a functional hearing loss with some residual hearing, whether permanent or fluctuation, which adversely affects communication.

"Hearing loss" means any form of hearing impairment, from mild to profound.

"Mobility impairment" for the purpose of this chapter means restricted upper body movement, which limits the ability to hold or dial a standard telephone to communicate. Individuals must also have a hearing loss or speech impairment.

"ODHH" means the office of the deaf and hard of hearing in the department of social and health services.

"Qualified service provider" means an agency or a business that provides social services to individuals with hearing loss or speech impairments. A qualified service provider may also be a **"qualified trainer."**

"Qualified trainer" means a person under contract with TAS who is knowledgeable in the use of telecommunications equipment.

"Relay service" is defined under **"telecommunications relay service (TRS)."**

"School-age" means between four and seventeen years of age.

"Sign language interpreter" means a person who facilitates communication between hearing individuals who communicate in spoken language and individuals who communicate in sign language. Sign language interpreters become certified by passing knowledge and performance tests established by the registry of interpreters for the deaf (RID) or the national association of the deaf (NAD). Certification is maintained by RID and includes the requirements that interpreters must be members of RID, comply with ongoing educational requirements, and maintain ethical standards.

"Sliding fee scale" means a range used to determine an applicant's participation in the cost of equipment.

"Speech impairment" means inability to speak or a speech disability.

"TAS" means the telecommunications access service program administered by the office of the deaf and hard of hearing. The program provides equipment and services to help people with hearing loss and speech impairments have equal access to telecommunications.

"Telecommunications equipment" means any specialized device determined by TAS in ODHH to help a person with a hearing loss or speech impairment to communicate effectively. Examples include: Amplified telephone, TTY, signaling devices, software, digital equipment, and accessories. (See WAC 388-818-0070.)

"Telecommunications relay service (TRS)" means wire or radio service that enables a person with hearing loss or speech impairment to communicate with a person who uses a voice telephone. This service has communication assistants who transfer telephone conversations from one format to another (such as spoken words to text) to facilitate communication between two or more people.

"TTY" means teletypewriter or text telephone.

"TTY with Braille" means a teletypewriter with Braille keyboard and display.

"Washington courts" means any court recognized in chapter 2.08 or 3.02 RCW.

Sign Language Interpreters Standards In Courts

NEW SECTION

WAC 388-818-500 How do I qualify to be on the list of sign language interpreters who work in Washington Courts? To be on the ODHH list of certified court interpreters, sign language and intermediary interpreters must register with and meet qualification standards established and administered by ODHH. There are two categories of interpreters, and different requirements for each category.

NEW SECTION

WAC 388-818-510 What authority does ODHH have to establish these standards? Washington courts under RCW 2.42.130 may hire sign language interpreters identified by ODHH to be qualified for working in the courts. Those interpreters who meet these standards will be on a list maintained by ODHH.

NEW SECTION

WAC 388-818-520 What are the different categories of court interpreters? There are two categories of court interpreters:

(1) Certified court sign language interpreters; and

(2) Certified court intermediary interpreters.

NEW SECTION

WAC 388-818-530 What are the requirements for certified court sign language interpreters? Certified court sign language interpreters are presumed to be the most qualified to interpret in court hearings because of their training, skills, and experience. To qualify as a certified court sign language interpreter, you must complete the following requirements:

(1) The applicant must hold a current certification, either:

(a) Specialist certificate: Legal (SC: L) from the Registry of interpreters for the deaf; or

(b) Registry of interpreters for the deaf (RID) certification and having passed the SC: L written test.

(2) You must undergo a DSHS criminal background check conducted by DSHS back check central unit using DSHS form 09-653 background authorization.

(3) You must complete the Washington courts training provided by the AOC.

(4) You must take an oath of interpreter, as administered by the Washington courts.

(5) You must submit a renewal registration form with ODHH annually by July 1.

NEW SECTION

WAC 388-818-540 What are the requirements for certified court intermediary interpreters? Certified court intermediary interpreters are presumed to be the most qualified to interpret in court hearings because of their training, skills, and experience. To qualify as a certified court intermediary interpreter, you must complete the following requirements:

(1) The applicant must hold a current certified deaf interpreter (CDI) certification from the registry of interpreters for the deaf;

(2) You must undergo a DSHS criminal background check conducted by DSHS background check central unit using DSHS form 09-653 background authorization;

(3) You must complete the Washington courts training provided by the AOC;

(4) You must take an oath of interpreter, as administered by the Washington courts; and

(5) A registration form will be required annually by July 1.

NEW SECTION

WAC 388-818-550 Are there any ongoing requirements for court interpreters? (1) Certified court sign language and intermediary interpreters are required to maintain

their certification in compliance with RID's certification maintenance program.

(2) An updated criminal background check will be required annually by July 1.

(3) A registration renewal form will be required annually by July 1.

NEW SECTION

WAC 388-818-560 If I have a criminal conviction in my history, am I automatically disqualified? No, if you have a criminal conviction in your history, you are not automatically disqualified, though a misdemeanor, gross misdemeanor, or felony conviction may be grounds for disqualification. Crimes that are automatically disqualifying can be found on the DSHS website.

NEW SECTION

WAC 388-818-570 What is included in the Washington courts training? Washington courts training includes information specific to the Washington court system, including, but not limited to: understanding the Washington court system, roles of various court levels, Washington legal terminology and procedure, and courtroom protocol and procedure. Washington courts training is required for all sign language and intermediary interpreters to become certified court interpreters.

NEW SECTION

WAC 388-818-580 How do I find out when and where training is available? You can contact AOC for a schedule of training opportunities available.

NEW SECTION

WAC 388-818-590 How do I add my name to the court interpreter list? First, send a completed DSHS Form 17-155 sign language interpreter registration to ODHH, including all required attachments. To request the form, contact ODHH.

If you fulfill all prerequisites, ODHH will contact you about the next dates available for Washington courts training. After you have satisfied all requirements, your name will be added to the court interpreter list.

NEW SECTION

WAC 388-818-600 What sign language interpreters can be hired to work in Washington courts? To be given preference to work in Washington courts, interpreters must be certified court interpreters. In each case or hearing, courts are encouraged to make every effort possible to hire certified court interpreters and determine whether an intermediary interpreter is necessary. Courts are strongly encouraged to secure services of a team of interpreters, one sign language interpreter accompanied by an intermediary interpreter in all communication encounters. The intermediary interpreter may only be released pursuant to RCW 2.42.150.

NEW SECTION

WAC 388-818-610 Where may a court obtain a list of certified qualified interpreters? ODHH will post an approved list of qualified interpreters on their website.

NEW SECTION

WAC 388-818-620 What are the standards for fee considerations that interpreters might charge a court? Standards for fee considerations can be found on the ODHH website.

NEW SECTION

WAC 388-818-630 What recourse do I have if I disagree with ODHH's decision to omit or remove my name from the list? (1) You must make a reasonable effort to resolve the dispute with ODHH by contracting the sign language interpreter manager.

(2) If the resolution fails, you may submit a written appeal explaining why you should be included on the qualified list of Certified Interpreter, to ODHH. You may deliver your statement to ODHH, in person or mail it to:

Director
Office of the Deaf and Hard of Hearing
PO Box 45301
Olympia, WA 98504-5301

(3) Your appeal must be received within twenty business days of ODHH's initial notice to informing you that you have been omitted or removed from the qualified interpreter list. The ODHH director will review your documents and offer an opportunity for an in-person meeting with him or her to present your information. At this meeting you may present evidence in support of your position either in writing, by in-person witness testimony, or through affidavit.

(4) The director will issue a written decision to you within twenty business days of receipt of your statement or of your in-person meeting, whichever is later.

(5) If you disagree with the decision of the ODHH Director, you may request that DSHS appoint a representative. The request for review must be submitted to the ODHH director in writing within twenty business days of your receipt of the director's decision. ODHH will forward all documents pertaining to the dispute to the DSHS representative. The DSHS representative may request additional information from you or ODHH.

(6) The DSHS representative will issue a written decision to you within twenty business days after receipt of your request for review. The DSHS representative's decision is the final decision of the department.

WSR 14-18-034
PROPOSED RULES
BOARD OF ACCOUNTANCY
[Filed August 27, 2014, 11:38 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-11-048.

Title of Rule and Other Identifying Information: WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-Inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty?

Hearing Location(s): Crown Plaza Seattle Airport, Queen Anne Room, 17338 International Boulevard, Seattle, WA 98188, on October 24, 2014, at 9:00 a.m.

Date of Intended Adoption: October 24, 2014.

Submit Written Comments to: Richard C. Sweeney, Executive Director, P.O. Box 9131, Olympia, WA 98507-9131, e-mail info@cpaboard.wa.gov, fax (360) 664-9190, by October 6, 2014.

Assistance for Persons with Disabilities: Contact Kirsten Donovan by October 6, 2014, TTY (800) 833-6388, or (800) 833-6385 (TeleBraille).

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This proposed rule is drafted to relieve military personnel deployed on active military duty and members of the state's National Guard called to duty by this state's governor from the requirements of renewal and payment of fees during a period of active duty and for a reasonable time thereafter.

Reasons Supporting Proposal: This proposal conforms to the expedited permitting requirements of WAC 246-12-051.

Statutory Authority for Adoption: RCW 18.04.055, 14.04.105(1), 18.04.215(1).

Statute Being Implemented: RCW 18.04.055, 14.04.105 (1), 18.04.215(1).

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: The Washington state board of accountancy, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Richard C. Sweeney, CPA, 711 Capitol Way South, Suite 400, Olympia, WA, (360) 586-0163.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules will not have more than minor economic impact on business.

A cost-benefit analysis is not required under RCW 34.05.328. The board of accountancy is not one of the agencies required to submit to the requirements of RCW 34.05.-328 (5)(a).

August 27, 2014
Richard C. Sweeney
Executive Director

NEW SECTION

WAC 4-30-088 What is the effect on a Washington individual licensee or CPA-Inactive certificateholder in the armed forces, reserves, or National Guard if the individual receives orders to deploy for active military duty? (1) **Definitions.** For purposes of this rule:

(a) "Active military duty" means:

(i) Deployed upon order of the President of the United states, the U.S. Secretary of Defense or Homeland Security in the case of a member of the armed forces or armed force reserves; or

(ii) Deployed upon order of the governor of this state in the case of the National Guard.

(b) "Armed forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard and reserves of each branch of the armed forces.

(c) "Active duty" means full-time employment in the armed forces of the United States. Such term does not include National Guard duty.

(d) "Military individual" means a living human being serving full time in the United States armed forces.

(e) "Military spouse" means the husband, wife, or registered domestic partner of a military individual.

(2) **Active military duty.**

(a) An individual fully employed on active duty in the armed forces of the United States applying for an initial license in this state shall receive priority processing of the application for initial licensing.

(b) A military applicant who obtains an initial license or a military individual holding a current license issued by this board, will be classified as "military" if the services provided to the armed forces include services within the definition of the practice of public accounting.

(c) An individual in the armed forces, reserves or National Guard and called to "active military duty" while holding an active license or CPA-Inactive certificate issued by this board may apply for a waiver of renewal fees and continuing professional education (CPE):

(i) The request for waiver of renewal fees and continuing professional education may be made through the board's online application and payment system or on a form provided by the board upon request;

(ii) The request for waiver must be supported by submitting documentation to substantiate the military individual's "active military duty" status;

(iii) Upon approval the waiver will serve to classify the individual as "military inactive";

(iv) The CPE reporting period and renewal year will not be affected by this reclassification of status;

(v) The waiver will continue to maintain an individual's military inactive status without fee or CPE until the individual is released from active military duty or discharged from the armed forces, reserves, or National Guard;

(vi) The board must be notified within six months after the date of release from active military duty or discharge from the armed forces. The board must be notified within six months of the date of release from a treatment facility if the individual is or has been in a treatment facility and a discharge was the result of injury or other reasons.

(3) **Return to previously held status after release from "active military duty" or discharge from the armed forces.**

(a) If a military individual desires to return to a previously held status after release from active military duty or discharge from the armed forces, all required information, documents, and fees must be submitted to the board before the application will be evaluated. An application for return to previously held status may be made through the board's

online application and payment system or on a form provided by the board upon request and must include the following:

(i) Documentation to substantiate:

• Release from "active military duty"; or

• Type of discharge from the armed forces.

(ii) Documentation to substantiate completion of the following qualified CPE:

• If the application is submitted in the last year of the previous CPE reporting period the individual must have completed four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site. The renewal fee is waived in this circumstance;

• If the application is submitted in the second year of the previous CPE reporting period the individual must have completed forty CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site;

• If the application is submitted in the first year of the previous CPE reporting period the individual must have completed eighty CPE credit hours including four CPE credit hours in ethics and regulation in Washington state and receive a passing grade of ninety percent on the board prepared examination available on the board's web site.

(iii) A military individual may receive an expedited license while completing any specific requirements that are not related to CPE or other board rules.

(b) The previously held status will not become effective until the status has been posted to the board's data base and, therefore, made available to the general public.

(4) **Military spouses.**

(a) A military spouse or state registered domestic partner of an individual in the military may receive an expedited license while completing any specific additional requirements that are not related to training or practice standards for the profession, provided the military spouse or state registered domestic partner:

(i) Holds an unrestricted, active license in another state that has substantially equivalent licensing standards for the same profession to those in Washington; and

(ii) Is not subject to any pending investigation, charges, or disciplinary action by the regulatory body of another state or jurisdiction of the United States.

(b) To receive expedited license treatment, the military spouse or state registered domestic partner of an individual in the military must provide all required information, documents, and fees to the board either by making application through the board's online application and payment system or on a form provided by the board upon request before the application will be evaluated.

(c) The application for expedited licensing will not be processed until the applicant submits copies to the board of the military individual's orders and official documents to establish the applicant's relationship to the military individual, such as one or more following documents:

(i) The military issued identification card showing the individual's military information and the applicant's relationship to that individual;

(ii) A marriage license; or

(iii) Documentation verifying a state registered domestic partnership.

