



Staff Report Prior Obligation Study

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INTRODUCTION

Background

Prior obligation has been part of the commission's electric and gas rules since 1971. Today, it can be found in WAC 480-90-123, Refusal of service, for the gas industry and in WAC 480-100-123, Refusal of service, for the electric industry. These rules describe when a utility may or may not withhold utility service to residential applicants or customers. In particular, WAC 480-90-123(2) and WAC 480-100-123(3) state that a utility may not refuse service to an applicant or customer who has a prior obligation. A prior obligation is the dollar amount, excluding any deposit owed, the utility has billed to the customer, for which it has not received payment at the time the utility disconnected service for nonpayment. The utility may collect the balance through traditional collection methods, but may not withhold service until the balance is paid. A copy of WAC 480-90-123 and WAC 480-100-123 are included as Attachments 1 and 2.

In 1999, the commission began a complete review of gas and electric rules in Dockets UG-990294 and UE-990473. Final rules in these dockets were adopted in 2001. During the rulemaking, gas and electric companies opposed continuation of the prior obligation rules. Generally, companies claimed that the inability to withhold service increased uncollectible revenue amounts; that customers abused prior obligation by refusing to pay, even when they could afford to do so; and that customers repeatedly used prior obligation to the point that they owed thousands of dollars for service for which they did not pay.

When the commission adopted the rules in 2001, it also discussed the need for information from regulated companies about the actual monetary impact of prior obligation on the companies' revenues and uncollectibles. As a result, the commission issued an Order Instituting Investigation on September 28, 2001, in Dockets UG-011352 and UE-011353. The order required companies to report, on a quarterly basis for 18 months, the number, frequency, and amounts associated with prior obligation.

In June 2004, staff published its report on the prior obligation activity reported by the companies. Staff concluded that the number of customers who used prior obligation repeatedly was small and the level of unpaid prior obligation was small. Staff recommended the commission make no changes to the prior obligation rules. The commission subsequently took no action, and the rules remained as they were.

2011 Report

Consumer Protection staff received an increasing number of consumer complaints over the past several years regarding the application of the prior obligation rules. As a result, staff decided to collect the same information the companies reported for the June 2004 report, and to compare 2011 report data with the data from the 2004 report. The goal is to determine if there have been significant changes in prior obligation activity within the gas and electric industries.

In December 2009, staff sent a data request to each gas and electric company. Staff requested companies collect and report, on a quarterly basis for 18 months, the number, frequency, and amounts associated with prior obligation, for the period January 1, 2010, through June 30, 2011. Staff has received the data from all companies and presents this data, compared with the same data from 2004, in this report. Staff annualized the data from 2004 and 2011 to present a one-year picture of the data.

The companies are Avista, Cascade Natural Gas (Cascade), Northwest Natural Gas (NW Natural), PacifiCorp, and Puget Sound Energy (PSE). For the purposes of this report, staff has combined the data from all companies to reflect an industry-wide, rather than a company-by-company, view of the effect of prior obligation.

PSE Data

The data PSE reported in 2004 is flawed. A comparison of the data reported by PSE regarding the number of occurrences of prior obligation in 2004 and 2011 is presented below.

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5 or more	% of Cust
2004 Report	1,404,881	95	0.01	0	0.00	0	0.00	0	0.00	0	0.00
2011 Report	1,649,629	7,651	0.46	1,126	0.07	220	0.01	44	0.00	22	0.00

It is clear that the data reported in 2004 is not accurate. PSE was incorrectly applying prior obligation or it incorrectly reported the numbers. In either case, using the actual data reported would reflect an inaccurate, incredibly large increase in prior obligation usage. The same problem occurs for all of the data reported by PSE in 2004. Because of the flawed data, PSE’s reported data is not included in this analysis. For informational purposes, PSE’s reported data for 2011 is included as Attachment 5.

Staff believes the data reported by PSE for the 2011 report is accurate, so staff can use the 2011 report data as a basis for comparison to future data.

DATA PRESENTATION

Number of Prior Obligation Uses

The following table represents the number of times, on an industry-wide basis, that customers needed to use prior obligation.

