

# FINAL BILL REPORT

## EHB 1459

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### PARTIAL VETO

C 62 L 99

Synopsis as Enacted

**Brief Description:** Allowing reduced rate utility service for low-income citizens.

**Sponsors:** Representatives Poulsen, Crouse, Reardon, Ruderman, Cooper, Wolfe, Kastama, Constantine, Murray, Rockefeller, Dickerson, Lantz, Kenney, McIntire, Lovick, Wood and Edmonds.

**House Committee on Technology, Telecommunications & Energy**  
**Senate Committee on Energy, Technology & Telecommunications**

#### **Background:**

In 1998, the Legislature authorized municipal utilities and public utility districts to offer rate discounts to low-income utility customers. Prior to 1998, low-income rate discounts from consumer-owned utilities were authorized only for low-income senior citizens or disabled persons.

Low-income rate discounts may be offered at the discretion of the utility, so long as the discounts are uniformly available to all eligible low-income customers served by the utility. Participating local governments may define the income eligibility standards through an appropriate ordinance or resolution of their governing bodies. Participating public utility districts must apply the same income eligibility standards that are used in qualifying customers for low-income residential weatherization services, which is a household income that is at or below 125 percent of the federally established poverty level.

Private utilities that are regulated by the Washington Utilities and Transportation Commission (WUTC), including gas companies, electrical companies, and water companies are prohibited from offering free or reduced rates except to "indigent and destitute persons" (among others). No definition of "indigent and destitute persons" is provided, and no tariffs are currently in place offering such discounts. Gas, electric, and water companies must charge "just, fair, reasonable, and sufficient" prices for the services they provide.

Additionally, gas, electric, and water companies may not grant any undue or unreasonable privilege or advantage to any person or provide or price services in a discriminatory manner except as allowed by law.

**Summary:**

Investor-owned gas and electric companies may, upon approval by the WUTC, provide discounts in rates, charges, provision of services, and provision of physical facilities to low-income senior customers and low-income customers. An example of provision of physical facilities is the conversion of a heating system from electric power to natural gas. Expenses and lost revenues resulting from these discounts will be recovered in the rates paid by other customers.

**Votes on Final Passage:**

House 96 1

Senate 41 1

**Effective:** July 25, 1999

**Partial Veto Summary:** Vetoes sections that clarified certain requirements such as: services and rates should be just and reasonable; that utilities not terminate services during winter months; that utilities notify customers of their duties in the event of potential shutoff; the availability of budget billing or equal payment plans; the safety of facilities; and water conservation goals. Further vetoes sections that allow prohibited utilities from charging rates different than those filed with the UTC, nor grant preferential or discriminatory rates to any like or contemporaneous person, corporation or locality.