(d) A military spouse or state registered domestic partner may only use a restricted title and practice public accounting under another state's license without an expedited license issued by this board for ninety days from the date the spouse entered this state for temporary residency during the military individual's transfer to this state.

WSR 14-18-035
PROPOSED RULES
BOARD OF ACCOUNTANCY

[Filed August 27, 2014, 11:58 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-03-036.

Title of Rule and Other Identifying Information: WAC 4-30-140 What are the authority, structure, and processes for investigations and sanctions?

Hearing Location(s): Crown Plaza Seattle Airport, Queen Anne Room, 17338 International Boulevard, Seattle, WA 98188, on October 24, 2014, at 9:00 a.m.

Date of Intended Adoption: October 24, 2014.

Submit Written Comments to: Richard C. Sweeney, Executive Director, P.O. Box 9131, Olympia, WA 98507-9131, e-mail info@cpaboard.wa.gov, fax (360) 664-9190, by October 6, 2014.

Assistance for Persons with Disabilities: Contact Kirsten Donovan by October 6, 2014, TTY (800) 833-6388, or (800) 833-6385 (TeleBraille).

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: Rule making is needed to expand the authority, structure, and processes for investigations and sanctions to include the determination of a case, the detailed process of an investigation, and guidelines used for sanctioning.

Reasons Supporting Proposal: The changes will incorporate the provisions of Board Policy 2004-1.

Statutory Authority for Adoption: RCW 18.04.045 (7) and (8), 14.04.055, 18.04.295, 18.04.350(6).

Statute Being Implemented: RCW 18.04.045 (7) and (8), 14.04.055, 18.04.295, 18.04.350(6).

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: The Washington state board of accountancy, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Richard C. Sweeney, CPA, 711 Capitol Way South, Suite 400, Olympia, WA, (360) 586-0163.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules will not have more than minor economic impact on business.

A cost-benefit analysis is not required under RCW 34.05.328. The board of accountancy is not one of the agencies required to submit to the requirements of RCW 34.05.-328 (5)(a).

August 27, 2014
Richard C. Sweeney
Executive Director

AMENDATORY SECTION (Amending WSR 10-24-009, filed 11/18/10, effective 12/19/10)

WAC 4-30-140 What are the authority, structure, and processes for investigations and sanctions?

Authority:

Investigations are responsive to formal complaints or indications of a potential violation of chapter 18.04 RCW and in all proceedings under RCW 18.04.295 or chapter 34.05 RCW.

The board chair may delegate investigative authority and responsibility for initiating and directing investigations to a designee including the executive director of the board (RCW 18.04.045(7)).

Structure:

Investigations must be directed and conducted by individuals sufficiently qualified and knowledgable of the subject matter of an investigation.

((~~The board chair may delegate investigative authority and responsibility for initiating and directing investigations to a designee including the executive director of the board (RCW 18.04.045(7)).~~))

The general responsibilities when directing an investigation are:

(1) Determine whether the complaint or other source of information is within the authority of the board;

(2) Determine the most likely sanction the board might impose if the alleged violation is proven;

(3) Determine the scope and type of evidence needed to reach a conclusion whether a violation occurred;

(4) Monitor communications to the person(s) affected by the investigative process;

(5) Monitor the progress of the evidentiary gathering process to ensure that the scope of inquiry and request for records is limited to that necessary to reach a conclusion whether the violation occurred;

(6) Upon completion of the investigation, evaluate the sufficiency of the evidence to support a conclusion as to whether a violation occurred;

(7) Develop a recommendation for dismissal or sanction for consideration by a consulting board member based upon the accumulated evidence and the board's "fair and equitable" standard for sanctioning.

Processes:

By board delegation, the executive director directs the complaint processes, investigative activities, and case resolution negotiations. The gathering of appropriate evidence should be assigned to staff or contract investigators who have no current or former close relationship to (or with) the complainant or the respondent.

Upon receiving a complaint or otherwise becoming aware of a situation or condition that might constitute a violation of the Public Accountancy Act (Act) or board rules, the executive director will make a preliminary assessment.

If the executive director determines:

• The situation or condition is not within the board's authority, the executive director may dismiss the matter, but a record of the event will be documented and maintained in the board office in accordance with the agency's approved retention schedule. A summary of dismissals will be reported regularly to the board.

• The situation or condition requires further evaluation, the executive director assigns the case to a staff or contract investigator.

Details of the additional evidence gathered and the resulting conclusion by the executive director will be documented. If the executive director determines that:

• Sufficient evidence does not exist to merit board action, the executive director may dismiss the case, but a record of the event will be documented and maintained in the board office in accordance with the agency's approved record retention schedule. A summary of dismissals will be reported regularly to the board.

• Sufficient evidence exists to merit board action and it is the first time an individual or firm is notified of a violation of the Public Accountancy Act or board rule, the executive director may impose administrative sanctions approved by the board for a first-time offense.

• Sufficient evidence exists to merit board consideration but the situation or condition, if proven, is not eligible for administrative sanctions, the executive director will discuss a resolution strategy and settlement parameters with a consulting board member. Once the executive director and consulting board member agree on those matters, the executive director and assigned staff or contract investigator will initiate a discussion for resolution with the respondent consistent with that agreed upon strategy and those settlement parameters.

The executive director may request guidance from a consulting board member and/or the assistance of the assigned prosecuting assistant attorney general at any time during the investigative and/or negotiation processes.

If the respondent is amenable to the suggested resolution and terminology of a negotiated proposal, the executive director will forward the proposal to the respondent for written acceptance. If accepted by the respondent, the proposal will be forwarded to the board for approval.

Upon receiving and considering the formal settlement proposal, the respondent may offer a counterproposal. The executive director and assigned staff or contract investigator will discuss the counterproposal with a consulting board member. The executive director and consulting board member may agree to the counterproposal, offer a counter to the counterproposal, or reject the counterproposal.

If the executive director and consulting board member reject the counterproposal or are unable to negotiate what they consider to be an acceptable alternative proposal with the respondent, the executive director will execute a statement of charges and refer the case to the assigned prosecuting assistant attorney general with the request that an administrative hearing be scheduled and the case prosecuted.

At the same time that the assigned prosecuting assistant attorney general is preparing the case for prosecution, the assigned prosecuting assistant attorney general, working with the executive director and consulting board member, will continue to seek a negotiated settlement (consent agreement) in lieu of a board hearing. If the case goes to hearing before the board, the assigned prosecuting assistant attorney general, with the concurrence of the executive director and consulting board member, will present the team's recommended sanction to the board.

Through this process, the consulting board member, the executive director and, when appropriate, the assigned prosecuting assistant attorney general must individually and jointly act objectively and cooperatively to:

• Draw conclusions as to the allegations based solely on the evidence;

• Develop and present to the respondent a suggested settlement proposal that they believe the board will accept because the proposal is fair and equitable and provides public protection; and

• If the case goes to a hearing before the board, recommend an appropriate sanction or sanctions to the board.

No proposed negotiated settlement is forwarded to the board unless the respondent, the executive director, consulting board member and, when appropriate, the assigned prosecuting assistant attorney general concur that the proposal is an acceptable resolution to the matter.

If the participants in the negotiation concur with the negotiated resolution and terminology of the agreement, a proposed consent agreement is to be signed by the respondent, and signed by the assigned prosecuting assistant attorney general if the settlement was negotiated by the assigned prosecuting assistant attorney general, and forwarded to the board members, along with the executive director's, consulting board member's and, when appropriate, assigned prosecuting assistant attorney general's recommendation to accept the proposal for consideration.

The board is not bound by this recommendation.

All proposed consent agreements must be approved by a majority vote of the board. Five "no" votes mean the proposed settlement has been rejected by the board. In such circumstances, the case will return to the executive director, consulting board member, and assigned prosecuting assistant attorney general who will determine whether the situation merits additional attempts to negotiate a settlement or to immediately schedule the matter for an administrative hearing before the board.

All fully executed consent agreements and board orders become effective the date the document is signed by the board's presiding officer unless otherwise specified in the fully executed consent agreement or board order.

WSR 14-18-041
PROPOSED RULES
DEPARTMENT OF HEALTH
(Board of Optometry)

[Filed August 27, 2014, 2:16 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 10-05-060.

Title of Rule and Other Identifying Information: WAC 246-851-235 Credits for cultural competency in clinical care, proposing a new rule to allow optometrists credit for continuing education related to cultural competence.

Hearing Location(s): Creekside Two at Center Point, 20425 72nd Avenue South, Room 307, Kent, WA 98032, on December 1, 2014, at 10:00 a.m.

Date of Intended Adoption: December 1, 2014.

Submit Written Comments to: Judy Haenke, Program Manager, Board of Optometry, 111 Israel Road S.E., Tumwater, WA 98501, e-mail http://www3.doh.wa.gov/policyreview/, fax (360) 236-2901, by November 26, 2014.

Assistance for Persons with Disabilities: Contact Judy Haenke, program manager, by November 19, 2014, TTY (800) 833-6388 or 711.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule provides an optional credit for educational courses which increase cultural competency of licensed optometrists. The rule addresses the increasing demand for health care practitioners to provide effective care for patients of diverse cultural and social origins. All heath care providers should be encouraged to increase their knowledge and practice skills to provide effective care to all patients regardless of race, ethnicity, gender, or primary language. The rule does not change the total number of continuing education credits required for optometrists.

Reasons Supporting Proposal: In 2006, ESB 6194 (chapter 237, Laws of 2006), now codified as RCW 43.70.615, suggested health care providers licensed by the department of health would benefit from multicultural health awareness education and training. Completion of multicultural awareness programs may increase the knowledge, understanding and skill of health care providers to effectively provide health care in cross-cultural situations.

Statutory Authority for Adoption: RCW 18.54.070.

Statute Being Implemented: RCW 18.54.070 and 43.70.-615.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Department of health, board of optometry, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Judy Haenke, Program Manager, 111 Israel Road S.E., Tumwater, WA 98501, (360) 236-4947.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule would not impose more than minor costs on businesses in an industry.

A cost-benefit analysis is not required under RCW 34.05.328. The agency did not complete a cost-benefit analy-

sis under RCW 34.05.328. RCW 34.05.328 (5)(a) exempts rules that, by definition, are not significant legislative rules.

August 27, 2014
Judy Chan, OD, Chair
Board of Optometry

NEW SECTION

WAC 246-851-235 Credits for cultural competency in clinical care. (1) This section addresses the increasing demand for health care practitioners to provide effective care for patients of diverse cultural and social origins. All optometrists are encouraged to increase their knowledge and practice skills to provide effective care to all patients regardless of race, ethnicity, gender, or primary language.

(2) Continuing education credit will be granted for courses or materials related to the awareness of health disparities among different populations and the ability to effectively provide health services in cross cultural situations.

(3) No more than two credit hours will be granted under this section to any licensee in any two-year reporting period.

WSR 14-18-056
PROPOSED RULES
HORSE RACING COMMISSION
[Filed August 29, 2014, 8:02 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-03-005.

Title of Rule and Other Identifying Information: WAC 260-48-960 Handicapping contests.

Hearing Location(s): Auburn City Council Chambers, 25 West Main, Auburn, WA 98002, on October 7, 2014, at 9:30 a.m.

Date of Intended Adoption: October 7, 2014.

Submit Written Comments to: Douglas L. Moore, 6326 Martin Way, Suite 209, Olympia, WA 98516-5578, e-mail doug.moore@whrc.state.wa.us, fax (360) 459-6461, by October 6, 2014.

Assistance for Persons with Disabilities: Contact Patty Sorby by October 2, 2014, TTY (360) 459-6462.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: To allow association employees to participate in handicapping contests, with approval, for promotional purposes only.

Reasons Supporting Proposal: This would allow the association to designate an employee to participate for promotional purposes as an "expert handicapper" to possibly set the benchmark to determine winners.

Statutory Authority for Adoption: RCW 67.16.020.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: [Horse racing commission], governmental.

Name of Agency Personnel Responsible for Drafting, Implementation and Enforcement: Douglas L. Moore, 6326 Martin Way, Suite 209, Olympia, WA 98516-5578, (360) 459-6462.

No small business economic impact statement has been prepared under chapter 19.85 RCW. Not applicable.

A cost-benefit analysis is not required under RCW 34.05.328. Not applicable.

August 29, 2014
Douglas L. Moore
Executive Secretary

AMENDATORY SECTION (Amending WSR 12-03-074, filed 1/13/12, effective 2/13/12)

WAC 260-48-960 Handicapping contests. A licensed class 1 racing association may operate a handicapping contest at which the participants may be charged an entry fee. All paid-entry handicapping contests must be conducted in accordance with the provisions of this rule. The executive secretary may approve handicapping contests provided they meet the following criteria:

(1) A handicapping contest is defined as a competitive event, where participants, using individual skill to evaluate a variety of factors including the past performance of horses to determine the relative qualities and abilities of horses in a race, attempt to outperform other participants in selecting the finish of horses. Participants who are most successful in selecting horses become eligible to win prizes as prescribed in the official rules of the contest. Prizes and format are predefined and at the discretion of the class 1 racing association.

(2) A class 1 racing association desiring to offer a paid-entry handicapping contest must first apply for and receive approval from the commission to conduct a handicapping contest. The class 1 racing association must apply to the commission for approval of each and every contest. The class 1 racing association must include with its application the proposed rules for conducting the handicapping contest and the determination of prizes. The class 1 racing association will obtain written approval to operate the handicapping contest prior to the acceptance of any entry fees regarding said contest.

(3) The class 1 racing association approved to operate a handicapping contest will distribute at least ninety-five percent of the entry fees as prizes to the winners. Nothing in this section will preclude an operator from providing additional prizes or promotions.

