Washington Utilities and Transportation Commission (UTC)

TIER 2 - Agency Transition Description

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

Washington Utilities and Transportation Commission
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Utilities and Transportation Commission

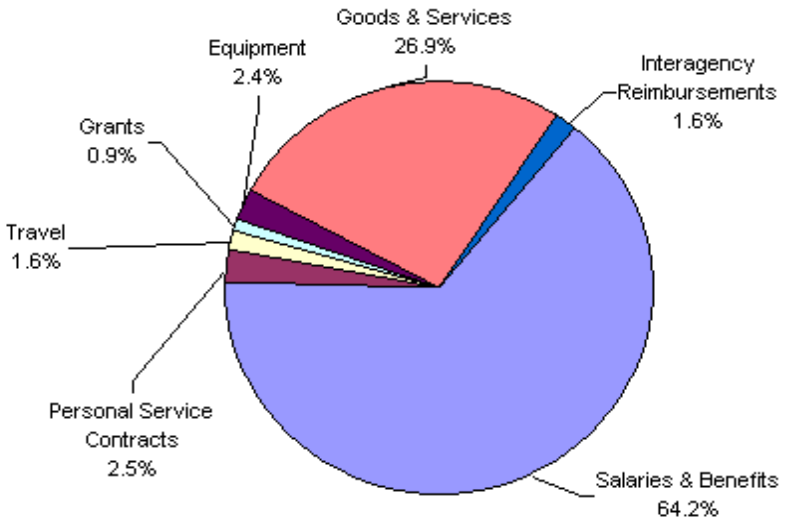
Mission Statement

The mission of the Washington Utilities and Transportation Commission is to protect consumers by ensuring that utility and transportation services are fairly priced, available, reliable and safe.

03 - 05 Budget Estimated Expenditures

Commissioners, Policy, & Support Division	$	3,103,015	10%
Administrative Law Division	$	1,325,949	4%
Safety & Consumer Protection Division	$	8,170,133	27%
Regulatory Services Division	$	8,994,860	29%
Administrative Services Division	$	5,253,745	17%
Attorney General's Office	$	3,821,090	12%
Total	**$**	**30,668,792**	**100%**

