

**WSR 22-17-113**  
**PROPOSED RULES**  
**UTILITIES AND TRANSPORTATION**  
**COMMISSION**

[Filed August 22, 2022, 8:10 a.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 22-14-081.

Title of Rule and Other Identifying Information: Rule making to implement amendments to RCW 80.24.010 updating the commission's authority to assess regulatory fees. The rules that the commission is amending in this rule making are WAC 480-90-252, 480-100-252, 480-110-505, 480-120-382, and 480-120-385. The commission has coordinated this rule making under Docket U-220271.

Hearing Location(s): On October 17, 2022, at 9:30 a.m., Zoom <https://utc-wa-gov.zoom.us/j/87497880066?pwd=dnZUMkloU1FYRWVxbnJPbm0wMDhqdz09>, phone 253-215-8782, Meeting ID 874 9788 0066, Passcode 384286. Public hearing to consider adoption of the proposed rule.

Date of Intended Adoption: October 17, 2022.

Submit Written Comments to: Amanda Maxwell, Executive Director and Secretary, P.O. Box 47250, Olympia, WA 98504-7250, email [records@utc.wa.gov](mailto:records@utc.wa.gov), 360-664-1160, by September 30, 2022.

Assistance for Persons with Disabilities: Contact human resources, phone 360-664-1160, TTY 360-586-8203, email [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov), by October 10, 2022.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: The legislature adopted amendments to RCW 80.24.010, increasing the maximum regulatory fees the commission may assess to utility companies. This rule making will conform the commission's rules to the formula adopted by RCW 80.24.010.

Reasons Supporting Proposal: The legislature amended RCW 80.24.010 so the commission could increase its maximum regulatory fees. This rule making will implement that purpose.

Statutory Authority for Adoption: RCW 80.01.040, 81.01.010, 81.04.160, and 84.24.010.

Statute Being Implemented: RCW 84.24.010.

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

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

Name of Agency Personnel Responsible for Drafting: Gregory J. Kopta, 621 Woodland Square Loop S.E., Lacey, WA 98503, 360-664-1355; Implementation and Enforcement: Amanda Maxwell, 621 Woodland Square Loop S.E., Lacey, WA 98503, 360-664-1110.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 does not apply to UTC as it is not one of the listed agencies in RCW 34.05.328 (5) (a) (i).

The proposed rule does not impose more-than-minor costs on businesses. Following is a summary of the agency's analysis showing how costs were calculated. The proposed rule amendments incorporate the legislature's amendment of RCW 80.24.010 increasing the amount of the regulatory fees the commission collects from privately owned utilities. The only substantive change the commission proposes is the one the legislature adopted. The commission nevertheless undertook a small

business economic impact analysis. The increased regulatory fees are operational expenses that the utilities recoup through the rates they charge for their services. The commission also retains the authority to impose regulatory fees that are lower than the amount specified in the statute and proposed rule amendments when warranted, which the commission anticipates doing for telecommunications companies. On July 1, 2022, the commission sent a notice to all potential stakeholders and interested persons providing the proposed rule amendment language and requesting responses on a small business economic impact statement questionnaire. The notice requested that entities affected by the proposed rules provide information about possible cost impacts of the rules with specific information for each rule that the entity identified as causing an impact. The commission did not receive any information in response to the questionnaire. Based on the information available to the commission, the proposed rule amendments will not impose more-than-minor costs on any small business.

August 22, 2022

Amanda Maxwell

Executive Director and Secretary

#### OTS-4016.1

AMENDATORY SECTION (Amending WSR 06-08-057, filed 3/31/06, effective 5/1/06)

**WAC 480-90-252 Federal Energy Regulatory Commission (FERC) Form No. 2.** (1) Each gas utility must use the annual report form (FERC Form No. 2) promulgated by the Federal Energy Regulatory Commission in Title 18 of the Code of Federal Regulations, Part 260, for purposes of this report to the commission. Data required by RCW 80.04.080 (Annual reports), but not included in the FERC Form No. 2, must also be submitted with the annual report. The utility must submit the annual report for the preceding calendar year, along with the regulatory fee, by May 1st of each year. If not presented in the prescribed FERC Form No. 2, the annual report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales. Information about the FERC Form No. 2 regarding the version adopted and where to obtain it is set out in WAC 480-90-999 (Adoption by reference).