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5 or more	% of Cust
2004 Report	576,090	11,523	2.00	2,728	.47	746	.13	249	.04	51	.01
2011 Report	731,593	15,555	2.13	2,440	.33	756	.10	294	.04	338	.05

The data shows a slight increase in the number of residential customers that used prior obligation one time, from 2 percent of total customers in the 2004 report to 2.13 percent of total customers in the 2011 report. Overall, the number is still small – just about 2 percent of all customers. Additionally, the number of customers that used prior obligation more than one time has remained steady or, in some cases, actually decreased. In the 2004 report, .47 percent of customers used prior obligation twice, compared with .33 percent in the 2011 report. The percentages of customers that used prior obligation three times decreased slightly, from .13 percent in the 2004 report to .10 percent in the 2011 report. The number of customers that used prior obligation four times remained the same (.04 percent) in the 2004 and in 2011 reports. The percentage of customers that used prior obligation five or more times has increased slightly, from less than .01 percent in the 2004 report to .05 percent in the 2011 report.

Prior Obligation Amounts Collected

When a customer is disconnected and does not pay the past due amount before reconnection, the amount due is considered prior obligation. The company may use traditional methods to collect that amount, either on its own or through a collection agency. In some cases, the company is successful in its collection efforts and the customer pays the prior obligation. The following table represents the success rate in collecting prior obligation amounts.

	Total Prior	Collected	%
2004 Report	3,392,725	2,292,377	67.57
2011 Report	4,693,112	1,739,453	37.06

The amount of prior obligation companies have been able to collect has declined. In the 2004 report, companies collected over 67 percent of the prior obligation amounts. However, in the 2011 report, companies collected not quite 40 percent of total prior obligation amounts due.

Uncollected Prior Obligation

When a customer does not pay the amount he or she owes the utility company, including any prior obligation, that amount becomes uncollectible. The company records it as an uncollectible on its books. The following tables represent the effect prior obligation has on the companies' uncollectible amounts compared to total revenue.

Residential uncollectibles as a percentage of revenue

	Revenue	Uncollectibles	%
2004 Report	430,676,314	3,826,311	.89
2011 Report	636,499,010	6,478,811	1.02

Unpaid prior obligation as a percentage of revenue

	Revenue	Unpaid Prior	%
2004 Report	430,676,314	1,100,348	.26
2011 Report	636,499,010	2,953,660	.46

The data shows that overall, companies' uncollectible amounts as a percentage of revenue have increased slightly. In the 2004 report, companies were unable to collect .89 percent of revenue; in the 2011 report, that number increased to 1.02 percent of revenue.

Likewise, unpaid prior obligation as a percentage of revenue has increased. In the 2004 report, the amount companies were unable to collect due to unpaid prior obligation was .26 percent of revenue; in the 2011 report, that number increased to .46 percent of revenue.

However, the number remains low. Unpaid prior obligation is less than one-half of one percent of the companies' overall revenue.

Other States' Data

In order to compare the possible effects of prior obligation on Washington's regulated utility companies, staff surveyed other state regulatory agencies that do not have a similar prior obligation requirement. Staff asked states to report the amount of total revenue and total uncollectibles for regulated gas and electric companies. The response to that request is presented in the following table.

Uncollectible Information From Other States For Calendar Year 2010, Reported in 2011

	Revenue	Uncollectible	Uncollectibles as a percent of Revenue
Indiana Electric Companies	5,657,766,677	21,921,585	0.39
Indiana Gas Companies	1,768,875,979	12,579,815	0.71
Tennessee Gas & Electric Companies	594,079,006	2,338,547	0.39
Oregon Gas & Electric Companies	1,757,267,331	12,977,736	0.74
Florida Power Corp.	4,337,697,253	14,806,031	0.34
Total	14,115,686,246	64,623,714	0.46

For all states combined, the total percentage of uncollectibles is .46 percent. This is less than the 1.02 percent experienced by regulated Washington companies. The most reasonable comparison to Washington is Oregon. Both are northwest states with similar sources of power and similar regulatory structures, although Oregon does not have a prior obligation requirement. Oregon's uncollectibles are .74 percent, slightly lower than that of Washington at 1.02 percent.

CONCLUSIONS

Prior obligation activity is not a burden on company operations.

Less than four percent of customers ever use prior obligation, even once. The number of customers that use prior obligation more than once is even smaller. Only five-one-hundredths of one percent of customers use prior obligation five or more times. The argument that customers repeatedly use and abuse the prior obligation provision is not supported by the data.

Even when prior obligation is used, the company often collects the prior amount. Companies reported that almost 40 percent of the amount attributable to prior obligation is collected.