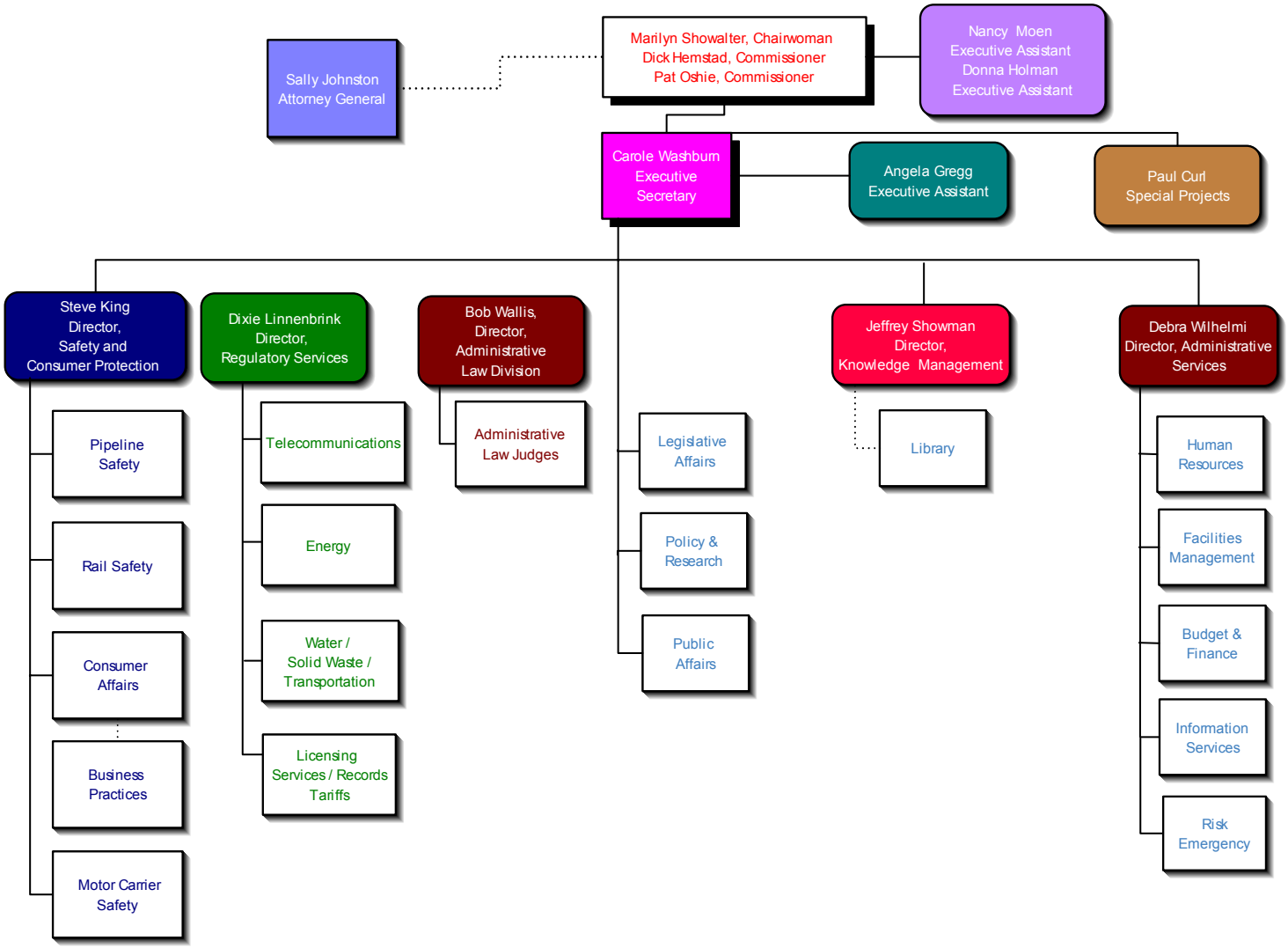
03-05 Expenditures By Object



ORGANIZATION CHART

Washington State Utilities and Transportation Commission

07-01-04



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Commissioners

Marilyn Showalter, Chairwoman
Gov. Locke appointed Ms. Showalter chairwoman of the UTC in February 1999 and re-appointed her for her current term ending January 1, 2009. In November 2004 she will be President of the National Association of Regulatory Utility Commissioners (NARUC), and past President of the Western Conference of Public Service Commissioners. Showalter served as Gov. Locke's senior policy adviser on energy and telecommunications issues. She worked for the state House of Representatives for five years as budget counsel, House counsel, and chief clerk. Showalter is a graduate of Harvard College (1972) and the Harvard Law School (1975), and has practiced and taught law school. She has also been a prosecutor, legal counsel to the governor (Spellman), a private lawyer and an adjunct law professor.

Richard Hemstad, Commissioner
Former Gov. Mike Lowry appointed Mr. Hemstad to the WUTC in June 1993 and he was re-appointed by Gov. Gary Locke to a second term ending January 1, 2005. He serves on the Board of Directors and the Electricity Committee of the NARUC. Hemstad is a member of the Committee on Regional Electric Power Cooperation, which represents public utility commissions and state energy-planning agencies in the Western United States and Canadian provinces. Prior to his commission appointment, Hemstad practiced law in Seattle and Olympia, and served as legal counsel to former Gov. Dan Evans. He also was a member of the state Senate and is a former law professor at Seattle University.

Patrick Oshie, Commissioner
Gov. Gary Locke appointed Patrick Oshie in May 2001 to a term ending January 1, 2007. Prior to his commission appointment, Oshie was a partner in his Yakima law firm, specializing in federal Indian and environmental law. Oshie is currently a member of Energy Resources and the Environment Committee of NARUC. From 1984 to 1987, he worked as an assistant attorney general in Utah. In that capacity, he represented the Division of Public Utilities and the Committee for Consumer Services before the Utah Public Service Commission on natural gas, electricity and other utility matters. Oshie graduated from Western Washington State College (now University) in 1977, and received his law degree from the University of Washington in 1980.