(2) Each utility must also submit to this commission, in essentially the same format and content as the FERC Form No. 2, a report that documents the costs incurred and the property necessary to furnish utility service to its customers and the revenues obtained in the state of Washington. The report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales.

(3) Combination and multistate utilities must submit with the annual report their cost allocation methods necessary to develop results of operations for the state of Washington. Approval of cost allocation methods for rate-making purposes is accomplished only by commission order.

(4) The total utility results of operations reported by each utility in its annual report to the commission must agree with the results of operations shown on the utility's books and records.

(5) **Regulatory fees.** The gas utility annual regulatory fee is set by statute at one-tenth of one percent of the first (~~(fifty thousand dollars)~~) \$50,000 of gross intrastate operating revenue plus (~~(two-tenths)~~) four-tenths of one percent of any gross intrastate operating revenue in excess of (~~(fifty thousand dollars)~~) \$50,000.

(a) The maximum regulatory fee is assessed each year, unless the commission issues an order establishing the regulatory fee at an amount less than the statutory maximum.

(b) The minimum regulatory fee that a gas utility must pay is (~~(twenty dollars)~~) \$20.

(c) The (~~(twenty dollar)~~) \$20 minimum regulatory fee is waived for any gas utility with less than (~~(twenty thousand dollars)~~) \$20,000 in gross intrastate operating revenue.

(d) The commission does not grant extensions for payment of regulatory fees.

(e) If a company does not pay its regulatory fee by May 1<sup>st</sup>, the commission will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month the fee remains unpaid.

[Statutory Authority: 80.01.040(4), 81.04.160, and 34.05.353. WSR 06-08-057 (Docket A-060085, General Order No. R-531), § 480-90-252, filed 3/31/06, effective 5/1/06. Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-21-022 (Docket No. A-050271, General Order No. R-521), § 480-90-252, filed 10/10/05, effective 11/10/05; WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-90-252, filed 2/28/05, effective 3/31/05.]

#### OTS-4017.1

AMENDATORY SECTION (Amending WSR 06-08-057, filed 3/31/06, effective 5/1/06)

#### **WAC 480-100-252 Federal Energy Regulatory Commission (FERC) Form**

**No. 1.** (1) Each electric utility must use the annual report form (FERC Form No. 1) promulgated by the Federal Energy Regulatory Commission in Title 18 of the Code of Federal Regulations, Part 141, for purposes of this report to the commission. Data required by RCW 80.04.080 (Annual reports), but not included in the FERC Form No. 1, must also be submitted with the annual report. The utility must submit the annual report for the preceding calendar year, along with the regulatory fee, by May 1<sup>st</sup> of each year. If not presented in the prescribed FERC Form No. 1, the annual report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales. Information about the FERC Form No. 1 regarding the version adopted and where to obtain it is set out in WAC 480-100-999 (Adoption by reference).

(2) Each utility must also submit to this commission, in essentially the same format and content as the FERC Form No. 1, a report

that documents the costs incurred and the property necessary to furnish utility service to its customers and the revenues obtained in the state of Washington. The report must include the following data per customer class for the calendar year: Revenues, average customer count, and total unit sales.

(3) Combination and multistate utilities must submit with the annual report their cost allocation methods necessary to develop results of operations for the state of Washington. Approval of cost allocation methods for rate-making purposes is accomplished only by commission order.

(4) The total utility results of operations reported by each utility in its annual report to the commission must agree with the results of operations shown on the utility's books and records.

(5) **Regulatory fees.** The electric utility annual regulatory fee is set by statute at one-tenth of one percent of the first (~~fifty thousand dollars~~) \$50,000 of gross intrastate operating revenue plus (~~two-tenths~~) four-tenths of one percent of any gross intrastate operating revenue in excess of (~~fifty thousand dollars~~) \$50,000.