(4) The entry fee to enter a handicapping contest will be set by the class 1 racing association. The entry fee and a description of all goods and services to be awarded as part of the handicapping contest must be fully disclosed to each participant prior to paying the entry fee. In addition, all prizes, including amenities such as airfare, meals and lodging, will also be fully disclosed to each participant prior to paying the entry fee.

(5) Races that are the subject of a handicapping contest must be races on which the class 1 racing association is authorized to conduct parimutuel wagering.

(6) The officers and employees of the class 1 racing association operating a handicapping contest, and their immediate families are prohibited from participating in any handicapping contest unless approved under this subsection.

Commissioners and employees of the commission are also prohibited from participating in any handicapping contest in Washington. <u>Employees of the class 1 racing association may participate in a handicapping contest, provided it is for promotional purposes only and are not eligible for any prizes awarded. Participation must be approved by the executive secretary.</u>

(7) The class 1 racing association will provide the commission a report on every handicapping contest including a record of all entry fees collected, the number of participants for each contest, the amount the class 1 racing association paid in prizes, and the name and address of each winning participant.

(8) Any violation of this section will be referred to the executive secretary. The executive secretary will have sole authority to ensure compliance with this rule, conduct hearings on violations, and determine penalties. Any decision of the executive secretary may be challenged as provided in WAC 260-08-675.

WSR 14-18-058
PROPOSED RULES
BOARD OF PILOTAGE COMMISSIONERS
[Filed August 29, 2014, 10:20 a.m.]

Original Notice.

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

Title of Rule and Other Identifying Information: WAC 363-116-185 Pilotage rates for the Grays Harbor pilotage district.

Hearing Location(s): 2901 Third Avenue, 5th Floor, Alki Conference Room, Seattle, WA 98121, on October 16, 2014, at 9:30 a.m.

Date of Intended Adoption: October 16, 2014.

Submit Written Comments to: Captain Harry Dudley, Chairman, 2901 Third Avenue, Suite 500, Seattle, WA 98121, e-mail larsonp@wsdot.wa.gov, fax (206) 515-3906, by October 10, 2014.

Assistance for Persons with Disabilities: Contact Shawna Erickson by October 13, 2014, (206) 515-3647.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The purpose of the proposal is to establish a 2015 Grays Harbor pilotage district annual tariff.

The proposed rule reflects an effective overall increase to the tariff of 5.3 percent or $357 per pilotage job.

The proposal as detailed calls for a 5.00 percent across-the-board increase in all tariff categories except as specified below:

Pension Charge: An increase from $362 to $403*.

* As the administrator of Grays Harbor pension funds for retired Grays Harbor pilots, Puget Sound pilots provide this calculation.

Reasons Supporting Proposal: RCW 88.16.035 requires that a tariff be set annually.

Statutory Authority for Adoption: Chapter 88.16 RCW.

Statute Being Implemented: RCW 88.16.035.

Rule is not necessitated by federal law, federal or state court decision.

Agency Comments or Recommendations, if any, as to Statutory Language, Implementation, Enforcement, and Fiscal Matters: Current rates for the Grays Harbor pilotage district expire on December 31, 2014. New rates must be set accordingly.

All requirements necessary to amend the existing Grays Harbor pilotage district tariff as set forth in chapter 53.08 RCW have been met.

The board may adopt a rule that varies from the proposed rule upon consideration of presentations and written comments from the public and any other interested parties.

Name of Proponent: Port of Grays Harbor, public.

Name of Agency Personnel Responsible for Drafting: Peggy Larson, 2901 Third Avenue, Seattle, WA 98121, (206) 515-3904; Implementation and Enforcement: Board of Pilotage Commissioners, 2901 Third Avenue, Seattle, WA 98121, (206) 515-3904.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule is being considered in the context of the required annual review of the rates charged for pilotage services.

The application of the proposed revisions is clear in the description of the proposal and its anticipated effects as well as the attached proposed tariff.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 does not apply to the adoption of these rules. The Washington state board of pilotage commissioners is not a listed agency in RCW 34.05.328 (5)(a)(i).

August 29, 2014
Peggy Larson
Executive Director

<u>AMENDATORY SECTION</u> (Amending WSR 13-23-110, filed 11/20/13, effective 1/1/14)

WAC 363-116-185 Pilotage rates for the Grays Harbor pilotage district. Effective 0001 hours January 1, ((~~2014~~)) <u>2015</u>, through 2400 hours December 31, ((~~2014~~)) <u>2015</u>.

CLASSIFICATION	RATE
Charges for piloting of vessels in the inland waters and tributaries of Grays Harbor shall consist of the following:	
Draft and Tonnage Charges:	
Each vessel shall be charged according to its draft and tonnage for each vessel movement inbound to the Grays Harbor pilotage district, and for each movement outbound from the district.	
Draft	$((~~105.29~~)) <u>110.55</u> per meter

CLASSIFICATION	RATE
	or
	$((~~32.09~~)) 33.69 per foot
Tonnage	$((~~0.301~~)) 0.316 per net registered ton
Minimum Net Registered Tonnage	$((~~1,055.00~~)) 1,108.00
Extra Vessel (in case of tow)	$((~~591.00~~)) 621.00

Provided that, due to unique circumstances in the Grays Harbor pilotage district, vessels that call, and load or discharge cargo, at Port of Grays Harbor Terminal No. 2 shall be charged $((~~5,849.00~~)) 6,141.00 per movement for each vessel movement inbound to the district for vessels that go directly to Terminal No. 2, or that go to anchor and then go directly to Terminal No. 2, or because Terminal No. 2 is not available upon arrival that go to layberth at Terminal No. 4 (without loading or discharging cargo) and then go directly to Terminal No. 2, and for each vessel movement outbound from the district from Terminal No. 2, and that this charge shall be in lieu of only the draft and tonnage charges listed above.

Boarding Charge:

Per each boarding/deboarding from a boat or helicopter	$((~~1,000.00~~)) 1,050.00

Harbor Shifts:

For each shift from dock to dock, dock to anchorage, anchorage to dock, or anchorage to anchorage	$((~~735.00~~)) 772.00
Delays per hour	$((~~173.00~~)) 182.00
Cancellation charge (pilot only)	$((~~289.00~~)) 303.00
Cancellation charge (boat or helicopter only)	$((~~865.00~~)) 908.00

Two Pilots Required:

When two pilots are employed for a single vessel transit, the second pilot charge shall include the harbor shift charge of $((~~735.00~~)) 772.00 and in addition, when a bridge is transited the bridge transit charge of $((~~317.00~~)) 333.00 shall apply.

Pension Charge:

Charge per pilotage assignment, including cancellations	$((~~362.00~~)) 403.00

Travel Allowance:

Transportation charge per assignment	$((~~100.00~~)) 105.00

Pilot when traveling to an outlying port to join a vessel or returning through an outlying port from a vessel which has been piloted to sea shall be paid $((~~974.00~~)) 1,023.00 for each day or fraction thereof, and the travel expense incurred.

Bridge Transit:

Charge for each bridge transited	$((~~317.00~~)) 333.00
Additional surcharge for each bridge transited for vessels in excess of 27.5 meters in beam	$((~~867.00~~)) 910.00

Miscellaneous:

The balance of amounts due for pilotage rates not paid within 30 days of invoice will be assessed at 1 1/2% per month late charge.

WSR 14-18-066
PROPOSED RULES
OFFICE OF INSURANCE COMMISSIONER

[Insurance Commissioner Matter No. R 2014-05—Filed August 29, 2014, 4:10 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-14-130.

Title of Rule and Other Identifying Information: Derivative transactions by insurers.

Hearing Location(s): Insurance Commissioner's Office, TR 120, 5000 Capitol Boulevard, Tumwater, WA 98504-0255, on October 7, 2014, at 10:00 a.m.

Date of Intended Adoption: October 8, 2014.

Submit Written Comments to: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, e-mail rulescoordinator @oic.wa.gov, fax (360) 586-3109, by October 6, 2014.

Assistance for Persons with Disabilities: Contact Lori [Lorie] Villaflores by October 6, 2014, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: To establish rules

for investment in hedging and income generation derivative transactions by insurers and approval by the commissioner of derivative use plans of insurers.

Reasons Supporting Proposal: RCW 48.13.091 provides little guidance on derivative investments other than prohibiting use of derivative transactions for any purpose other than hedging or income generation purposes. This lack of guidance increases the risk [of] domestic insurer insolvency and complicates the protection of Washington state policyholders.

The commissioner is considering these rules that conform with his mission to protect consumers, the public interest, and the state's economy by establishing standards for the prudent use of derivative instruments under RCW 48.13.091.

Statutory Authority for Adoption: RCW 48.02.060 and 48.13.171.

Statute Being Implemented: RCW 48.13.091.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Mike Kreidler, insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, (360) 725-7036; Implementation and Enforcement: Bill Michels, P.O. Box 40259, Olympia, WA 98504-0259, (360) 725-7214.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The entities that must comply with the proposed rule are not small businesses, pursuant to chapter 19.85 RCW.

A cost-benefit analysis is required under RCW 34.05.-328. A preliminary cost-benefit analysis may be obtained by contacting Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, phone (360) 725-7036, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

August 29, 2014
Mike Kreidler
Insurance Commissioner

DERIVATIVE INSTRUMENTS

NEW SECTION

WAC 284-13-900 Purpose. The purpose of this rule is to set standards for the prudent use of hedging and income generation derivative instruments under RCW 48.13.171.

NEW SECTION

WAC 284-13-910 Definitions. The definitions in this section apply to WAC 284-13-920 through 284-13-960.

"Business entity" includes a sole proprietorship, corporation, limited liability company, association, partnership, joint stock company, joint venture, mutual fund, trust, joint tenancy or other similar form of business organization, whether for-profit or not-for-profit.

"Cap" means an agreement obligating the seller to make payments to the buyer, with each payment based on the amount by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike rate or strike price.

"Collar" means an agreement to receive payments as the buyer of an option, cap, or floor and to make payments as the seller of a different option, cap, or floor.

"Counterparty exposure amount" means:

(1) The net amount of credit risk attributable to a derivative instrument entered into with a business entity other than through a qualified exchange, qualified foreign exchange, or cleared through a qualified clearinghouse (over-the-counter derivative instrument). The amount of credit risk equals:

(a) The market value of the over-the-counter derivative instrument if the liquidation of the instrument would result in a final cash payment to the insurance company; or

(b) Zero if the liquidation of the derivative instrument would not result in a final cash payment to the insurance company.

(2) If over-the-counter derivative instruments are entered into under a written master agreement which provides for netting of payments owed by the respective parties, and the domiciliary jurisdiction of the counterparty is either within the United States, or if not within the United States, within a foreign jurisdiction listed in the *Purposes and Procedures of the Securities Valuation Office* of the NAIC as eligible for netting, the net amount of credit risk must be the greater of zero or the net sum of:

(a) The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment to the insurance company; and

(b) The market value of the over-the-counter derivative instruments entered into under the agreement, the liquidation of which would result in a final cash payment by the insurance company to the business entity.

(3) For open transactions, market value must be determined at the end of the most recent quarter of the insurance company's fiscal year and must be reduced by the market value of acceptable collateral held by the insurance company or placed in escrow by one or both parties.

"Covered" means that an insurer owns or can immediately acquire, through the exercise of options, warrants, or conversion rights already owned, the underlying interest in order to fulfill or secure its obligations under a call option, cap or floor it has written, or has set aside under a custodial or escrow agreement cash or cash equivalents with a market value equal to the amount required to fulfill its obligations under a put option it has written in an income generation transaction.

"Derivative instrument" means an agreement, option, instrument, or a series or combination thereof:

(1)(a) To make or take delivery of, or assume or relinquish a specified amount of one or more underlying interests, or to make a cash settlement in lieu thereof; or

(b) That has a price, performance, value, or cash flow based primarily upon the actual or expected price, level, performance, value, or cash flow of one or more underlying interests.

(2) Derivative instruments include options, warrants, caps, floors, collars, swaps, forwards, futures, and any other agreements, options, or instruments substantially similar

thereto or any series or combination thereof. Derivative instruments shall additionally include any agreements, options, or instruments permitted under WAC 284-13-920 through 284-13-960. Derivative instruments shall not include an investment authorized by RCW 48.13.061 (2) through (10).

"Floor" means an agreement obligating the seller to make payments to the buyer in which each payment is based on the amount by which a predetermined number, sometimes called the floor rate or price, exceeds a reference price, level, performance, or value of one or more underlying interests.

"Future" means an agreement, traded on a qualified exchange or qualified foreign exchange, to make or take delivery of, or effect a cash settlement based on the actual or expected price, level, performance, or value of, one or more underlying interests.

"Hedging transaction" means a derivative transaction which is entered into and maintained to reduce:

(1) The risk of change in value, yield, price, cash flow, or quantity of assets or liabilities which an insurer has acquired or incurred or anticipates acquiring or incurring; or

(2) The currency exchange rate risk or the degree of exposure as to assets or liabilities which an insurer has acquired or incurred or anticipates acquiring or incurring.

"Insurer" includes domestic insurance companies authorized under chapter 48.05 RCW, United States branches of alien insurers entered through this state, alien insurers admitted and using this state as their port of entry, domestic fraternal benefit societies formed pursuant to chapter 48.36A RCW, domestic health care service contractors registered under chapter 48.44 RCW, domestic health maintenance organizations registered under chapter 48.46 RCW, and domestic self-funded multiple employer welfare arrangements registered under chapter 48.125 RCW.

"Option" means an agreement giving the buyer the right to buy or receive (a "call option"), sell or deliver (a "put option"), enter into, extend, or terminate or effects a cash settlement based on the actual or expected price, level, performance, or value of one or more underlying interests.

"Qualified clearinghouse" means a clearinghouse for, and subject to the rules of a qualified exchange or a qualified foreign exchange, which clearinghouse provides clearing services, including acting as a counterparty to each of the parties to a transaction so that the parties no longer have credit risk to each other.