Exempt Staff

Carole J. Washburn, Executive Secretary

In May 1998 Ms. Washburn was appointed as the Executive Secretary of the Commission. Prior to her appointment, she was Asst. Director for Policy, State Energy Office. She worked for the Department of Health in 1989 serving as the Asst. Director for Infectious and Chronic Diseases. In 1988 she served as the first director of the Office on HIV/AIDS. From 1984 to 1989 Ms. Washburn was the Director of Legislative and Community Relations for DSHS. The previous four years she worked for the state House of Representatives as a policy and budget analyst. Ms. Washburn received her MBA from the University of Puget Sound in 1984.

Bob Wallis, Director – Administrative Law Division

Mr. Wallis is the Director of the UTC's Administrative Law Division. He is a long-time board member of the Washington State Bar Association's Administrative Law Section, serving twice as its chair. Mr. Wallis was a member of the Bar Association's five-person Task Force on Administrative Law that drafted the 1988 comprehensive revisions to the Washington State Administrative Procedure Act. Wallis served for 18 years as a member of the Washington State Energy Facility Site Evaluation Council. He is trained as a mediator and has mediated disputes, including those involving regulated companies. Mr. Wallis is a graduate of the University of Washington and the University of Washington law school.

Dixie Linnenbrink, Director – Regulatory Services Division

In May 1991, Ms. Linnenbrink was appointed as the Director, Regulatory Services Division. The division includes: Electric, Natural Gas, Telecommunications, Solid Waste and Water, Licensing and Transportation regulation. Prior to her appointment, Ms. Linnenbrink was the Manager of Accounting in the Utilities Division of the Oklahoma Corporation Commission. Her educational background is a B.S. in business administration from Colorado State University. She is also a Certified Public Accountant.

Debra Wilhelmi, Director – Administrative Services Division

In April 2004, Ms. Wilhelmi was appointed as the Director of Administrative Services. Prior to the UTC appointment, she was the Deputy Director for the Interagency Committee for Outdoor Recreation. From 1989 to 1993, she was the first Comptroller for the Department of Health when it was created from four separate agencies. She was the Financial Manager for the Department of Veterans Affairs for seven years and four years as a state examiner for the State Auditor's Office. Ms. Wilhelmi graduated from Washington State University in 1976 with a bachelor's degree in Business Administration and in 1979 with a fifth year Accounting Degree.

Authorizing Environment and Environmental Scan

Statutory Authority References

The Commission regulates utilities under authority granted in Title 80 and transportation companies under Title 81 of the Revised Code of Washington (RCW). The Commission's rules are in Title 480 of the Washington Administrative Code (WAC). The following chapters authorize the UTC's utility regulatory programs:

80.01 - Utilities and Transportation Commission
80.04 - Regulations – General, including hearing procedures, annual reports, etc.
80.08 - Securities
80.12 - Transfers of property
80.16 - Affiliated interests
80.20 - Investigation of public service companies
80.24 - Regulatory fees
80.28 - Gas, electrical, and water companies
80.36 - Telecommunications.

The following chapters authorize the UTC's transportation and safety programs:
81.04 - Regulations -- General
81.08 - Securities
81.12 - Transfers of property
81.16 - Affiliated interests
81.20 - Investigation of public service companies
81.24 - Regulatory fees
81.28 - Common carriers in general
81.44 - Common carriers -- Equipment
81.48 - Railroads -- Operating requirements and regulations
81.52 - Railroads -- Rights of way -- Spurs -- Fences
81.53 - Railroads -- Crossings
81.54 - Railroads -- Inspection of industrial crossings
81.68 - Auto transportation companies
81.70 - Passenger charter carriers
81.77 - Solid waste collection companies
81.80 - Motor freight carriers (trucking and household goods movers)
81.84 - Commercial ferries
81.88 - Gas and hazardous liquid pipelines.
81.108.1 - Low level radioactive waste disposal sites.

Major partners and customer groups

Expectations - ENERGY

Investor-owned utilities: Electricity (Puget Sound Energy (PSE), Avista, and PacifiCorp) and natural gas (Puget Sound Energy, Avista , Cascade Natural Gas, and Northwest Natural Gas) utilities expect the UTC to review rate proposals promptly, make fair decisions, and allow them to earn a reasonable return on investment used to provide service. PacifiCorp operates in six Western states, so expects its common costs to be fairly allocated among those jurisdictions.