(a) The maximum regulatory fee is assessed each year, unless the commission issues an order establishing the regulatory fee at an amount less than the statutory maximum.

(b) The minimum regulatory fee that an electric utility must pay is (~~twenty dollars~~) \$20.

(c) The (~~twenty dollar~~) \$20 minimum regulatory fee is waived for any electric utility with less than (~~twenty thousand dollars~~) \$20,000 in gross intrastate operating revenue.

(d) The commission does not grant extensions for payment of regulatory fees.

(e) If a company does not pay its regulatory fee by May 1<sup>st</sup>, the commission will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month the fee remains unpaid.

[Statutory Authority: RCW 80.01.040(4), 81.04.160, and 34.05.353. WSR 06-08-057 (Docket A-060085, General Order No. R-531), § 480-100-252, filed 3/31/06, effective 5/1/06. Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-100-252, filed 2/28/05, effective 3/31/05.]

#### OTS-4018.1

AMENDATORY SECTION (Amending WSR 06-08-057, filed 3/31/06, effective 5/1/06)

**WAC 480-110-505 Accounting and reporting requirements and regulatory fees.** (1) Water companies must use the uniform system of accounts (USOA) published by the National Association of Regulatory Utility Commissioners (NARUC). Information about the USOA regarding the version adopted and where to obtain it is set out in WAC 480-110-999 (Adoption by reference). The USOA sets out the accounting requirements for Class A, B, and C water companies.

Water companies are classified by revenues.

Class	Annual Gross Operating Revenue
A	\$1,000,000 or more
B	\$200,000 to \$999,999
C	Less than \$200,000

(2) A water company may use the accounting requirements for a higher class if it chooses.

(3) The commission will distribute an annual report form that each water company must complete and file with the commission for the prior calendar year. The annual report must be filed, and the company's regulatory fee paid, no later than May 1<sup>st</sup> of each year.

(4) A written request for the extension of the time for filing the annual report can be made prior to May 1<sup>st</sup>. The commission does not grant an extension of time for payment of regulatory fees.

(5) The maximum water company regulatory fee is set by statute at one-tenth of one percent of the first (~~(fifty thousand dollars)~~) \$50,000 of gross intrastate operating revenue plus (~~(two-tenths)~~) four-tenths of one percent of any gross operating revenue in excess of (~~(fifty thousand dollars)~~) \$50,000.

(a) The maximum regulatory fee is assessed each year, unless the commission issues an order establishing the regulatory fee at an amount less than the statutory maximum.

(b) The minimum regulatory fee that a water company must pay is (~~(twenty dollars)~~) \$20.

(c) The (~~(twenty-dollar)~~) \$20 minimum regulatory fee is waived for any water company with less than (~~(twenty thousand dollars)~~) \$20,000 in gross intrastate operating revenue.

(d) The commission does not grant extensions for payment of regulatory fees.

(e) If a company does not pay its regulatory fee by May 1<sup>st</sup>, the commission will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month the fee remains unpaid.

[Statutory Authority: RCW 80.01.040(4), 81.04.160, 34.05.353. WSR 06-08-057 (Docket A-060085, General Order No. R-531), § 480-110-505, filed 3/31/06, effective 5/1/06. Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-110-505, filed 2/28/05, effective 3/31/05.]

#### OTS-4019.1

AMENDATORY SECTION (Amending WSR 15-08-043, filed 3/26/15, effective 4/26/15)

**WAC 480-120-382 Annual report for competitively classified telecommunications companies.** The commission will distribute an annual report form including a regulatory fee form. A competitively classified company must:

(1) Complete both forms, file them with the commission, and pay its regulatory fee, no later than May 1<sup>st</sup> of each year;