"Qualified exchange" means:

(1) A securities exchange registered as a national securities exchange, or a securities market regulated under the Securities Exchange Act of 1934 (15 U.S.C. Sec. 78 et seq.), as amended;

(2) A board of trade or commodities exchange designated as a contract market by the Commodity Futures Trading Commission (CFTC) or any successors thereto;

(3) Private Offerings, Resales and Trading through Automated Linkages (PORTAL);

(4) A designated offshore securities market as defined in Securities Exchange Commission Regulation S, 17 C.F.R. Part 230, as amended; or

(5) A qualified foreign exchange.

"Qualified foreign exchange" means a foreign exchange, board of trade or contract market located outside the United States, it territories or possessions:

(1) That has received regulatory comparability relief under Commodity Futures Trading Commission Rule 30.10 (as set forth in Appendix C to Part 30 of the CFTC's Regulations, 17 C.F.R. Part 30);

(2) That is, or its members are, subject to the jurisdiction of a foreign futures authority that has received regulatory comparability relief under Commodity Futures Trading Commission Rule 30.10 (as set forth in Appendix C to Part 30 of the CFTC's Regulations, 17 C.F.R. Part 30) as to futures transactions in the jurisdiction where the exchange, board of trade, or contract market is located; or

(3) Upon which foreign stock index futures contracts are listed that are the subject of no-action relief issued by the CFTC's Office of General Counsel, but an exchange, board of trade, or contracts market that qualifies as a "qualified foreign" only under this subsection shall be a "qualified foreign exchange" as to foreign stock index futures contracts that are the subject of the no-action relief under this subsection.

"Swap" means an agreement to exchange or to net payments at one or more times based on the actual or expected price, level, performance, or value of one or more underlying interests.

"Underlying interest" means the assets, liabilities, other interests, or a combination thereof underlying a derivative instrument, such as any one or more securities, currencies, rates, indices, commodities, or derivative instruments.

"Warrant" means an instrument that gives the holder the right to purchase an underlying financial instrument at a given price and time or at a series of prices and times outlined in the warrant agreement. Warrants may be issued alone or in connection with the sale of other securities, for example, as part of a merger or recapitalization agreement, or to facilitate divesture of the securities of another business entity.

NEW SECTION

WAC 284-13-920 Derivative transactions. (1) An insurer may, directly or indirectly through an investment subsidiary, only engage in hedging and income generation derivative transactions. Use of derivative instruments for replication, speculative or any other purpose is prohibited.

(2) An insurer may enter into hedging transactions under this section if, as a result of and after giving effect to the transaction, the insurer can demonstrate to the satisfaction of the commissioner the intended hedging characteristics and ongoing effectiveness of the derivative transaction or combination of transactions through cash flow testing or other appropriate analysis.

(3) An insurer may only enter into covered income generation transactions if, as a result of and after giving effect to the transactions, the aggregate statement value of the fixed income assets that are subject to call or that generate the cash flows for payments under the caps and floors, plus the face value of the fixed income securities underlying a derivative instrument subject to call plus the amount of the purchase

obligations under the puts, does not exceed chapter 48.13 RCW limitations.

(4) An insurer must include all counterparty exposure amounts in determining compliance with general diversification requirements and medium and low-grade investment limitations under chapter 48.13 RCW.

(5) Side-letter or similar agreements that directly or indirectly alter the original derivative transaction in any way are prohibited.

NEW SECTION

WAC 284-13-930 Guidelines and internal control procedures. (1) Before engaging in a derivative transaction, an insurance company must establish written guidelines approved by the commissioner, that must be used for effecting and maintaining derivative transactions. The guidelines must:

(a) Specify insurance company objectives for engaging in derivative transactions and derivative strategies and all applicable risk constraints, including credit risk limits;

(b) Establish counterparty exposure limits and credit quality standards;

(c) Identify permissible derivative transactions and the relationship of those transactions to insurance company operations; for example, a precise identification of the risks being hedged by a derivative transaction; and

(d) Require compliance with internal control procedures.

(2) An insurance company must have a written methodology for determining whether a derivative instrument used for hedging has been effective using cash flow testing or other appropriate analysis.

(3) An insurance company must have written policies and procedures describing the credit risk management process and a credit risk management system for over-the-counter derivative transactions that measures credit risk exposure using the counterparty exposure amount.

(4) An insurance company's board of directors must, in accordance with RCW 48.13.051:

(a) Approve the written guidelines, methodology and policies, and procedures required by subsections (1), (2), and (3) of this section and the systems required by subsection (2) and (3) of this section;

(b) Determine whether the insurance company has adequate professional personnel, technical expertise, and systems to implement investment practices involving derivatives;

(c) Review whether derivatives transactions have been made in accordance with the approved guidelines and consistent with stated objectives; and

(d) Take action to correct any deficiencies in internal controls relative to derivative transactions.

NEW SECTION

WAC 284-13-940 Commissioner approval. Written documentation explaining the insurance company's internal guidelines and controls governing derivative transactions must be submitted for approval to the commissioner. The commissioner shall have authority to disapprove the guidelines and controls proposed by the company if the insurance company cannot demonstrate the proposed internal guidelines and controls would be adequate to manage the risks associated with the derivative transactions the insurance company intends to engage in.

NEW SECTION

WAC 284-13-950 Documentation requirements. An insurance company must maintain all documentation and records relating to each derivative transaction, such as:

(1) The purpose or purposes of the transaction;

(2) The assets or liabilities to which the transaction relates;

(3) The specific derivative instrument used in the transaction;

(4) For over-the-counter derivative instrument transactions, the name of the counterparty and the market value; and

(5) For exchange traded derivative instruments, the name of the exchange and the name of the firm that handled the trade and the market value.

NEW SECTION

WAC 284-13-960 Trading requirements. Each derivative instrument must be:

(1) Traded on a qualified exchange;

(2) Entered into with, or guaranteed by, a business entity;

(3) Issued or written with the issuer of the underlying interest on which the derivative instrument is based; or

(4) Entered into with a qualified foreign exchange.

WSR 14-18-067
PROPOSED RULES
OFFICE OF INSURANCE COMMISSIONER

[Insurance Commissioner Matter No. R 2013-26—Filed August 29, 2014, 4:27 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-22-065.

Title of Rule and Other Identifying Information: Amendment of WAC 284-23-550.

Hearing Location(s): Insurance Commissioner's Office, TR 120, 5000 Capitol Boulevard, Tumwater, WA 98504-0255, on October 9, 2014, at 10:00 a.m.

Date of Intended Adoption: October 10, 2014.

Submit Written Comments to: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, e-mail rulescoordinator @oic.wa.gov, fax (360) 586-3109, by October 8, 2014.

Assistance for Persons with Disabilities: Contact Lori [Lorie] Villaflores by October 8, 2014, TTY (360) 586-0241 or (360) 725-7087.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The proposed rule will amend WAC 284-23-550 to provide for variable interest rate to be paid by the insurer based upon current interest rates, rather then [than] a set rate. The proposed rule will also amend WAC 284-23-550 to provide that the rule does not

apply to policies with a death benefit of more than $5,000 rather than $25,000.

Reasons Supporting Proposal: Since this rule was originally adopted the interest rates that consumers could obtain on investments, e.g. savings accounts, has varied widely. Therefore, a change to the rule permitting a variable interest rate to be paid will be more in line with the market rate that consumers could earn if they were to invest the premiums in a different type of investment.

Statutory Authority for Adoption: RCW 48.02.060 and 48.30.010.

Statute Being Implemented: RCW 48.30.010.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Mike Kreidler, insurance commissioner, governmental.

Name of Agency Personnel Responsible for Drafting: Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, (360) 725-7036; Implementation: Molly Nollette, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7117; and Enforcement: AnnaLisa Gellermann, P.O. Box 40255, Olympia, WA 98504-0255, (360) 725-7050.

No small business economic impact statement has been prepared under chapter 19.85 RCW. This proposed rule does not require a small business economic impact statement under the provisions of RCW 19.85.025(3). The proposed rule does not impose any costs on a business. It allows life insurers to offer more products than are currently allowed.

A cost-benefit analysis is required under RCW 34.05.328. A preliminary cost-benefit analysis may be obtained by contacting Jim Tompkins, P.O. Box 40258, Olympia, WA 98504-0258, phone (360) 725-7036, fax (360) 586-3109, e-mail rulescoordinator@oic.wa.gov.

August 29, 2014
Mike Kreidler
Insurance Commissioner

AMENDATORY SECTION (Amending WSR 89-21-004, filed 10/5/89, effective 11/5/89)

WAC 284-23-550 Relationship of death benefits to premiums—Unfair practice defined. (1) It is an unfair practice for any insurer or fraternal benefit society to provide life insurance coverage on any person through a policy or certificate of coverage delivered on or after July 1, 1989, to or on behalf of such person in this state, unless the benefit payable at death under such policy or certificate will equal or exceed the cumulative premiums, as defined in subsection (4) of this section, paid for the policy or certificate, plus interest thereon at the rate of ((~~five percent per annum~~)) the monthly average of the five-year Constant Maturity Treasury rate reported by the Federal Reserve for the calendar month in which application for the policy is made compounded annually to the tenth anniversary of the effective date of coverage.

(2) This section applies to death benefits in relation to premiums, subject to the following provisions:

(a) When determining the relationship between benefits and premiums as set forth in subsection (1) of this section, neither premiums nor death benefits shall be adjusted for maturity benefits, surrender benefits, or policy loans.

(b) Annuity benefits, including annuity death benefits, and the premiums therefor shall be disregarded in applying this section.

(c) The following benefits, but not the premiums therefor, shall be disregarded in applying this section:

(i) Accidental death benefits;

(ii) Permanent disability benefits; and

(iii) Any benefit similar to (c)(i) or (ii) of this subsection.

(3) For coverage which varies by duration, including coverage provided through dividends, the "benefit payable at death" for purposes of this section is the sum of the least death benefit during each policy year, for the lesser of ten years or the term of the coverage, including renewals, divided by the number of death benefits included in said sum.

(4) "Cumulative premiums," for purposes of this section, means all sums paid as consideration, net of dividends paid in cash in an orderly progression, for the coverage during the first ten years of the coverage, excluding amounts which are designated in the policy or certificate as providing for annuity benefits.

(5) The benefits required by this section shall be provided contractually.

(6) This section does not apply to:

(a) Life insurance where the minimum death benefit is ((~~twenty-five~~)) five thousand dollars or more; or

(b) Coverage under group life insurance policies unless the insured pays all or substantially all of the premium and coverage under individual conversions from such excluded policies; or

(c) Limited payment whole life insurance where the premiums are level at all times, if the least death benefit payable at any time equals or exceeds the total of all premiums which, in the absence of death, would have been paid over the entire limited payment period.

(7) This section does not apply with respect to optional additional contributions paid to the insurer or fraternal benefit society under the terms of a universal life policy, which policy:

(a) Provides a guaranteed plan of insurance of at least ten years' duration on the basis of specified premiums and complies with subsections (1) through (5) of this section; and

(b) Contains a carefully expressed provision which clearly, fairly, and fully discloses the optional plan and the choice to participate therein; and

(c) Is designed so that the charges for, and the benefits to be derived from, the optional contributions are no less favorable to the insured than those which are applicable to the guaranteed plan required by (a) of this subsection.

(8) Approval of policy forms which do not comply with this section is withdrawn.

WSR 14-18-069
WITHDRAWL OF PROPOSED RULES
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
(By the Code Reviser's Office)
[Filed September 2, 2014, 8:48 a.m.]

WAC 388-06-0170 and 388-06-0180, proposed by the department of social and health services in WSR 14-05-066, appearing in issue 14-05 of the Washington State Register, which was distributed on March 5, 2014, is withdrawn by the office of the code reviser under RCW 34.05.335(3), since the proposal was not adopted within the one hundred eighty day period allowed by the statute.

Kerry S. Radcliff, Editor
Washington State Register

WSR 14-18-070
WITHDRAWL OF PROPOSED RULES
DEPARTMENT OF LICENSING
(By the Code Reviser's Office)
[Filed September 2, 2014, 8:51 a.m.]

WAC 308-93-087, 308-93-088 and 308-93-089, proposed by the department of licensing in WSR 14-05-095, appearing in issue 14-05 of the Washington State Register, which was distributed on March 5, 2014, is withdrawn by the office of the code reviser under RCW 34.05.335(3), since the proposal was not adopted within the one hundred eighty day period allowed by the statute.

Kerry S. Radcliff, Editor
Washington State Register

WSR 14-18-071
PROPOSED RULES
MILITARY DEPARTMENT
[Filed September 2, 2014, 10:29 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 14-12-029.

Title of Rule and Other Identifying Information: Chapter 323-10 WAC, Public records.

Hearing Location(s): Office of the Attorney General, 7141 Cleanwater Drive S.W., Olympia, WA 98504-0121, on October 7, 2014, at 10:00 a.m.

Date of Intended Adoption: November 4, 2014.

Submit Written Comments to: Chris Barnes, Building 1, Camp Murray, WA 98430, e-mail chris.barnes@mil.wa.gov, fax (253) 512-8110, by October 6, 2014.

Assistance for Persons with Disabilities: Contact Bernadette Petruska by October 6, 2014, (253) 512-8108.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This proposal clarifies when and how the agency will charge for providing records.

Reasons Supporting Proposal: The existing rule (WAC 323-10-070) does not clearly identify the circumstances in which the military department can charge for public records. This update will provide process clarity for both the public and the department.

Statutory Authority for Adoption: RCW 42.56.040.

Statute Being Implemented: Chapter 42.56 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington state military department, governmental.

Name of Agency Personnel Responsible for Drafting and Implementation: Chris Barnes, Building 1, Camp Murray, WA 98430, (253) 512-8110; and Enforcement: Nancy Bickford, Building 1, Camp Murray, WA 98430, (253) 512-7712.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rule imposes only minor costs on businesses.

A cost-benefit analysis is not required under RCW 34.05.328. The proposal is not a significant legislative rule for the purposes of RCW 34.05.328.