Company uncollectible amounts, including prior obligation, as a percentage of revenue have increased slightly. In 2004, companies were unable to collect .89 percent of revenue. In 2011, that number increased to 1.02 percent of revenue. The same trend is true for uncollected prior obligation. In 2004, the amount companies were unable to collect due to unpaid prior obligation was .26 percent of revenue. In 2011, that number increased to .46 percent of revenue.

Company uncollectible amounts are reasonable when compared to other similar states. Oregon does not have a prior obligation rule. Oregon's uncollectible rate is .74 percent of total revenues. This is slightly lower than Washington, which has an uncollectible rate of 1.02 percent. The existence of prior obligation does not unduly disadvantage regulated Washington energy companies.

ATTACHMENT 1

WAC 480-90-123 Refusal of service.

(1) A gas utility may refuse to provide new or additional service if:

(a) Providing service does not comply with government regulations or accepted natural gas industry standards;

(b) In the utility's reasonable judgment, the applicant's or customer's installation of piping or gas burning equipment is considered hazardous or of such a nature that safe and satisfactory service cannot be provided;

(c) The applicant or customer does not comply with the utility's request that the applicant or customer provide and install protective devices, when the utility, in its reasonable judgment deems such protective devices are necessary to protect the utility's or other customers' properties from theft or damage;

(d) After reasonable efforts by the responsible party, all necessary rights of way, easements, approvals, and permits have not been secured; or

(e) The customer is known by the utility to have tampered with or stolen the utility's property, used service through an illegal connection, or fraudulently obtained service and the utility has complied with WAC 480-90-128(2), disconnection of service.

(2) A gas utility may not refuse to provide new or additional service to a residential applicant or residential customer who has a prior obligation. A prior obligation is the dollar amount, excluding deposit amounts owed, the utility has billed to the customer and for which the utility has not received payment at the time the service has been disconnected for nonpayment. The utility must provide service once the customer or applicant has paid all appropriate deposit and reconnection fees. This subsection does not apply to customers that have been disconnected for failure to honor the terms of a winter low-income payment program.

(3) The utility may not refuse to provide service to an applicant or customer because there are outstanding amounts due from a prior customer at the same premises, unless the utility can determine, based on objective evidence, that a fraudulent act is being committed, such that the applicant or customer is acting in cooperation with the prior customer with the intent to avoid payment.

(4) The utility may refuse to provide new or additional service for reasons not expressed in subsection (1) of this section, upon prior approval of the commission. The commission may grant the request upon determining that the utility has no obligation to provide the requested service under RCW 80.28.110. Prior to seeking commission approval, the utility must work with the applicant or customer requesting service to seek resolution of the issues involved.

(5) Any applicant or customer who has been refused new or additional service may file with the commission an informal complaint under WAC 480-07-910, Informal complaints; or a formal complaint under WAC 480-07-370, Pleadings -- General.

ATTACHMENT 2

WAC 480-100-123 Refusal of service.

(1) An electric utility may refuse requests to provide service to a master meter in a building with permanent occupants when all of the following conditions exist:

- (a) The building or property has more than one dwelling unit;
- (b) The occupants control a significant part of the electricity used in the individual units; and
- (c) It is cost-effective for the occupants to have the utility purchase and install individual meters considering the long-run benefits of measuring and billing each occupant's electric use separately.

(2) The utility may refuse to provide new or additional service if:

(a) Providing service does not comply with government regulations or the electric industry accepted standards concerning the provision of service;

(b) In the utility's reasonable judgment, the applicant's or customer's installation of wiring or electrical equipment is considered hazardous or of such a nature that safe and satisfactory service cannot be provided;

(c) The applicant or customer does not comply with the utility's request that the applicant or customer provide and install protective devices, when the utility, in its reasonable judgment deems such protective devices are necessary to protect the utility's or other customers' properties from theft or damage;

(d) After reasonable efforts by the responsible party, all necessary rights of way, easements, approvals, and permits have not been secured; or

(e) The customer is known by the utility to have tampered with or stolen the utility's property, used service through an illegal connection, or fraudulently obtained service and the utility has complied with WAC 480-100-128(2), disconnection of service.