Several customer groups interact with the Commission. The Public Counsel section of the Attorney General represents residential and small commercial ratepayers at the UTC. They expect the commission to hold down rates for these customers who may not have options. Industrial Customers of Northwest Utilities (ICNU) and Northwest Industrial Gas Users (NWIGU) represent large energy users at the commission, including Boeing. These organizations advocate low rates for large energy users and, in some cases, access to wholesale energy supplies. However, after facing huge bills during the 2000 -2001 energy crisis, industrial companies are no longer proponents of electricity market restructuring. Citizens Utility Alliance advocates for residential natural gas, electric, water and telecommunications customers, and has started being more active in our cases: http://www.citizensutilityalliance.org/about.htm. Finally, investment rating firms ("Wall Street") watch what we do. With more volatile energy costs, these analysts expect regulators to provide energy cost adjustments to reduce shareholder risk and minimize the time to recover expenses. The Commission allows purchased-gas adjustments for all gas utilities, and has adopted similar fuel-cost cost adjustments for PSE and Avista

Other partners include the Alliance of State Leaders Protecting Electricity Consumers, a partnership of state regulators and public officials interested in preserving state energy ratemaking and policy authority and opposing federal energy market mandates. See http://www.protectpowerconsumers.org. Northwest Energy Efficiency Alliance is a partnership of utilities that works to improve markets for energy efficiency. UTC has an *ex-officio* board seat. The major energy conservation advocacy group - Northwest Energy Coalition - expects electric utilities to invest in demand-side resources (that is, using existing energy supplies more efficiently) as well as new generating facilities. The Northwest Power and Conservation Council (NWPCC) is a four-state compact (Idaho, Montana, Oregon, and Washington) overseeing electric power planning and fish and wildlife recovery in the Columbia River basin. WECC - Western Electricity Coordinating Council coordinates and promotes electric system reliability in the western United States, Canada, and Mexico. WIEB - Western Interstate Energy Board – is an association of Western states and Canadian provinces.

Expectations - TELECOMMUNICATIONS

Washington has 20 "incumbent local exchange companies" (ILECs) dominated by two large firms (Qwest and Verizon) and two mid-size firms (CenturyTel and Sprint/United) with the balance being small privately owned local telephone companies. In addition, there are about 400 competitive local exchange companies (CLECs), including AT&T, MCI, and Comcast.

Incumbents have the most to lose from competition, and often provide the network used by competitive firms, so they expect a deliberately-paced transition to competitive markets; fairly priced wholesale network access; and, when a market is sufficiently mature, to compete with reduced regulatory oversight. Competitive firms expect the UTC to open markets expeditiously; to prevent barriers to entry; and to eliminate unnecessary regulatory requirements.

Washington Electronic Business & Telecommunications Coalition (WeBTEC) represents large business users of telecommunications in UTC proceedings. They expect to have access to competitive services when they are available, and to be protected from potential monopoly pricing when competition is not available. The Washington Telephone Assistance Program (WTAP), administered by DSHS, provides bill assistance for low-income families. The UTC and DSHS are discussing transfer of this program to the UTC.

SOLID WASTE - About 60 solid waste collection companies hold monopoly certificates issued by the WUTC. A few are national firms (Allied Waste and Waste Management), but many are locally owned (LeMay, Rubatino Refuse, etc.) The Washington Refuse and Recycling Association (WRRA) expects the UTC to enforce monopoly territory of its members by investigating unpermitted haulers. Other solid waste partners include county governments, which expect the commission to approve the recycling plans of county local solid waste management plans, and to pass dump-fee increases to ratepayers; and the Department of Ecology, which staffs the state solid waste advisory committee, on which the UTC is an *ex officio* member.

PIPELINE - The federal Office of Pipeline Safety (OPS) has delegated inspection authority for interstate pipelines to the UTC, and the Commission regulates pipeline safety for intrastate pipelines. Major regulated firms include Williams Pipeline, Gas Transmission Northwest, Olympic Pipeline (owned by British Petroleum), and Chevron. They expect the UTC to be an efficient and effective regulator in overseeing pipeline safety, and that the cost of regulation recovered through regulatory fees is proportional to the degree of regulatory oversight. Other partners include the federal Office of Pipeline Safety, which expects the UTC to be an effective safety regulator, preventing accidents, investigating those that occur, and recommending appropriate penalties if needed. The Association of Washington Cities partners with the Commission to provide information to local governments (including fire department first-responders). The UTC staffs the Citizens Committee on Pipeline Safety, which provides advice on pipeline safety. The Pipeline Safety Trust was formed by families of victims of the Bellingham pipeline accident to fund safety prevention.