August 27, 2014
Chris Barnes
Public Records Officer

AMENDATORY SECTION (Amending WSR 12-09-089, filed 4/18/12, effective 5/19/12)

WAC 323-10-070 Costs of providing copies of public records. (1) Costs for paper copies. There is no fee for inspecting public records. A requestor may obtain standard black and white photocopies for fifteen cents per page. Copies in color or larger-sized documents cost will be based on the actual cost to reproduce them at the time of the request.

((~~Before beginning to make the copies, the public records officer or designee may require a deposit of up to ten percent of the estimated costs of copying all the records selected by the requestor. The public records officer or designee may also require the payment of the remainder of the copying costs before providing all the records, or the payment of the costs of copying an installment before providing that installment. The military department will not charge sales tax when it makes copies of public records.~~))

(2) Costs for electronic records. ((~~The cost of electronic copies of records shall be free for information on a CD-ROM when the information already exists in electronic format and it only has to be copied to a CD.~~)) The cost of scanning existing office paper or other nonelectronic records is six cents per page. There will be no charge for e-mailing electronic records to a requestor, unless another cost applies such as a scanning fee. The charge for electronic records provided on any medium other than e-mail will be in the amount necessary to reimburse the actual cost to the agency.

(3) Deposits. Before beginning to make copies or scanning responsive records, the public records officer or designee may require a deposit of up to ten percent of the estimated costs of copying all the records selected by the requestor. The public records officer or designee may also require the payment of the remainder of the copying or scanning costs before

providing all the records, or the payment of the costs of copying or scanning an installment before providing that installment. The military department will not charge sales tax when it makes copies of or scans public records.

(4) Costs of mailing. The military department may also charge actual costs of mailing, including the cost of the shipping container.

((~~(4)~~)) (5) Payment. Payment may be made by cash, check, or money order to the military department.

WSR 14-18-084
PROPOSED RULES
UTILITIES AND TRANSPORTATION COMMISSION

[Docket UE-131723—Filed September 3, 2014, 9:52 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 13-20-127.

Title of Rule and Other Identifying Information: Chapter 480-109 WAC, Electric companies—Acquisition of minimum quantities of conservation and renewable energy as required by the Energy Independence Act (chapter 19.285 RCW).

On November 7, 2006, Washington voters approved Initiative Measure No. I-937, now codified as chapter 19.285 RCW. This new chapter requires large utilities to acquire all cost-effective energy conservation beginning in 2010 and to serve a minimum portion of their electricity load with renewable resources beginning in 2012. The rules proposed here update the procedures investor owned utilities must follow to demonstrate compliance with these statutory requirements (or with alternative compliance mechanisms). These regulations also retain penalty provisions, as well as update reporting and public notification requirements.

Hearing Location(s): Commission Hearing Room 206, Second Floor, Richard Hemstad Building, 1300 South Evergreen Park Drive S.W., Olympia, WA 98504-7250, on November 5, 2014, at 1:30 p.m.

Date of Intended Adoption: November 5, 2014.

Submit Written Comments to: Washington Utilities and Transportation Commission, 1300 South Evergreen Park Drive S.W., P.O. Box 47250, Olympia, WA 98504-7250, e-mail records@utc.wa.gov, fax (360) 586-1150, by October 6, 2014. Please include Docket UE-131723 in your comments.

Assistance for Persons with Disabilities: Contact Debbie Aguilar by October 22, 2014, TTY (360) 586-8203 or (360) 664-1132.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The Energy Independence Act provides that the Washington utilities and transportation commission (commission) "may adopt rules to ensure the proper implementation and enforcement of this chapter as it applies to investor-owned utilities" (RCW 19.285.080). The commission initiated an inquiry to determine whether revised regulations were needed to ensure that the renewable resource and conservation requirements were properly implemented and enforced and whether revised rules would further the objectives of the act; promote energy independence in the state and the Pacific Northwest region; stabilize electricity prices for Washington residents; provide economic benefits for Washington counties and farmers; create high-quality jobs in Washington; provide opportunities for training apprentice workers in the renewable energy field; protect clean air and water; and position Washington state as a national leader in clean energy technologies.

The commission's preproposal inquiry revealed that revised rules would be beneficial and in the public interest because they would further the implementation of the act. The proposed rules update the rules to provide consistency with statutory changes as well as incorporate and clarify policies and best practices which have been established by the commission since the initial adoption of these rules in 2007. The proposed regulations also provide additional guidance on how utilities may implement the conservation mandate and fulfill their obligation to acquire renewable resources.

Reasons Supporting Proposal: See above.

Statutory Authority for Adoption: RCW 80.01.040, 80.04.160, and 19.285.080 (1) and (4).

Statute Being Implemented: Section 1, chapter 45, Laws of 2014; section 1, chapter 26, Laws of 2014; section 1, chapter 158, Laws of 2013; section 2, chapter 158, Laws of 2013; section 1, chapter 99, Laws of 2013; and section 1, chapter 61, Laws of 2013.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Washington utilities and transportation commission, governmental.

Name of Agency Personnel Responsible for Drafting: David Nightingale, 1300 South Evergreen Park Drive S.W., Olympia, WA 98504, (360) 664-1154; Implementation and Enforcement: Steven V. King, 1300 South Evergreen Park Drive S.W., Olympia, WA 98504, (360) 664-1115.

No small business economic impact statement has been prepared under chapter 19.85 RCW. The proposed rules require investor-owned utilities, none of which qualify as a small business, to acquire certain minimum amounts of renewable resources and all cost-effective, reliable and available conservation. Because the proposed rules will not increase costs to small businesses, a small business economic impact statement is not required under RCW 19.85.030(1).

A cost-benefit analysis is not required under RCW 34.05.328. The commission is not an agency to which RCW 34.05.328 applies. The proposed rules are not significant legislative rules of the sort referenced in RCW 34.05.328(5).

September 3, 2014
Steven V. King
Executive Director
and Secretary

AMENDATORY SECTION (Amending WSR 07-24-012, filed 11/27/07, effective 12/28/07)

WAC 480-109-010 ((~~Conservation resources.~~)) Purpose and scope. ((~~(1) By January 1, 2010, and every two years thereafter, each utility must project its cumulative ten-year conservation potential.~~

~~(a) This projection need only consider conservation resources that are cost-effective, reliable and feasible.~~

~~(b) This projection must be derived from and reasonably consistent with one of two sources:~~

~~(i) The utility's most recent IRP, including any information learned in its subsequent resource acquisition process, or the utility must document the reasons for any differences. When developing this projection, utilities must use methodologies that are consistent with those used by the conservation council in its most recent regional power plan. A utility may, with full documentation on the rationale for any modification, alter the conservation council's methodologies to better fit the attributes and characteristics of its service territory.~~

~~(ii) The utility's proportionate share, developed as a percentage of its retail sales, of the conservation council's current power plan targets for the state of Washington.~~

~~(2) Beginning January 2010, and every two years thereafter, each utility must establish a biennial conservation target.~~

~~(a) The biennial conservation target must identify all achievable conservation opportunities.~~

~~(b) The biennial conservation target must be no lower than a pro rata share of the utility's ten-year cumulative achievable conservation potential. Each utility must fully document how it prorated its ten-year cumulative conservation potential to determine the minimum level for its biennial conservation target.~~

~~(c) The biennial conservation target may be a range rather than a point target.~~

~~(3) On or before January 31, 2010, and every two years thereafter, each utility must file with the commission a report identifying its ten-year achievable conservation potential and its biennial conservation target.~~

~~(a) Participation by the commission staff and the public in the development of the ten-year conservation potential and the two-year conservation target is essential. The report must outline the extent of public and commission staff participation in the development of these conservation metrics.~~

~~(b) This report must identify whether the conservation council's plan or the utility's IRP and acquisition process were the source of its ten-year conservation potential. The report must also clearly state how the utility prorated this ten-year projection to create its two-year conservation target.~~

~~(c) If the utility uses its integrated resource plan and related information to determine its ten-year conservation potential, the report must describe the technologies, data collection, processes, procedures and assumptions the utility used to develop these figures. This report must describe and support any changes in assumptions or methodologies used in the utility's most recent IRP or the conservation council's power plan.~~

~~(4) Commission staff and other interested persons may file written comments regarding a utility's ten-year achievable conservation potential or its biennial conservation target within thirty days of the utility's filing.~~

~~(a) After reviewing any written comments, the commission will decide whether to hear oral comments regarding the utility's filing at a subsequent open public meeting.~~

~~(b) The commission, considering any written or oral comments, may determine that additional scrutiny is warranted of a utility's ten-year achievable conservation potential or biennial conservation target. If the commission determines that additional review is needed, the commission will establish an adjudicative proceeding or other process to fully consider appropriate revisions.~~

~~(c) Upon conclusion of the commission review, the commission will determine whether to approve, approve with conditions, or reject the utility's ten-year achievable conservation potential and biennial conservation target.~~)) The purpose of this chapter is to establish rules that electric utilities will use to comply with the requirements of the Energy Independence Act, chapter 19.285 RCW.

AMENDATORY SECTION (Amending WSR 07-24-012, filed 11/27/07, effective 12/28/07)

WAC 480-109-020 ((~~Renewable resources.~~)) Application of rules. ((~~(1) Each utility must meet the following annual targets.~~

~~(a) By January 1 of each year beginning in 2012 and continuing through 2015, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least three percent of its load for the remainder of each year.~~

~~(b) By January 1 of each year beginning in 2016 and continuing through 2019, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least nine percent of its load for the remainder of each year.~~

~~(c) By January 1 of each year beginning in 2020 and continuing each year thereafter, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least fifteen percent of its load for the remainder of each year.~~

~~(2) Renewable energy credits produced during the target year, the preceding year or the subsequent year may be used to comply with this annual renewable resource requirement provided that they were acquired by January 1 of the target year.~~

~~(3) In meeting the annual targets of this subsection, a utility must calculate its annual load based on the average of the utility's load for the previous two years.~~

~~(4) A renewable resource within the Pacific Northwest may receive integration, shaping, storage or other services from sources outside of the Pacific Northwest and remain eligible to count towards a utility's renewable resource target.~~)) (1) The rules in this chapter apply to any electric utility that is subject to the commission's jurisdiction under RCW 80.04.010 and chapter 80.28 RCW.

(2) Any affected person may ask the commission to review the interpretation of these rules by a utility by making an informal complaint under WAC 480-07-910, Informal complaints, or by filing a formal complaint under WAC 480-07-370, Pleadings—General.

(3) No exception from the provisions of any rule in this chapter is permitted without prior written authorization by the commission. Such exceptions may be granted only if consistent with the public interest, the purposes underlying regu-

lation, and applicable law. Any deviation from the provisions of any rule in this chapter without prior commission authorization will be subject to penalties as provided by law.

AMENDATORY SECTION (Amending WSR 07-24-012 and 08-01-037, filed 11/27/07 and 12/10/07, effective 12/28/07 and 1/10/08)

WAC 480-109-030 ((~~Alternatives to the renewable resource requirement.~~)) Exemptions from rules in chapter 480-109 WAC. ((~~Instead of meeting its annual renewable resource target in WAC 480-109-020, a utility may make one of three demonstrations.~~

~~(1) A utility may invest at least four percent of its total annual retail revenue requirement on the incremental costs of eligible renewable resources, renewable energy credits, or a combination of both. The incremental cost of an eligible renewable resource is the difference between the levelized delivered system cost of the eligible renewable resource and the levelized delivered cost of an equivalent amount of reasonably available nonrenewable resource. The system analysis used will be reasonably consistent with principles used in the utility's resource planning and acquisition analyses.~~

~~(2) A utility may demonstrate that events beyond its reasonable control that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events may include weather-related damage, mechanical failure, strikes, lockouts, or actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource owned by or under contract to a qualifying utility.~~

~~(3) A utility may demonstrate all of the following:~~

~~(a) Its weather-adjusted load for the previous three years on average did not increase.~~

~~(b) After December 7, 2006, all new or renewed ownership or purchases of electricity from nonrenewable resources other than daily spot purchases were offset by equivalent renewable energy credits.~~

~~(c) It invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.~~)) The commission may grant an exemption from the provisions of any rule in this chapter in the same manner and consistent with the standards and according to the procedures set forth in WAC 480-07-110 (Exemptions from and modifications to commission rules; conflicts involving rules).