(3) An electric utility may not refuse to provide new or additional service to a residential applicant or residential customer who has a prior obligation. A prior obligation is the dollar amount, excluding deposit amounts owed, the utility has billed to the customer and for which the utility has not received payment at the time the service has been disconnected for nonpayment. The utility must provide service once the customer or applicant has paid all appropriate deposit and reconnection fees. This subsection does not apply to customers that have been disconnected for failure to honor the terms of a winter low-income payment program.

(4) The utility may not refuse to provide service to an applicant or customer because there are outstanding amounts due from a prior customer at the same premises, unless the utility can determine, based on objective evidence, that a fraudulent act is being committed, such that the applicant or customer is acting in cooperation with the prior customer with the intent to avoid payment.

(5) The utility may refuse to provide new or additional service for reasons not expressed in subsections (1) and (2) of this section, upon prior approval of the commission. The commission may grant the request upon determining that the utility has no obligation to provide the requested service under RCW 80.28.110. Prior to seeking commission approval, the utility must work with the applicant or customer requesting service to seek resolution of the issues involved.

(6) Any applicant or customer who has been refused new or additional service may file with the commission an informal complaint under WAC 480-07-910, Informal complaints; or a formal complaint under WAC 480-07-370, Pleadings – General.

ATTACHMENT 3

Prior Obligation: January 2010 - June 2011

Company: Cascade Natural Gas

Monthly Totals

		Number of Residential Customers	\$\$ of Priors	Occurrences of Prior Obligation					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation			
				One	Two	Three	Four	Five or more			\$\$	% of Revenue	\$\$	% of Uncollectibles	% of Revenue	
2010	Quarter 1	January	168,725	\$132,630	254	45	25	5	5	334	\$20,417,354	\$39,542	0.19%	\$4,454	11.26%	0.02%
		February	168,879	\$189,990	316	89	26	6	7	444	\$15,077,077	\$33,009	0.22%	\$2,237	6.78%	0.01%
		March	168,860	\$137,917	316	53	16	9	3	397	\$14,554,011	\$57,928	0.40%	\$4,314	7.45%	0.03%
	Quarter 2	April	168,640	\$62,862	170	34	12	9	1	226	\$12,904,391	\$176,877	1.37%	\$45,315	25.62%	0.35%
		May	168,194	\$44,506	120	24	6	4	3	157	\$9,504,021	\$105,527	1.11%	\$38,608	36.59%	0.41%
		June	167,704	\$57,146	116	25	6	10	6	163	\$5,668,170	\$369,785	6.52%	\$121,183	32.77%	2.14%
	Quarter 3	July	167,686	\$6,543	14	2	2	1	1	20	\$3,529,033	\$0	0.00%	\$0	0.00%	0.00%
		August	167,780	\$3,462	11	1	-	-	-	12	\$4,684,031	\$0	0.00%	\$0	0.00%	0.00%
		September	168,186	\$14,422	43	7	-	1	-	51	\$3,529,032	\$0	0.00%	\$0	0.00%	0.00%
	Quarter 4	October	169,004	\$328,947	69	12	2	-	1	84	\$5,214,115	\$0	0.00%	\$0	0.00%	0.00%
		November	169,986	\$336,865	56	10	3	-	-	69	\$9,399,401	\$46,241	0.49%	\$16,489	35.66%	0.18%
		December	170,540	\$340,976	23	4	-	-	-	27	\$18,654,637	\$371,231	1.99%	\$6,289	1.69%	0.03%
2011	Quarter 5	January	170,817	\$14,339	18	5	1	1	1	26	\$20,442,453	\$8,067	0.04%	\$1,043	12.93%	0.01%
		February	170,975	\$13,259	24	4	1	-	-	29	\$16,138,123	\$10,083	0.06%	\$910	9.03%	0.01%
		March	170,941	\$26,538	49	10	1	-	-	60	\$19,063,174	\$26,076	0.14%	\$4,745	18.20%	0.02%
	Quarter 6	April	170,895	\$17,738	38	7	1	1	-	47	\$12,330,577	\$64,383	0.52%	\$5,190	8.06%	0.04%
		May	170,661	\$11,034	20	5	1	-	-	26	\$9,703,165	\$90,855	0.94%	\$8,633	9.50%	0.09%
		June	170,355	\$4,026	14	2	-	-	-	16	\$6,157,153	\$142,775	2.32%	\$9,908	6.94%	0.16%

Note: Gas and electric combined.