External Environmental Scan

The Washington Utilities and Transportation Commission (UTC) ensures that essential utility and other transportation services are broadly available, safe, and fairly priced. We do this by carefully balancing the interests of the companies providing the services with the interests of the consumers who pay in excess of $5 billion annually for those services. This is a role that the commission has performed for almost 100 years and one which has required considerable adaptation over time.

The UTC regulates a wide range of services including: telecommunications, electricity and natural gas, solid waste collection, water, pipelines, railroad companies, in-state movers, ferries, and private bus companies. For each industry, the type and purpose of regulation varies as does the agency's authority and jurisdiction. Changing market conditions, technology, federal and state laws, and consumer expectations make for an ever-changing policy landscape.

Below is a summary of the some of the major factors contributing to the UTC's external environment today.

Telecommunications

The political and legal environment has been in constant flux since pro-competition policies were enacted by the 1985, 1989, and 1995 Washington legislatures and in the 1996 Federal Telecommunications Act. These laws, and the political consensus that led to their enactment, enabled the UTC to implement fundamental changes to the telecommunications industry structure in Washington. The UTC required existing local phone companies to allow competitors to serve their customers and, in turn, the UTC has been able to reduce regulation in parts of the industry. However, there have been significant changes in federal regulatory policy and law in the past two years that have constrained the UTC's authority.

Technological changes and federal regulators' responses to those changes have also limited the UTC's policy options. In the past decade, the fastest growth in telecommunications services has been in mobile (cellular) services and Internet services. A longstanding state law prohibits UTC oversight of mobile services, and federal regulators declared that Internet access was subject only to federal regulation.

The combined effect of these legal, regulatory, and technological changes is to lessen the UTC's ability to ensure consumer protection, customer choice, and universal service. To the extent competition has supplanted the need for regulation, this diminished role for state regulators is not a problem. The UTC has aggressively eliminated regulation where competition has emerged, sometimes doing so over the objections of the regulated firms. However, the actual degree of customer choice is less than many policy makers perceive, in part because competitors have focused on the economic elites. As a result, the perception among some policy makers of a declining need for regulatory protections is often not shared by citizens who see themselves as captive customers for essential services.

Key consequences of this external environment are:

- Consumers have greater choice of providers and technologies, though the degree of choice varies.
- Services that use new technology, such as Internet telephone service, are not readily covered by consumer protection, public safety, and universal-service requirements. For example, internet-based telephone service does not necessarily provide access to the E-911 emergency service. Existing statutes often assume that all providers are regulated.
- Providers of legacy services, such as basic dial tone, press for reduced regulation of their services or consistent application of their regulations to the new technologies.

- Consumers who switch to new technologies may find that service quality and emergency access are less than expected. The UTC may have little or no ability to respond to complaints about those services.
- Competitive telecommunications companies, and a shift from regulated services to unregulated services, can reduce revenues from UTC regulatory fees, since these fees are based on the revenues of regulated companies.

Energy

Washington's electric utilities are still recovering from the consequences of the Western electricity crisis of 2000 and 2001. To address growing demand for power supply and to avoid relying again on risky wholesale power markets, utilities are securing long-term power supplies through both ownership and contract. Integrated resource planning, a tool that languished during the "market-focused" 1990's, is receiving a renewed emphasis as a way of ensuring that utilities consider the costs, risks, and benefits of all resource options when they develop their power supply resource plans.

But the utilities are challenged by three important consequences of the failure in the Western power markets: continuing cost pressures, lack of investor confidence in the electricity sector, and regulatory uncertainty, particularly at the federal level. Regulatory uncertainty on the national level comes from the Federal Energy Regulatory Commission's initiatives to further the development of competitive markets and from Congressional activity surrounding a proposed Energy Bill. At the regional level, regulatory and policy questions come from uncertainty regarding regional transmission governance and uncertainty regarding Bonneville Power Administration's long-term role in both transmission and power supply adequacy.