AMENDATORY SECTION (Amending WSR 07-24-012, filed 11/27/07, effective 12/28/07)

WAC 480-109-040 ((~~Annual reporting~~)) Additional requirements. (((~~(1) On or before June 1, 2012, and annually thereafter, each utility must file a report with the commission and the department regarding its progress in meeting its conservation and renewable resource targets during the preceding year.~~

~~(a) The report must include the conservation target for that year, the expected and actual electricity savings from conservation, and all expenditures made to acquire conservation.~~

~~The report may count electricity savings from new high-efficiency cogeneration facilities owned and used by a retail electric customer operating within the utility's service area towards the utility's conservation target during the biennium when the cogeneration facility commences operation. The electricity savings reported for each high-efficiency cogeneration facility is the amount of energy consumption avoided by the sequential production of electricity and useful thermal energy from a common fuel source.~~

~~(b) The report must include the utility's annual load for the prior two years, the total number of megawatt-hours from eligible renewable resources and/or renewable resource credits the utility needed to meet its annual renewable energy target by January 1 of the target year, the amount (in megawatt-hours) and cost of each type of eligible renewable resource used, the amount (in megawatt-hours) and cost of renewable energy credits acquired, the type and cost (per megawatt-hour) of the least-cost substitute resources available to the utility that do not qualify as eligible renewable resources, the incremental cost of eligible renewable resources and renewable energy credits, and the ratio of this investment relative to the utility's total annual retail revenue requirement.~~

~~(c) The report must state if the utility is relying upon one of the alternative compliance mechanisms provided in WAC 480-109-030 instead of meeting its renewable resource target. A utility using an alternative compliance mechanism must include sufficient data, documentation and other information in its report to demonstrate that it qualifies to use that alternative mechanism.~~

~~(d) The report must describe the steps the utility is taking to meet the renewable resource requirements for the current year. This description should indicate whether the utility plans to use or acquire its own renewable resources, plans to or has acquired contracted renewable resources, or plans to use an alternative compliance mechanism.~~

~~(2) Commission staff and other interested persons may file written comments regarding a utility's report within thirty days of the utility's filing.~~

~~(a) After reviewing any written comments, the commission will decide whether to hear oral comments regarding the utility's filing at a subsequent open meeting.~~

~~(b) The commission, considering any written or oral comments, may determine that additional scrutiny of the report is warranted. If the commission determines that additional review is needed, the commission will establish an adjudicative proceeding or other process to fully consider appropriate revisions.~~

~~(c) Upon conclusion of the commission review of the utility's report, the commission will issue a decision determining whether the utility complied with its conservation and renewable resource targets. If the utility is not in compliance, the commission will determine the amount in megawatt-hours by which the utility was deficient in meeting those targets.~~

~~(3) If a utility revises its report as a result of the commission review, the utility must submit the revised final report to the department.~~

~~(4) All current and historical reports required in subsection (1) of this section must be posted on the utility's web site~~

~~and a copy of any report must be provided to any person upon request.~~

~~(5) Each utility must provide a summary of this report to its customers by bill insert or other suitable method. This summary must be provided within ninety days of final action by the commission on this report.~~)) (1) These rules do not relieve any utility from any of its duties and obligations under the laws of the state of Washington.

(2) The commission retains its authority to impose additional or different requirements on any utility in appropriate circumstances, consistent with the requirements of law.

AMENDATORY SECTION (Amending WSR 07-24-012, filed 11/27/07, effective 12/28/07)

WAC 480-109-050 ((~~Administrative penalties.~~)) Severability. (((~~1) A utility that fails to achieve either its conservation target or its renewable resource target must pay an administrative penalty for each megawatt-hour of shortfall in the amount of fifty dollars adjusted annually, beginning in 2007, to reflect changes in the gross domestic product-implicit price deflator, as published by the Bureau of Economic Analysis of the United States Department of Commerce or its successor.~~

~~(2) Administrative penalties are due within fifteen days of a commission determination, pursuant to WAC 480-109-040(2), that a utility failed to achieve its conservation or renewable resource target.~~

~~(3) A utility that pays an administrative penalty under subsection (2) of this section, must notify its retail electric customers within three months of incurring a penalty stating the size of the penalty, the reason it was incurred and whether the utility expects to seek recovery of the penalty amounts in rates. The utility must provide this notification in a bill insert, a written publication mailed to all retail electricity customers, or another approach approved by the commission.~~

~~(4) A utility may request an accounting order from the commission authorizing the deferral of the cost of any administrative penalty assessed under this section. The approval of an accounting order to defer penalties does not constitute approval of recovery of penalties in rates. A utility may seek to recover deferred administrative penalties in a general rate case or power cost only type rate proceeding. If a utility seeks to recover deferred administrative penalties in rates, the utility must demonstrate the prudence of its decisions and actions when it failed to meet the renewable resource targets or one of the compliance alternatives provided in WAC 480-109-030, or the energy conservation targets. When assessing a request for recovery of deferred administrative penalties, the commission will consider the intent of the Energy Independence Act, other laws governing commission actions, policies and precedents of the commission, and the commission's responsibility to act in the public interest.~~)) If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances is not affected.

NEW SECTION

WAC 480-109-060 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Annual retail revenue requirement" means the total revenue the commission authorizes a utility an opportunity to recover in Washington rates pursuant to a general rate proceeding or other general rate revision.

(2) "Biomass energy" means:

(a) The electrical energy produced by a generation facility powered by:

(i) Organic by-products of pulping and the wood manufacturing process;

(ii) Animal manure;

(iii) Solid organic fuels from wood;

(iv) Forest or field residues;

(v) Untreated wooden demolition or construction debris;

(vi) Food waste and food processing residuals;

(vii) Liquors derived from algae;

(viii) Dedicated energy crops; and

(ix) Yard waste.

(b) Biomass energy does not include:

(i) Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome arsenic;

(ii) Wood from old growth forests; or

(iii) Municipal solid waste.

(3) "Coal transition power" means the output of a coal-fired electric generation facility that is subject to an obligation to meet the standards contained in RCW 80.80.040 (3)(c).

(4) "Commission" means the Washington utilities and transportation commission.

(5) "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

(6) "Cost-effective" means, consistent with RCW 80.52.-030, that a project or resource is forecast:

(a) To be reliable and available within the time it is needed; and

(b) To meet or reduce the electric power demand of the intended consumers at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof.

(7) "Council" means the Northwest Power and Conservation Council.

(8) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

(9) "Department" means the department of commerce or its successor.

(10) "Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a nameplate capacity of not more than five megawatts alternating current. An integrated cluster is a grouping of generating facilities located on the same or contiguous property having any of the following elements in common: Ownership, operational control, or point of common coupling.

(11) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where:

(i) The facility is located in the Pacific Northwest; or

(ii) The electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services.

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest, where the additional generation does not result in new water diversions or impoundments;

(c) Hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for municipal use, and wastewater pipes located in Washington, where the generation does not result in new water diversion or impoundments;

(d) Qualified biomass energy; or

(e) For a qualifying utility that serves customers in other states, electricity from a generation facility powered by a renewable resource other than freshwater that commenced operation after March 31, 1999, where:

(i) The facility is located within a state in which the qualifying utility serves retail electrical customers; and

(ii) The qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least twelve months.

(12) "High-efficiency cogeneration" means the sequential production of electricity and useful thermal energy from a common fuel source resulting in a reduction in customer load where under normal operating conditions the useful thermal energy output is no less than thirty-three percent of the total energy output. The reduction in customer load is determined by multiplying the annual electricity output of the cogeneration facility by a fraction equal to one minus the ratio of:

(a) The heat rate (in British thermal units per megawatt hour) of the cogeneration facility. The heat rate of the cogeneration facility must be based on the additional fuel requirements attributable to electricity production and excluding the fuel that would be required to produce all other useful energy outputs of the project without cogeneration, divided by the heat rate (in British thermal units per megawatt hour) of a combined cycle natural gas-fired combustion turbine. The heat rate of the combustion turbine must be based on a facility using best commercially available technology on a new and clean basis.

(b) Calculation of the reduction in customer load is made with the following formula:

$$\text{Megawatt-hours reductions in customer load} = \left(\begin{array}{c}\text{Annual}\\ \text{megawatt-hours}\\ \text{of cogen. elect.}\end{array}\right) \times \left[1 - \left(\frac{\text{heat rate based on fuel used for electric portion of cogen.}}{\begin{array}{c}\text{heat rate for a new clean natural gas fired combined cycle}\\ \text{combustion turbine using best available commercial technology}\end{array}}\right)\right]$$

(13) "Incremental cost" means the difference between the levelized delivered cost of an eligible renewable resource, regardless of ownership, compared to the levelized delivered cost of an equivalent amount of reasonably available substitute resources that do not qualify as eligible renewable resources, where the resources being compared have the same contract length or facility life.

(14) "Integrated resource plan" or "IRP" means the filing made every two years by an electric utility in accordance with WAC 480-100-238, integrated resource planning.

(15) "Load" means the amount of kilowatt-hours of electricity delivered in the most recently completed year by a qualifying utility to its Washington retail customers. Load does not include off-system sales or electricity delivered to transmission-only customers.

(16)(a) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity from a renewable resource including, but not limited to, the facility's fuel type, geographic location, vintage, qualification as an eligible renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

(b) "Nonpower attributes" does not include any aspects, claims, characteristics, and benefits associated with the onsite capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

(17) "Pacific Northwest" has the same meaning as defined for the Bonneville Power Administration in section 3 of the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2698; 16 U.S.C. Sec. 839a).

(18) "Pro rata" means the calculation dividing the utility's projected ten-year conservation potential into five equal proportions to establish the minimum biennial conservation target.

(19) "Production efficiency" means investments and actions that save electric energy from power consuming equipment and fixtures at an electric generating facility. The installation of electric power production equipment that increases the amount of power generated for the same energy input is not production efficiency in this chapter or conservation under RCW 19.285.030(4) because no reduction in electric power consumption occurs.

(20) "Pursue all" means an ongoing process of researching and evaluating the range of possible conservation technologies and programs, and implementing all programs which are cost-effective, reliable and feasible.

(21) "Qualified biomass energy" means electricity produced from a biomass energy facility that:

(a) Commenced operation before March 31, 1999;

(b) Contributes to the qualifying utility's load; and

(c) Is owned either by:

(i) A qualifying utility; or

(ii) An industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage.

(22) "Regional technical forum" means the advisory committee established by the council.

(23) "Renewable energy credit" means a tradable certificate of proof of at least one megawatt-hour of an eligible renewable resource where the generation facility is not powered by fresh water, the certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity, and the certificate is verified by a renewable energy credit tracking system selected by the department.

(24) "Renewable resource" means:

(a) Water;

(b) Wind;

(c) Solar energy;

(d) Geothermal energy;

(e) Landfill gas;

(f) Wave, ocean, or tidal power;

(g) Gas from sewage treatment facilities;

(h) Biodiesel fuel as defined in RCW 82.29A.135 that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006;

(i) Generation facilities in which fossil and combustible renewable resources are cofired in one generating unit that is located in the Pacific Northwest and in which the cofiring commenced after March 31, 1999. These facilities produce eligible renewable resources in direct proportion to the percentage of the total heat value represented by the heat value of the renewable resources; or

(j) Biomass energy, where the eligible renewable energy produced by biomass facilities is based on the portion of the fuel supply that is made up of eligible biomass fuels.

(25) "Request for proposal" or "RFP" means the documents describing an electric utility's solicitation of bids for delivering electric capacity, energy, capacity and energy, or conservation.

(26) "River discharge" means the total volume of water passing through, over and around all structural components of a hydroelectric facility over a given time.

(27) "Single large facility conservation savings" means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a utility whose recent annual electricity consumption prior to the conservation savings exceeded five average megawatts.

(28) "System cost" means, consistent with RCW 80.52.030, an estimate of all direct costs of a project or resource over its effective life including, if applicable, the costs of distribution to the consumer and among other factors, waste disposal costs, end-of-cycle costs, and fuel costs (including projected increases), and such quantifiable environmental costs and benefits as are directly attributable to the project or resource.

(29) "Target year" means the twelve-month period commencing January 1st and ending December 31st used for compliance with the renewable portfolio standard requirement in WAC 480-109-200(1).

(30) "Transmission voltage" means an electric line normally operated at or above 100,000 volts.

(31) "Utility" means an electrical company that is subject to the commission's jurisdiction under RCW 80.04.010 and chapter 80.28 RCW.

(32) "WREGIS" means the Western Renewable Energy Generation Information System. WREGIS is the renewable energy credit tracking system designated by the department according to RCW 19.285.030(20).

(33) "Year" means the twelve-month period commencing January 1st and ending December 31st.

Reviser's note: The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency and appear in the Register pursuant to the requirements of RCW 34.08.040.

NEW SECTION

WAC 480-109-070 Administrative penalties. (1) A utility that fails to achieve either its conservation target or its renewable resource target must pay an administrative penalty for each megawatt-hour of shortfall in the amount of fifty dollars adjusted annually, beginning in 2007, to reflect changes in the gross domestic product-implicit price deflator, as published by the Bureau of Economic Analysis of the United States Department of Commerce or its successor.

(2) Administrative penalties are due within fifteen days of a commission determination, pursuant to WAC 480-109-210(2), that a utility failed to achieve its conservation or renewable resource target.

(3) A utility that pays an administrative penalty under subsection (2) of this section, must notify its retail electric customers within three months of incurring a penalty stating the size of the penalty, the reason it was incurred and whether the utility expects to seek recovery of the penalty amounts in rates. The utility must provide this notification in a bill insert, a written publication mailed to all retail electricity customers, or another approach approved by the commission.

(4) A utility may request an accounting order from the commission authorizing the deferral of the cost of any administrative penalty assessed under this section. The approval of an accounting order to defer penalties does not constitute approval of recovery of penalties in rates. A utility may seek to recover deferred administrative penalties in a general rate case or power cost only type rate proceeding. If a utility seeks to recover deferred administrative penalties in rates, the utility must demonstrate the prudence of its decisions and actions when it failed to meet the renewable resource targets or one of the compliance alternatives provided in WAC 480-109-220, or the energy conservation targets. When assessing a request for recovery of deferred administrative penalties, the commission will consider the intent of the Energy Independence Act, other laws governing commission actions, policies and precedents of the commission, and the commission's responsibility to act in the public interest.

NEW SECTION

WAC 480-109-100 Conservation resources and energy efficiency resource standard. (1) **Process for pursuing all conservation.**

(a) A utility's obligation to pursue all available conservation that is cost-effective, reliable, and feasible includes the following process:

(i) **Identify potential.** Identify the cost-effective, reliable, and feasible potential of possible technologies and conservation programs and measures in the utility's service territory.

(ii) **Develop portfolio.** Develop a conservation portfolio that includes all available, cost-effective, reliable, and feasible potential. A utility must develop programs to acquire available conservation from all of the types of conservation identified in subsection (b) of this section. If no cost-effective, reliable and feasible conservation is available from one of the types of conservation, a utility is not obligated to acquire such a resource.

(iii) **Implement programs.** Implement conservation programs identified in the portfolio to the extent the portfolio remains cost-effective, reliable, and feasible. Implementation methods shall not unnecessarily limit the acquisition of all available conservation that is cost-effective, reliable and feasible.

(iv) **Adaptively manage.** Continuously review and update as appropriate the conservation portfolio to adapt to changing market conditions and developing technologies. A utility must research emerging conservation technologies, and assess the potential of such technologies for implementation in its service territory.