Quarter Totals

	Number of Residential Customers	\$\$ of Priors	Occurrences of Prior Obligation					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation		
			One	Two	Three	Four	Five or more			\$\$	% of Revenue	\$\$	Uncollectibles	% of Revenue
Quarter 1	506,464	\$460,538	886	187	67	20	15	1,175	\$50,048,442	\$130,479	0.26%	\$11,005	8.43%	0.02%
Quarter 2	504,538	\$164,514	406	83	24	23	10	546	\$28,076,582	\$652,189	2.32%	\$205,106	31.45%	0.73%
Quarter 3	503,652	\$26,428	68	10	2	2	1	83	\$11,742,096	\$0	0.00%	\$0	0.00%	0.00%
Quarter 4	509,530	\$1,006,788	148	26	5	-	1	180	\$33,268,155	\$417,472	1.25%	\$22,778	5.46%	0.07%
Quarter 5	512,733	\$54,137	91	19	3	1	1	115	\$55,643,751	\$44,226	0.08%	\$6,698	15.15%	0.01%
Quarter 6	511,911	\$32,798	72	14	2	1	-	89	\$28,190,895	\$298,013	1.06%	\$23,732	7.96%	0.08%
Totals	3,048,828								\$206,969,919	\$1,542,380	0.75%	\$269,319	0.13%	17.46%
Annualized (divide by 18, times by 12)	169,379	\$1,745,201.20	1,671	339	103	47	28	2,188						
Annualized (divide by 18, times by 12)	169,379	\$1,163,467.47	1,114	226	69	31	19	1,459	\$137,979,946	\$1,028,253	0.75%	\$179,546	0.13%	17.46%

Prior Obligation: January 2010 - June 2011

Company: **PacifiCorp**

Monthly Totals		Number of Residential Customers	\$\$ of Priors (1)	Occurrences of Prior Obligation (1)					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation			
				One	Two	Three	Four	Five or more			\$\$ (2)	% of Revenue	\$\$	% of Uncollectibles	% of Revenue	
2010	Quarter 1	January	103,359	\$128,179						190	\$19,118,034	\$96,335	0.50%	\$128,179	133.06%	0.67%
	February	103,454	\$194,259						252	\$10,167,441	\$66,237	0.65%	\$194,259	293.28%	1.91%	
	March	103,407	\$174,573						246	\$9,472,834	\$85,345	0.90%	\$174,573	204.55%	1.84%	
	Quarter 2	April	103,333	\$190,235						229	\$8,894,659	\$47,552	0.53%	\$190,235	400.06%	2.14%
	May	103,306	\$165,952						208	\$4,636,635	\$37,083	0.80%	\$165,952	447.52%	3.58%	
	June	103,231	\$100,943						149	\$6,641,391	\$59,471	0.90%	\$100,943	169.73%	1.52%	
	Quarter 3	July	103,311	\$142,111	123	48	19	15	11	216	\$8,555,533	\$81,704	0.95%	\$142,111	173.93%	1.66%
	August	103,209	\$114,402	106	37	16	11	18	188	\$9,353,774	\$170,891	1.83%	\$114,402	66.94%	1.22%	
	September	103,283	\$114,723	102	44	17	12	13	188	\$6,366,415	\$164,376	2.58%	\$114,723	69.79%	1.80%	
	Quarter 4	October	103,302	\$61,826	32	23	13	5	28	101	\$7,000,544	\$132,544	1.89%	\$61,826	46.65%	0.88%
	November	103,368	\$49,473	23	20	5	6	20	74	\$12,400,822	\$123,203	0.99%	\$49,473	40.16%	0.40%	
	December	103,450	\$50,425	29	5	8	7	22	71	\$16,631,858	\$108,435	0.65%	\$50,425	46.50%	0.30%	
2011	Quarter 5	January	103,602	\$77,225	40	32	12	12	18	114	\$15,114,514	\$67,406	0.45%	\$77,225	114.57%	0.51%
	February	103,635	\$100,978	56	34	16	6	19	131	\$11,730,007	\$60,871	0.52%	\$100,978	165.89%	0.86%	
	March	103,670	\$109,248	64	33	21	9	18	145	\$10,980,793	\$76,190	0.69%	\$109,248	143.39%	0.99%	
	Quarter 6	April	103,624	\$63,400	47	18	25	7	18	115	\$9,231,387	\$58,602	0.63%	\$63,400	108.19%	0.69%
	May	103,379	\$59,577	36	24	7	11	18	96	\$8,181,941	\$44,179	0.54%	\$59,577	134.85%	0.73%	
	June	103,464	\$57,343	30	19	12	6	14	81	\$6,434,154	\$50,964	0.79%	\$57,343	112.52%	0.89%	