Since Washington has no natural gas supplies, we rely on supplies imported from Canada and The Rocky Mountains. The supply and demand relationship across the country and in the West has become tighter. As a result, gas prices in unregulated wholesale markets have increased significantly and are much more volatile. This situation affects both local distribution company rates and fuel supply costs for electric generators.

This environment has the following consequences:

- Demands on regulators to respond to the challenges facing the utilities and, at the same time, preserve the interests of customers in reliable service at reasonable rates.
- More frequent rate-change requests from regulated companies attempting to keep their rate structure in line with the cost of new resource acquisitions.
- More frequent, and some times overlapping, proceedings as a result of new regulatory mechanisms designed to provide more flexibility for companies to adjust electricity and natural gas rates.
- Continuing need for advocacy of the state's interests in both federal and regional electricity policy.

Pipeline Safety

The UTC's Pipeline Safety Division is maturing into its new role as the state agent for the federal Office of Pipeline Safety. While the UTC has full authority to regulate safety for intrastate pipelines, its role on interstate pipelines is limited to being an agent of the federal government. This means that while the UTC is responsible for incident investigation, monitoring compliance, and communicating information to the wide number of stakeholders involved, the actual regulatory decision-making for interstate operators rests with the federal agency. An aging interstate natural gas pipeline in Western Washington that was shutdown for safety concerns in 2003 has been the first real test of this regulatory arrangement. While steeped in engineering and investigation expertise, the Pipeline Safety Division has had to develop communication capabilities to work positively with the wide number of stakeholders involved in pipeline safety including companies, state emergency management, city and county governments, fire districts, police, citizens groups, developers and excavators and media. Also, urban sprawl has resulted in transmission pipelines, formerly located in sparsely populated areas, being in close proximity to residential areas resulting in a population base potentially more affected by pipeline incidents. This external environment creates some of the following consequences:

- A communication challenge in sharing information with these stakeholders and in drawing the distinction between being the regulatory decision-maker (the federal government) and the agent of that regulatory decision (UTC's pipeline safety division.)
- Resource conflicts between conducting normal inspection activities and providing response and oversight to major pipeline incidents.
- Balancing high public expectations and legislative demand for access to pipeline data with industry-raised security concerns about the release of too much pipeline detail.
- Increased calls for assistance from local governments who look to the Pipeline Safety Division to provide counsel and expertise on setbacks, zoning, franchise agreements and other issues that relate to land use and public safety adjacent to these pipelines.

Strategic Plan Highlights

The Washington Utilities and Transportation Commission protects consumers by ensuring that utility and transportation services are fairly priced, available, reliable and safe.

Major Goals and Strategies

PUBLIC SAFETY

Goal: Protect life and property

Strategy

- Target collisions between people and trains.
- Target pipeline inspections efficiency.
- Increase public/stakeholder awareness of pipeline safety issues.

STRONG, STABLE INDUSTRIES

Goal: Effective competitive telecommunications markets.

Strategy

- Open entry and minimize barriers.

Goal: Energy utilities with sufficient supplies at relatively stable costs.

Strategy

- Retain access to benefits from federal hydropower system initiatives.
- Encourage cost-effective investments in energy.

Goal: Minimize regulatory burden on companies.

Strategy

- Reduce lengthy, expensive litigation.
- Improve methods for companies and others to submit and access information.

SATISFIED CUSTOMERS

Goal: Consumers receive the services they need and want.

Strategy

- Uphold service quality and reliability.
- Promote widespread availability of essential services.

Goal: Consumers trust government and regulated companies.

Strategy

- Reduce consumer abuse by targeting unfair, misleading or deceptive business practice.
- Minimize consumer frustration.

SWOT
STRENGTHS – WEAKENSSES – OPPORTUNITIES – THREATS

Strengths

The UTC's most important strength is its ability to resolve disputes fairly and promptly. This ability is not limited to simple disputes between a utility and its customer, though it handles thousands of those each year with high satisfaction marks from both customers and the companies. The UTC is, more significantly, adept at resolving extremely complex legal, policy, and factual disputes about the provision of services that are essential to the economic vitality of the state and the health and safety of its citizens. The UTC is able to use administrative processes to give stakeholders both a forum for their disputes and a prompt and sound resolution to their disputes.