(b) Types of conservation include, but are not limited to:

(i) End-use efficiency;

(ii) Behavioral programs;

(iii) High-efficiency cogeneration;

(iv) Production efficiency;

(v) Distribution efficiency; and

(vi) Market transformation.

(c) **Pilots.** A utility must implement pilot projects when appropriate and expected to produce cost-effective savings, as long as the overall portfolio remains cost-effective.

(2) **Conservation potential.** By January 1, 2010, and every two years thereafter, a utility must project its cumulative ten-year conservation potential.

(a) This projection must consider all conservation resources that are cost-effective, reliable, and feasible.

(b) This projection must be derived from the utility's most recent IRP, including any information learned in its subsequent resource acquisition process, or the utility must document the reasons for any differences. When developing this projection, utilities must use methodologies that are consistent with those used in the Northwest Conservation and Electric Power Plan.

(c) The projection must include a list of each measure used in the potential, its unit energy savings value, and the source of that value.

(3) **Biennial conservation target.** Beginning January 2010, and every two years thereafter, a utility must establish a biennial conservation target.

(a) The biennial conservation target must identify, and quantify in megawatt-hours, all achievable conservation opportunities.

(b) The biennial conservation target must be no lower than a pro rata share of the utility's ten-year cumulative achievable conservation potential.

(c) **Excess conservation.** No more than twenty-five percent of any biennial target may be met with excess conservation savings allowed by this subsection. Excess conservation may only be used to mitigate shortfalls in future biennium and may not be used to adjust a utility's ten-year conservation potential or biennial target. The presence of excess conservation does not relieve a utility of its obligation to pursue the level of conservation in its biennial target.

(i) Cost-effective conservation achieved in excess of the biennial conservation target may be used to meet up to twenty percent of each of the subsequent two biennial targets.

(ii) A utility may use single large facility conservation savings in excess of its biennial target to meet up to five percent of each of the immediate two subsequent biennial conservation targets.

(iii) Until December 31, 2017, a utility with an industrial facility located in a county with a population between ninety-five thousand and one hundred fifteen thousand that is directly interconnected with electricity facilities that are capable of carrying electricity at transmission voltage, may use cost-effective excess conservation savings from that industrial facility to meet the subsequent two biennial conservation targets.

(4) **Prudence.** A utility retains the responsibility to demonstrate the prudence of all conservation expenditures, as required by RCW 19.285.050(2).

(5) **Energy savings.** A utility must use unit energy savings values and protocols approved by the regional technical forum or by commission order. The commission will consider a unit energy savings value or protocol that is:

(a) Based on generally accepted impact evaluation data or other reliable and relevant data that includes verified savings levels; and

(b) Presented to its advisory group for review. The commission retains discretion to determine an appropriate value or protocol.

(6) **High efficiency cogeneration.** A utility may count as conservation savings a portion of the electricity output of a high efficiency cogeneration facility in its service territory that is owned by a retail electric customer and used by that customer to meet its heat and electricity needs. Heat and electricity output provided to anyone other than the facility owner is not available for consideration in determining conservation savings. High efficiency cogeneration savings must be certified by a professional engineer licensed by the Washington department of licensing.

(7) **Applicable sectors.** A utility must offer a mix of conservation programs to ensure it is serving each customer sector, including programs targeted to the low-income subset of residential customers.

(8) **Cost-effectiveness evaluation.**

(a) **Portfolio.** A utility's conservation portfolio must pass a cost-effectiveness test consistent with that used in the Northwest Conservation and Electric Power Plan. A utility

must evaluate conservation using cost-effectiveness tests consistent with those used by the council, and as required by the commission, except low-income conservation programs.

(b) **Low-income programs.**

(i) A utility must evaluate low-income conservation programs for cost-effectiveness using the savings-to-investment ratio, as described in the *Weatherization Manual For Managing the Low-Income Weatherization Program*. A utility may also evaluate low-income conservation programs using a cost-effectiveness test consistent with that used by the council.

(ii) A utility may exclude low-income conservation programs from portfolio-level cost-effectiveness calculations. However, a utility must count savings from such programs toward meeting its target.

(iii) A utility must require the implementing agency of a low-income conservation program to evaluate each residence with the savings-to-investment ratio, as described in the *Weatherization Manual For Managing the Low-Income Weatherization Program*.

(9) **Incentives.** A utility may propose to the commission positive incentives designed to stimulate the utility to exceed its biennial conservation target as identified in RCW 19.285.060(4). Any proposed incentive must be included in the utility's biennial conservation plan.

NEW SECTION

WAC 480-109-110 Conservation advisory group. (1) **Scope of issues.** A utility must maintain and use an external conservation advisory group of stakeholders to advise the utility on conservation issues including, but not limited to:

(a) Updates to the utility's evaluation, measurement, and verification framework.

(b) Modification of existing, or development of new evaluation, measurement, and verification methods.

(c) Independent third-party evaluation of portfolio-level biennial conservation achievement.

(d) Development of conservation potential assessments, as required by RCW 19.285.040 (1)(a) and WAC 480-109-100(2).

(e) The methodology, inputs, and calculations for cost-effectiveness.

(f) The data sources and values used to develop and update supply curves.

(g) The need for tariff modifications or mid-biennium program corrections.

(h) The appropriate level of and planning for:

(i) Marketing conservation programs;

(ii) Incentives to customers for measures and services; and

(iii) Impact, market, and process evaluations.

(i) Programs for low-income residential customers.

(j) Establishment of the biennial conservation target and program achievement results compared to the target.

(k) Conservation program budgets and actual expenditures compared to budgets.

(2) **Advisory group meetings.** A utility must meet with its conservation advisory group at least four times per year. Conservation advisory group members may request additional meetings. A utility must provide reasonable advance notice of all conservation advisory group meetings.

(3) **Advance notification of filings.** A utility must provide its conservation advisory group an electronic copy of all conservation filings that the utility intends to submit to the commission at least thirty days in advance of the filing. The filing cover letter must document the amount of advance notice provided to the conservation advisory group.

(4) **Advance notification of meetings.** A utility must notify its conservation advisory group of public meetings scheduled to address its conservation programs, its conservation tariffs, or the development of its conservation potential assessment.

NEW SECTION

WAC 480-109-120 Conservation planning and reporting. (1) **Biennial conservation plan.**

(a) On or before November 1st of every odd-numbered year, a utility must file with the commission a biennial conservation plan.

(b) The plan must include, but is not limited to:

(i) A request that the commission approve its ten-year achievable conservation potential and biennial conservation target.

(ii) The extent of public participation in the development of the ten-year conservation potential and the biennial conservation target.

(iii) The ten-year conservation potential, the biennial conservation target, biennial program details, biennial program budgets, and cost-effectiveness calculations.

(iv) A description of the technologies, data collection, processes, procedures and assumptions the utility used to develop the figures in (b)(iii) of this subsection.

(v) A description of and support for any changes from the assumptions or methodologies used in the utility's most recent conservation potential assessment.

(vi) An evaluation, measurement, and verification plan for the biennium including, but not limited to:

(A) The evaluation, measurement, and verification framework;

(B) The evaluation, measurement, and verification budget; and

(C) Identification of programs that will be evaluated during the biennium.

(2) **Annual conservation plan.** On or before November 15th of each even-numbered year, a utility must file with the commission, in the same docket as its current biennial conservation plan, an annual conservation plan containing any changes to program details and annual budget.

(3) **Annual conservation report.**

(a) On or before June 1st of each year, a utility must file with the commission, in the same docket as its current biennial conservation plan, an annual conservation report regarding its progress in meeting its conservation target during the preceding year.

(b) The annual conservation report must include, but is not limited to:

(i) The biennial conservation target.

(ii) Planned and claimed electricity savings from conservation, including a description of the source of any variance between the planned and actual savings.

(iii) Budgeted and actual expenditures made to acquire conservation through the conservation recovery adjustment clause described in WAC 480-109-130.

(iv) An evaluation of portfolio- and program-level cost-effectiveness of the actual conservation savings.

(v) All program evaluations completed in the preceding year.

(vi) A discussion of the steps taken to adaptively manage conservation programs throughout the preceding year.

(c) A utility must file a conservation report with the department as described in WAC 194-37-060, and file a copy of that report with the commission in the same docket as its current biennial conservation plan.

(4) **Biennial conservation report.**

(a) On or before June 1st of each even-numbered year, a utility must file with the commission, in the same docket as its current biennial conservation plan, a biennial conservation report regarding its progress in meeting its conservation target during the preceding two years.

(b) The biennial conservation report must include:

(i) The biennial conservation target;

(ii) Planned and claimed electricity savings from conservation;

(iii) Budgeted and actual expenditures made to acquire conservation;

(iv) The portfolio-level cost-effectiveness of the actual electricity savings from conservation;

(v) An independent third-party evaluation of portfolio-level biennial conservation savings achievement;

(vi) A summary of the steps taken to adaptively manage conservation programs throughout the preceding two years; and

(vii) Any other information needed to justify the conservation savings achievement.

(c) A utility must provide a summary of the biennial conservation report to its customers by bill insert or other suitable method within ninety days of the commission's final action on the report.

(d) A utility may file the annual conservation report and the biennial conservation report together as one report, provided that the report includes all of the information required in subsections (3) and (4) of this section and states that it serves as both the annual conservation report and the biennial conservation report.

(5) **Plan and report review.**

(a) Interested persons may file written comments regarding the biennial conservation plan and biennial conservation report within thirty days of the utility's filing.

(b) Upon conclusion of the commission review of the utility's biennial report or plan, the commission will issue a decision accepting or rejecting the calculation of the utility's conservation target; or determining whether the utility has acquired enough conservation resources to comply with its conservation target. If the utility does not meet its biennial conservation target described in WAC 480-109-100, the commission will determine the amount in megawatt-hours by which the utility was deficient.

(c) If a utility revises its annual or biennial conservation report as a result of the commission review, the utility must submit the revised final report to the department.

(d) Annual plans and reports may be reviewed through the commission's open meeting process, as described in chapter 480-07 WAC.

(6) **Publication of reports.** All current and historical plans and reports required in this section must be posted and maintained on the utility's web site and a copy of any report must be provided to any person upon request.

NEW SECTION

WAC 480-109-130 Conservation recovery adjustment. (1) Utilities must file with the commission for recovery of expected conservation cost changes and amortization of deferred balances. A utility must include its conservation recovery procedures in its tariff.

(2) A utility must make a conservation recovery filing no later than June 1st of each year, with a requested effective date at least sixty days after the filing. If the utility believes that a filing is unnecessary, then it must file a request for exception and supporting documents no later than May 1st of each year demonstrating why a rate change is not necessary.

(3) A utility may not accrue interest or incur carrying charges on deferred conservation cost balances. Utilities must base conservation recovery rates on budgeted conservation measure costs for the future year with revisions to recover only actual measure costs of the prior year. Utilities must also include the effects of variations in actual sales on the recovery of conservation costs in the prior year.

NEW SECTION

WAC 480-109-200 Renewable portfolio standard. (1) **Annual target.** Each utility must meet the following annual targets.

(a) By January 1st of each year beginning in 2012 and continuing through 2015, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least three percent of its two-year average load for the remainder of each target year.

(b) By January 1st of each year beginning in 2016 and continuing through 2019, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least nine percent of its two-year average load for the remainder of each target year.

(c) By January 1st of each year beginning in 2020 and continuing each year thereafter, each utility must use sufficient eligible renewable resources, acquire equivalent renewable energy credits, or a combination of both, to supply at least fifteen percent of its two-year average load for the remainder of each target year.

(2) Renewable energy credits produced during the target year, the preceding year or the subsequent year may be used to comply with this annual renewable resource requirement provided that they were acquired by January 1st of the target year.

(3) All eligible renewable resource generation and all renewable energy credits used for utility compliance with the renewable energy standards must be registered in WREGIS, regardless of facility ownership.

(4) **Renewable energy credit multipliers.** The multipliers described in this subsection do not create additional renewable energy credits. A utility may count renewable energy resources and credits at:

(a) One and two-tenths times the base value where the eligible resource:

(i) Commenced operation after December 31, 2005; and

(ii) The developer of the facility used apprenticeship programs approved by the Washington state apprenticeship and training council.

(b) Two times the base value where the eligible resource was generated by distributed generation and:

(i) The utility owns the distributed generation facility or has purchased the energy output and the associated renewable energy credits; or

(ii) The utility has contracted to purchase the associated renewable energy credits.

(c) A utility that uses a multiplier described in this subsection for compliance must retire the associated base value renewable energy credit at the same time. A utility may not transact the multipliers described in this subsection independent of the associated base value renewable energy credit.

(5) In meeting the annual targets of this section, a utility must calculate its annual target based on the average of the utility's load for the previous two years.

(6) A renewable resource within the Pacific Northwest may receive integration, shaping, storage or other services from sources outside of the Pacific Northwest and remain eligible to count towards a utility's renewable resource target.

(7) **Incremental hydropower calculation.** A utility must use one of the following methods to calculate the quantity of incremental electricity produced by eligible efficiency upgrades to any hydropower facility, regardless of ownership, that is used to meet the annual targets of this section.

(a) **Method one.** An annual calculation performed by:

(i) Determining the river discharge for the facility in the target year;

(ii) Measuring the total amount of electricity produced by the upgraded hydropower facility during the target year;

(iii) Using a power curve-based production model to calculate how much energy the pre-upgrade facility would have generated under the same river discharge observed in the target year; and

(iv) Subtracting the model output in (a)(iii) of this subsection from the measurement in (a)(ii) of this subsection to determine the quantity of eligible renewable energy produced by the facility during the target year.