- (2) Provide total number of access lines as required on the annual report form;
- (3) Provide income statement and balance sheet for total company;
- (4) Provide revenues for Washington and Washington intrastate operations subject to commission jurisdiction;
- (5) Keep accounts using generally accepted accounting principles (GAAP), or any other accounting method acceptable to the commission. In addition, the accounts must allow for the identification of revenues supporting subsection (4) of this section; and
- (6) **Regulatory fees.** The telecommunications annual regulatory fee is set by statute at one-tenth of one percent of the first (~~fifty thousand dollars~~) \$50,000 of gross intrastate operating revenue plus (~~two-tenths~~) four-tenths of one percent of any gross intrastate operating revenue in excess of (~~fifty thousand dollars~~) \$50,000.
  - (a) The maximum regulatory fee is assessed each year, unless the commission issues an order establishing the regulatory fee at an amount less than the statutory maximum.
  - (b) The minimum regulatory fee that a company must pay is (~~one hundred fifty dollars~~) \$150.
  - (c) The commission does not grant extensions for payment of regulatory fees.
  - (d) If a company does not pay its regulatory fee by May 1<sup>st</sup>, the commission will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month the fee remains unpaid.
  - (e) The commission may take action to revoke a company's registration certificate if it fails to pay its regulatory fee.

[Statutory Authority: Chapter 19.122 RCW, RCW 19.122.053, 80.01.040, and 80.04.160. WSR 15-08-043 (Docket UT-140680, General Order R-580), § 480-120-382, filed 3/26/15, effective 4/26/15. Statutory Authority: RCW 80.01.040(4), 81.04.160, and 34.05.353. WSR 06-08-057 (Docket A-060085, General Order No. R-531), § 480-120-382, filed 3/31/06, effective 5/1/06. Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-120-382, filed 2/28/05, effective 3/31/05.]

AMENDATORY SECTION (Amending WSR 15-08-043, filed 3/26/15, effective 4/26/15)

**WAC 480-120-385 Annual report for telecommunications companies not classified as competitive.** (1) Annual reports for companies not classified as competitive. The commission will distribute an annual report form, a regulatory fee form, and financial information templates. A telecommunications company not classified as competitive must:

- (a) Return the annual report and regulatory fee forms and pay its regulatory fee, no later than May 1<sup>st</sup> of each year;
- (b) Provide total number of access lines (as required on the annual report form referred to in (a) of this subsection); and
- (c) Complete the financial information templates. The financial information templates include income statement, balance sheet, and rate base items. The templates also include sections on total company and results of operations for Washington and Washington intrastate.

The commission will provide the templates each year and the company must return the completed templates as follows:

- (i) Class A companies must file the required financial information templates no later than May 1st each year.
- (ii) Class B companies must file the required financial information templates no later than July 1st of each year.
- (iii) Class B companies are not exempt from these filing requirements.

(2) Methods used to determine Washington intrastate results of operations must be acceptable to the commission.

(3) This rule does not supersede any reporting requirements specified in a commission rule or order, or limit the commission's authority to request additional information.

(4) **Regulatory fees.** The telecommunications annual regulatory fee is set by statute at one-tenth of one percent of the first (~~fifty thousand dollars~~) \$50,000 of gross intrastate operating revenue plus (~~two-tenths~~) four-tenths of one percent of any gross intrastate operating revenue in excess of (~~fifty thousand dollars~~) \$50,000.

(a) The maximum regulatory fee is assessed each year, unless the commission issues an order establishing the regulatory fee at an amount less than the statutory maximum.

(b) The minimum regulatory fee that a company must pay is (~~one hundred fifty dollars~~) \$150.

(c) The commission does not grant extensions for payment of regulatory fees.

(d) If a company does not pay its regulatory fee by May 1st, the commission will assess an automatic late fee of two percent of the amount due, plus one percent interest for each month the fee remains unpaid.

[Statutory Authority: Chapter 19.122 RCW, RCW 19.122.053, 80.01.040, and 80.04.160. WSR 15-08-043 (Docket UT-140680, General Order R-580), § 480-120-385, filed 3/26/15, effective 4/26/15. Statutory Authority: RCW 80.01.040(4), 81.04.160, and 34.05.353. WSR 06-08-057 (Docket A-060085, General Order No. R-531), § 480-120-385, filed 3/31/06, effective 5/1/06. Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-120-385, filed 2/28/05, effective 3/31/05.]