A second strength – one that contributes directly to the first – is the expertise and experience of the professional staff of the agency. The work that occurs at the UTC is unlike the work at any other agency in state government (though there are certainly other agencies that are similarly expert in their specialized areas). The UTC employees collectively possess an extensive body of knowledge about legal requirements, industry structure and practices, and technical skills. This knowledge base is key to fulfilling the agency's mission of consumer protection and economic vitality.

Another strength of the UTC is its information delivery system, which consists of its document management system, its web site technology, and its consumer information service. The UTC is a knowledge-based agency, and it succeeds when it delivers that knowledge to its customers and stakeholders.

Weaknesses

The authorizing environment of the UTC is based on state and federal laws that in many instances are outdated or conflicting. Policy makers and the public expect the UTC to protect consumers and promote economic vitality, but the specific laws often do not match that expectation. New technologies, such as Internet telephone service, hold great promise for consumers, but they present great challenges to regulatory approaches that were developed with specific technology or industry structure in mind.

Like many state agencies we face an aging workforce with significant industry knowledge. Also due to uncompetitive state salaries we are not always able to attract experienced individuals to fill important positions.

We are also behind on technological improvements necessary to make our business processes run more efficiently. We have submitted a 2005-07 budget request to enhance our information technology staff by one to accommodate project demand.

Opportunities

As technology and market conditions change, the UTC has the opportunity to adapt its core mission to the new environment. Where customers have a choice of utility providers, the

UTC can move from specifying rates and terms of service to assisting customers in making smart choices. Industry practices become more important than any one company's rates. The UTC can work with other consumer protection agencies to accomplish this result.

Threats

The political and legal environment in telecommunications has been in constant flux since pro-competition policies were enacted in the 1996 Federal Telecommunications Act. Actions of the Federal Communications Commission (FCC) in response to lawsuits and court decisions have made it difficult for providers to implement business plans that rely on stable rules for leasing all or parts of the existing, incumbent telephone network. These areas of contention and uncertainty affect the UTC's role and workload in regulating service provider interactions, ensure consumer protection, customer choice, and universal service in Washington State.

The Federal Energy Regulatory Commission (FERC) and some members of Congress have proposed major electricity system restructuring which would destabilize this critical industry and put Washington consumers at risk. This uniform restructuring would ignore distinctive state and regional policies and circumstances. Changing federal regulations and failed efforts to deregulate electricity service have already adversely affected the ability of utility regulators to ensure affordable, stable electricity rates.

EMERGENT ISSUES

ENERGY

Washington's energy utilities are experiencing costs for wholesale natural gas and electricity that are higher and more volatile than historical levels. Electricity utilities will need to acquire new generating capacity over the next few years to meet growing customer demand. These factors are producing upward pressure on customer rates. Currently, the commission is processing several rate-increase requests by its regulated energy utilities and will likely see more requests in the next few years.

The Federal Energy Regulatory Commission (FERC) and some members of Congress have proposed major electricity system restructuring which would destabilize this critical industry and put Washington consumers at risk. This uniform restructuring would ignore distinctive state and regional policies and circumstances. Changing federal regulations and failed efforts to deregulate electricity service have already adversely affected the ability of utility regulators to ensure affordable, stable electricity rates. The UTC has helped build a national coalition among public-power utilities, state public utility commissions, and other public officials who advocate on behalf of ratepayers. This coalition has urged Congress to avoid actions that would transfer aspects of each state's policy and ratemaking authority to the FERC and usurp the ability of states and regions to pursue their chosen electricity policies.

Website Links: http://www.protectpowerconsumers.org

Staff Contacts: Roger Braden, Assistant Director, Energy, rbraden@wutc.wa.gov
Dick Byers, Senior Policy Advisor, dbyers@wutc.wa.gov

TELECOMMUNICATIONS

Verizon, the second-largest local telephone provider in Washington with about 850,000 customers, has requested a permanent raise in basic telephone rates. Verizon is seeking commission approval for a 75 percent increase in local telephone rates. The company's proposal would boost rates by almost $10 a month -- from $13 to $22.80 for residential customers. The UTC is expected to hold two public meetings in March with a final decision in May.

Staff Contacts: Jing Roth, Acting Assistance Director, Telecommunications, jroth@wutc.wa.gov.

