

Mission Statement:

The UTC protects consumers by ensuring that utility and transportation services are fairly priced, available, reliable, and safe.



Washington Utilities and Transportation Commission

Monitoring Public Utility

Performance: WUTC Monitoring and Reporting Requirements and Practices

Prepared for: The Kyrgyz Republic SEA

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Purpose of Reports



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- The Commission must be informed of developments at the utilities.
 - Having knowledge earlier rather than later allows time for preventive actions, if necessary.
 - Even if Commission has little authority to correct utility management decisions, the fact that the Commission has the information may influence better decisions at the utility.

General Authority to Prescribe Reports



- 80.04.080 RCW, Annual reports
 - This law allows the Commission to declare what reports the utilities must file.
 - “Every public service company shall annually furnish to the commission a report in such form as the commission may require, and shall specifically answer all questions propounded to it by the commission, upon or concerning which the commission may need information.”

General Authority, continued



80.04.080 RCW, Annual reports, also states the following:

“The commission shall have authority to require any public service company to file monthly reports of earnings and expenses, and to file periodical or special, or both periodical and special, reports concerning any matter about which the commission is authorized or required by this or any other law, to inquire into or keep itself informed about, or which it is required to enforce, such periodical or special reports to be under oath whenever the commission so requires.”

Prescribed Record Keeping System



- The federal Uniform System of Accounts (USoA) is the accepted accounting system for Washington utilities.
- Multi-state utilities must maintain records to identify the costs of providing service in Washington.

Reports Required by Commission Rules



- By Commission rule the utilities must submit the following reports:
 - Annual report due by May 1 for the prior calendar year.
 - Commission Basis Report due four months after end of fiscal year.
 - Quarterly reports of actual results of operations.
 - Budgets as approved by company Board of Directors.
 - Report of Affiliated Interest transactions
 - Report of Securities filings

Annual Report



- The Annual Report shows actual operations for the prior calendar year.
 - The WUTC accepts the Federal Energy Regulatory Commission (FERC) Form 1.
 - Multi-state companies must submit a similar report for operations in Washington.
 - Report must include revenues, average customer count, and total unit sales.

Commission Basis Report



- “Commission basis report” due within four months of end of utility’s fiscal year.
 - This is to report the utility’s operations adjusted to remove the variations in consumption due to temperature and variations in water flow for hydro-electric dams.
 - Other adjustments to operations include the removal of out-of-period expenses, non-recurring and non-operating expenses, and items that distort the earnings or rate base.

Commission Basis Report - continued



- The commission basis report is to show the utility earnings under “normal” conditions.
- This makes comparisons over time more comparable.
 - Consumption during colder than normal winters increases sales and increases earnings. Or just the opposite in warmer than normal winters.

Quarterly Reports



- Electric and gas utilities must file a report of actual monthly results for Washington operations.
 - The report is due 45 days from the end of each quarter.

Budget Report



- 80.04.300 RCW, Budgets to be filed by companies
 - “The Commission may regulate, restrict, and control the budgets of expenditures of public service companies.”
 - Budget reported within ten days of approval by the company.
 - Commission may investigate budget and rule on the fairness and reasonableness of the budget.

Report of Affiliated Interest Transactions



- Utilities must file an annual report of transactions with its affiliated interests.
- Generally speaking, “Affiliated Interests” are:
 - companies or persons who own at least 5% of the utility,
 - persons who are officers or directors of the public service company,
 - or corporations or persons with which the utility has a management or service contract.

Affiliated Interest Report



- The annual affiliated interest report includes:
 - Corporate organization chart;
 - Description of products or services flowing between utility and affiliate;
 - Description of pricing basis or costing method for those products or services;
 - Description of loans between the utility and the affiliate;
 - List the common officers and directors of utility and affiliate.

Control Over Transactions with Affiliates



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- Commission may disapprove contracts between utility and affiliated interest.
 - Commission may disallow recovery of costs or sales between affiliate and utility for rate making, if transaction is deemed unreasonable.

Securities Reports



- Utilities must file a statement of securities, such as stocks or bonds, prior to issuance.
- Statement must include;
 - A description of purposes for which the issuance is made;
 - Purposes are fairly broad such as; to acquire or improve facilities, to maintain service, to issue stock dividends, or to refund other obligations.
 - A description of the proposed issuance;
 - A statement as to why the issuance is in the public interest.

In Conclusion



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- The WUTC has broad authority to require reports from regulated utilities.
 - The primary intent of reports is to keep the commission informed about the activities, the health, and the public service commitments of the utilities in its jurisdiction.