(b) **Method two.** An annual application of a percentage to total production performed by:

(i) Determining the river discharge for the facility over a historical period of at least five consecutive years;

(ii) Using power curve-based production models to calculate the facility's generation under the river discharge of each year in the historical period for the pre-upgrade state and the post-upgrade state;

(iii) Calculating the arithmetic mean of generation in both the pre-upgrade and post-upgrade states over the historical period;

(iv) Calculate a factor by dividing the arithmetic mean post-upgrade generation by the arithmetic mean pre-upgrade generation and subtracting one; and

(v) Multiply the facility's observed generation in the target year by the factor calculated in (b)(iv) of this subsection to determine the share of the facility's observed generation that may be reported as eligible renewable energy.

(c) **Method three.** A utility may only use method three to demonstrate compliance for a target year after 2017 by commission order. Method three is a one-time calculation of the quantity of renewable energy performed by:

(i) Determining the river discharge for the facility over a historical period of at least ten consecutive years;

(ii) Using a production model to calculate the facility's generation in megawatt-hours under the river discharge of each year in the historical period for the pre-upgrade state and the post-upgrade state;

(iii) Calculating the arithmetic mean generation of the pre-upgrade and post-upgrade states over the historical period in megawatt hours;

(iv) Subtracting the arithmetic mean pre-upgrade generation from the arithmetic mean post-upgrade generation to determine the amount of eligible renewable generation for the target year; and

(v) In the utility's 2017 renewable portfolio standard report, providing an analysis comparing the amount of incremental hydropower the utility reported in the five previous years using method three to the amount of incremental hydropower the utility would have reported over the same period using one of the other two methods.

(8) **Qualified biomass energy.** Beginning January 1, 2016, only a utility that owns or is directly interconnected to a qualified biomass energy facility may use qualified biomass energy to meet its annual target obligation.

(a) A utility may no longer use electricity and associated renewable energy credits from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance or upgrade.

(b) A utility may acquire renewable energy credits from a qualified biomass energy resource hosted by an industrial facility only if the facility is directly interconnected to the utility at transmission voltage. The number of renewable energy credits that the utility may acquire from an industrial facility for the utility's target compliance may not be greater than the utility's renewable portfolio standard percentage times the industrial facility load.

(c) A utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or utility.

NEW SECTION

WAC 480-109-210 Renewable portfolio standard reporting. (1) **Annual report.** On or before every June 1st, each utility must file an annual renewable portfolio standard

report with the commission and the department detailing the resources the utility has acquired or contracted to acquire to meet its renewable resource obligation for the target year.

(2) **Annual report contents.** The annual renewable portfolio standard report must include the utility's annual load for the prior two years, the total number of megawatt-hours from eligible renewable resources and/or renewable resource credits the utility needed to meet its annual renewable energy target by January 1st of the target year, the amount (in megawatt-hours) of each type of eligible renewable resource used, and the amount of renewable energy credits acquired. Additionally, the annual renewable portfolio standard report must include the following:

(a) **Incremental cost calculation.** To calculate its incremental cost, a utility must:

(i) Make a one-time calculation of incremental cost for eligible resources at time of acquisition:

(A) **Eligible resource levelized cost.** Determine the levelized cost of each eligible resource, including integration costs, using the utility's commission-approved weighted average cost of capital at the time of the resource's acquisition as the discount rate;

(B) **Capacity.** Calculate the capacity credit for each eligible resource by modeling the eligible resource's output, in megawatts, at the time of the utility's annual system peak;

(C) **Noneligible resource selection.** Select and document the lowest-reasonable-cost, noneligible resource available to the utility at the time of the eligible resource's acquisition for each corresponding eligible resource;

(D) **Noneligible levelized energy cost.** For each noneligible resource selected in (a)(i)(C) of this subsection, determine the cost of acquiring the same amount of energy as expected to be produced by the eligible resource, levelized over a time period equal to the facility life of the eligible resource and at the same discount rate used in (a)(i)(A) of this subsection;

(E) **Noneligible levelized capacity cost.** Calculate the levelized capital cost of obtaining an equivalent amount of capacity provided by the eligible resource, as determined in (a)(i)(B) of this subsection, from a noneligible resource. This cost must be levelized over a period equal to the facility life of the eligible resource and at the same discount rate used in (a)(i)(A) of this subsection. To make this calculation, a utility must use the lowest-cost, noneligible capacity resource identified in its most recent integrated resource plan acknowledged by the commission.

(F) **Incremental cost calculation.** Determine the incremental cost of each eligible resource by subtracting the sum of the levelized costs of the noneligible resources calculated in (a)(i)(D) and (E) of this subsection from the levelized cost of the eligible resource determined in (a)(i)(A) of this subsection.

(ii) **Annual calculation of revenue requirement ratio.** To calculate its revenue requirement ratio, a utility must annually:

(A) Sum the incremental costs of all eligible resources used for target year compliance;

(B) Add the cost of any unbundled renewable energy credits purchased for target year compliance;

(C) Subtract the revenue from the sales of any renewable energy credits and energy from eligible facilities; and

(D) Divide the total obtained in (a)(ii)(A) through (C) of this subsection by the utility's annual revenue requirement, which means the revenue requirement that the commission established in the utility's most recent rate case, and multiply by one hundred.

(iii) **Annual reporting.** In addition to the revenue requirement ratio calculated in (a)(ii) of this subsection, the utility must:

(A) Report its total incremental cost as a dollar amount and in dollars per megawatt-hour of renewable energy generated by all eligible renewable resources in the calculation in (a)(i) of this subsection; and

(B) Multiply the dollars per megawatt-hour cost calculated in (a)(iii)(A) of this subsection by the number of megawatt-hours needed for target year compliance.

(b) **Alternative compliance.** State whether the utility is relying upon one of the alternative compliance mechanisms provided in WAC 480-109-220 instead of fully meeting its renewable resource target. A utility using an alternative compliance mechanism must use the incremental cost methodology described in this section and include sufficient data, documentation and other information in its report to demonstrate that it qualifies to use that alternative mechanism.

(c) **Compliance plan.** Describe the resources that the utility intends to use to meet the renewable resource requirements for the target year.

(d) **Eligible resources.** A list of each eligible renewable resource that serves Washington customers, for which a utility owns the renewable energy credits or qualifying hydroelectric generation, with an installed capacity greater than twenty-five kilowatts. Resources with an installed capacity of less than twenty-five kilowatts may be reported in terms of aggregate capacity. The list must include:

(i) Each resource's WREGIS registration status and use of renewable energy certificates, whether it be for annual target compliance, a voluntary renewable energy program as provided for in RCW 19.29A.090, or owned by the customer; and

(ii) Eligible resources being included in the report for the first time and documentation of their eligibility.

(e) **Multistate allocations.**

(i) If a utility serves retail customers in more than one state, the utility must allocate renewable energy credits and qualifying hydroelectric generation consistent with the utility's most recent commission-approved interstate cost allocation methodology. The report must show how the utility applied the allocation methodology to arrive at the amount of renewable energy credits and qualifying hydroelectric generation allocated to Washington ratepayers.

(ii) After documenting the amount of renewable energy credits and qualifying hydroelectric generation allocated to Washington ratepayers, a utility may transfer renewable energy credits or qualifying hydroelectric generation to or from Washington ratepayers. The report must document the compensation provided to each jurisdiction's ratepayers for such transfers.

(f) **Sales.** If a utility sold renewable energy credits, report the number of credits that it sold, their WREGIS certificate

numbers, their source, and the revenues obtained from the sales. If a utility sold eligible hydroelectricity, report the number of megawatt-hours sold, their source, and the revenues obtained from the sales.

(3) **Report review.**

(a) Interested persons may file written comments regarding a utility's annual renewable portfolio standard report within thirty days of the utility's filing.

(b) Upon conclusion of the commission review of the utility's annual renewable portfolio standard report, the commission will issue a decision accepting or rejecting the calculation of the utility's renewable resource target; determining whether the utility has generated, acquired or arranged to acquire enough renewable energy credits or qualifying generation to comply with its renewable resource target; and determining the eligibility of new renewable resources pursuant to subsection (2)(d) of this section.

(c) If a utility revises its annual renewable portfolio standard report as a result of the commission review, the utility must submit the revised final annual renewable portfolio standard report to the department.

(4) **Publication of reports.** All current and historical renewable portfolio standard reports required in this section must be posted and maintained on the utility's web site and a copy of any report must be provided to any person upon request.

(5) **Customer notification.** Each utility must provide a summary of its annual renewable portfolio standard report to its customers by bill insert or other suitable method. This summary must be provided within ninety days of final action by the commission on the report.

(6) **Final compliance report.** Within two years following submission of its annual renewable portfolio standard report, a utility must submit, in the same docket, a final renewable portfolio standard compliance report that lists the renewable energy credits that it retired in WREGIS for the target year. If a utility does not meet its annual target described in WAC 480-109-200, the commission will determine the amount in megawatt-hours by which the utility was deficient.

NEW SECTION

WAC 480-109-220 Alternatives to the renewable resource requirement. Instead of fully meeting its annual renewable resource target in WAC 480-109-200, a utility may make one of three demonstrations.

(1) A utility may invest at least four percent of its total annual retail revenue requirement on the incremental costs of eligible renewable resources, renewable energy credits, or a combination of both.

(2) A utility may demonstrate that events beyond its reasonable control that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events may include weather-related damage, mechanical failure, strikes, lockouts, or actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource owned by or under contract to a qualifying utility.

(3) A utility may demonstrate all of the following:

(a) Its weather-adjusted load for the previous three years prior to the target year on average did not increase.

(b) After December 7, 2006, all new or renewed ownership or purchases of electricity from nonrenewable resources other than coal transition power and daily spot purchases were offset by equivalent renewable energy credits.

(c) It invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.

NEW SECTION

WAC 480-109-300 Energy and emissions intensity metrics. (1) A utility must report metrics of energy and emissions intensity to the commission on or before June 1st of each year. The report must include annual values for each metric for the preceding ten calendar years. Each value reported must be based on the annual energy or emissions from all generating resources providing service to customers in Washington state, regardless of the location of the generating resources. When the metrics are calculated from generators that serve out-of-state and in-state customers, the annual energy and emissions outputs must be prorated to represent the proportion of the resource used by Washington customers.

(2) The energy and emissions intensity report shall include the following metrics:

(a) MWh per residential customer;

(b) MWh per commercial customer;

(c) MWh per capita;

(d) Million tons of CO_2 emissions; and

(e) Comparison of annual million tons of CO_2 emissions to 1990 emissions.

(3) **Unknown generation sources.** For resources where the utility purchases energy from unknown generation sources, often called "spot market" purchases, from which the emission rates are unknown, the utility shall report emission metrics using the average electric power CO_2 emissions rate described as the net system mix (spot market) in the Washington state electric utility fuel mix disclosure reports compiled by the department pursuant to RCW 19.29A.080. For the resources described in this subsection, a utility must show in the report required in subsection (1) of this section the following:

(a) Tons of CO_2 from unknown generation sources;

(b) MWh delivered to its retail customers from unknown generation sources; and

(c) Percentage of total load represented by unknown generation sources.

(4) The energy and emissions intensity report must include narrative text and graphics describing trends and an analysis of the likely causes of changes, or lack of changes, in the metrics.

NEW SECTION

WAC 480-109-999 Adoption by reference. In this chapter, the commission adopts by reference all, or portions

of, the publications identified below. They are available for inspection at the commission branch of the Washington state library. The publications, publication dates, references within this chapter, and availability of the resources are as follows:

(1) *Northwest Conservation and Electric Power Plan* as published by the Northwest Power and Conservation Council.

(a) The commission adopts the sixth version published in 2010.

(b) This publication is referenced in WAC 480-109-100.

(c) Copies of *Sixth Northwest Conservation and Electric Power Plan* are available from the Northwest Power and Conservation Council at http://www.nwcouncil.org/energy/powerplan/6/plan/.

(2) *Weatherization Manual For Managing the Low-Income Weatherization Program* as published by the Washington state department of commerce.

(a) The commission adopts the version published in 2013.

(b) This publication is referenced in WAC 480-109-120.

(c) Copies of *Weatherization Manual For Managing the Low-Income Weatherization Program* are available from the Washington state department of commerce at http://www.commerce.wa.gov/Programs/services/weatherization/Pages/WeatherizationTechnicalDocuments.aspx.

(3) The unit energy savings values as published by the Northwest Power and Conservation Council's Regional Technical Forum.

(a) The commission adopts the unit energy savings with status of "Active" or "Under Review" on August 1, 2014.

(b) This information is referenced in WAC 480-109-100(5).

(c) The spreadsheets containing the unit energy savings values are available for download at http://rtf.nwcouncil.org/measures/Default.asp.

(4) The energy savings standard protocols as published by the Northwest Power and Conservation Council's Regional Technical Forum.

(a) The commission adopts the energy savings protocols with status of "Active" or "Under Review" on August 1, 2014.

(b) This information is referenced in WAC 480-109-100(5).

(c) The spreadsheets containing the energy savings protocols are available for download at http://rtf.nwcouncil.org/protocols/Default.asp.

REPEALER

The following sections of the Washington Administrative Code are repealed:

WAC 480-109-001	Purpose and scope.
WAC 480-109-002	Application of rules.
WAC 480-109-003	Exemptions from rules in chapter 480-109 WAC.
WAC 480-109-004	Additional requirements.
WAC 480-109-006	Severability.
WAC 480-109-007	Definitions.

WSR 14-18-088

WITHDRAWL OF PROPOSED RULES

DEPARTMENT OF SOCIAL AND HEALTH SERVICES

(Children's Administration)

[Filed September 3, 2014, 11:39 a.m.]

The children's administration requests the withdrawal of proposed rule-making notice filed as WSR 14-14-116 on July 2, 2014 (WAC 388-160-0265) regarding notification requirements for licensed shelters.

The children's administration is including these changes in another rule making filed as WSR 14-17-128 on August 20, 2014. A hearing is being held at 10 a.m. on October 21, 2014, at the DSHS Headquarters, Office Building 2, 1115 Washington, Olympia, WA 98504.

Katherine I. Vasquez
Rules Coordinator