PIPELINE SAFETY

Williams Northwest Pipeline - Capacity Replacement Project

Williams Northwest Pipeline transports 85% of the Natural Gas consumed in Washington. The backbone of their transmission system consists of 26-inch and 30-inch high-pressure pipelines running parallel to each other from the Canadian border at Sumas to Washougal at the Oregon border. Following two ruptures of the 26-inch pipeline in 2003, the federal Office of Pipeline Safety (OPS) issued an Order idling this pipeline until it can be replaced over specified replacement schedule. This Order, was crafted in consultation with the WUTC Pipeline Safety

Section which conducted the investigation of these two incidents. In accordance with this Order, Williams temporarily brought portions of the 26-inch pipeline back into service in order to meet the demand by their customers. However, significant portions of their line must be replaced or retired from service by December 2006 in order to comply with the Order.

Williams will apply to the Federal Energy Regulatory Commission (FERC) in November 2004 for authority to replace the capacity lost in their 26-inch pipeline with 80 miles of new 36-inch pipeline plus increased compression. The timing of this project is crucial because significant environmental hurdles at the federal (NEPA) and state (SEPA) level must be crossed in addition to obtaining many local construction related permits. The Department of Ecology is the state agency lead in the SEPA/NEPA process. Included in this construction are at least 6 major river/stream crossings of medium to high complexity. In order to meet a completion deadline of December 2006, Williams needs to commence construction on these river/stream crossings by fall of 2005. This will require significant coordination and cooperation among federal, state, local and tribal interests in order to accomplish.

Puget Sound Energy (PSE)- Bellevue Incident

On September 2, 2004 a leak on a 3/4 inch steel natural gas service line led to an explosion and fire resulting in the death of a 68 year old resident. The preliminary investigation conducted by UTC Pipeline Safety staff brought to light the miss-wiring of a cathodic protection system designed to protect this natural gas system from corrosion. The miss-wiring of a rectifier, which is part of this system to protect against corrosion, serves an area of approximately 2600 homes. While it is not known whether this miss-wiring directly contributed to the leak and explosion, the Commission entered an Emergency Order implementing a 9-step action plan by PSE. This action plan is designed to assure the safety of the natural gas distribution system in the area while the investigation of this incident and the integrity of the piping system is completed. It is likely that by early 2005, the adjudicative action commenced by the Commission in the Emergency Order will be completed including potential penalties and mitigation. The City of Bellevue has intervened in the Commission's complaint. Media interest and local community concerns remain high.

Staff Contacts: Alan Rathbun, Director, Pipeline Safety, arathbun@wutc.wa.gov.

UTC/DSHS Request – Washington Telephone Assistance Program

This bill would transfer administration of the Washington Telephone Assistance Program (WTAP) from DSHS to the UTC. WTAP provides qualifying low-income families and individuals with access to affordable telephone service. Working together, the UTC and DSHS have made improvements in the program but both agencies now believe that the UTC has the requisite knowledge and experience to assume administration of WTAP in order to improve services to WTAP clients and streamline relations with telecommunications companies that provide WTAP service. The bill removes the current statutory restrictions on program benefits, eligibility, and participation by telecommunications companies.

Certification of Transportation Companies Regulated by the UTC

The Commission regulates investor-owned solid waste collection, auto transportation (regular bus and airporter operations), and commercial ferry companies. This bill would provide for regulatory efficiencies by eliminating obligatory hearing when the UTC revokes, suspends or awards additional operating certificates for specific routes unless requested. Further it authorizes temporary certificates for auto transportation companies. Facilitates smoother transition during ownership and service changes.

Authority to Inspect Businesses that Ship Hazardous Materials

Since 1992 the UTC has assisted the Federal Railroad Administration (FRA) in the inspection of hazardous material (hazmat) shipped by rail. Only three FRA inspectors are available to cover over 300 shipper worksites, railroad yards, and terminals. The importance of this work has increased with the heightened threat of terrorism—a threat that has made security and safety of hazmat shipments a priority for shippers, carriers, and government agencies. This bill would authorize UTC hazmat inspectors certified by the FRA to enter, without permission, property of any business that ships hazardous materials by rail or any business that manufactures or tests hazardous materials containers used to ship these materials by rail.

UTC proposals have not been approved.