Note: Electric Only

PacifiCorp Note (1): PacifiCorp initiated system enhancements to identify prior obligation when the initial request for quarterly reporting was received in April 2010. The enhancements were completed October 1 allowing more accurate reporting of prior obligation by month. Prior obligation amounts reported for quarter 4 are limited to the past 7 years.

PacifiCorp Note (2): The amounts shown represent the net residential write-offs and are not associated with customers claiming prior obligation.

Quarter Totals		Number of Residential Customers	\$\$ of Priors	Occurrences of Prior Obligation					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation		
				One	Two	Three	Four	Five or more			\$\$	% of Revenue	\$\$	% of Uncollectibles	% of Revenue
Quarter 1	310,220	\$497,010	-	-	-	-	-	688	\$38,758,309	\$744,927	1.92%	\$497,010	66.72%	1.28%	
Quarter 2	309,870	\$457,129	-	-	-	-	-	586	\$20,172,685	\$656,263	3.25%	\$457,129	69.66%	2.27%	
Quarter 3	309,803	\$371,236	331	129	52	38	42	592	\$24,275,722	\$541,216	2.23%	\$371,236	68.59%	1.53%	
Quarter 4	310,120	\$161,724	84	48	26	18	70	246	\$36,033,224	\$305,830	0.85%	\$161,724	52.88%	0.45%	
Quarter 5	310,907	\$287,450	160	99	49	27	55	390	\$37,825,315	\$465,708	1.23%	\$287,450	61.72%	0.76%	
Quarter 6	310,667	\$180,320	113	61	44	24	50	292	\$23,847,483	\$492,366	2.06%	\$180,320	36.62%	0.76%	
Totals	1,861,587	155,132 \$1,000,729.69	688	337	171	107	217	1,520	\$121,981,743	\$1,805,139	1.48%	\$1,000,730	0.82%	55.44%	

Note: Since PacifiCorp was unable to report occurrences of prior obligation for first 6 months (Quarter 1 and 2), staff did not use the first 6 months for any category.

The Totals on the bottom of the spreadsheet reflect one-year totals, for Quarters 3, 4, 5, and 6.

Prior Obligation: January 2010 - June 2011

Company: Avista

Monthly Totals

		Number of Residential Customer Accounts	\$\$ of Priors	Occurrences of Prior Obligation					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation			
				One	Two	Three	Four	Five or more			\$\$	% of Revenue	\$\$	% of Uncollectibles	% of Revenue	
2010	Quarter 1	January	230,303	\$275,840	1,131	-	-	-	-	1,131	\$39,258,265	\$205,445	0.52%	\$127,080	61.86%	0.32%
		February	230,236	\$335,519	1,206	10				1,216	\$32,421,261	\$188,772	0.58%	\$103,377	54.76%	0.32%
		March	230,288	\$432,749	1,287	145				1,432	\$28,470,415	\$258,256	0.91%	\$124,960	48.39%	0.44%
	Quarter 2	April	230,301	\$401,829	1,284	230	4			1,518	\$26,140,790	\$258,649	0.99%	\$124,931	48.30%	0.48%
		May	230,553	\$268,917	937	160	32			1,129	\$21,161,907	\$289,016	1.37%	\$135,456	46.87%	0.64%
		June	230,921	\$246,457	915	164	47	1	1	1,128	\$17,705,070	\$335,601	1.90%	\$171,121	50.99%	0.97%
	Quarter 3	July	230,381	\$165,154	688	123	36	1	-	848	\$15,908,765	\$288,859	1.82%	\$163,028	56.44%	1.02%
		August	230,563	\$175,670	772	140	35	8	-	955	\$18,016,437	\$279,256	1.55%	\$166,537	59.64%	0.92%
		September	230,795	\$194,182	867	107	30	19	-	1,023	\$16,294,385	\$258,467	1.59%	\$128,033	49.54%	0.79%
	Quarter 4	October	230,844	\$183,310	951	105	42	10	3	1,111	\$15,959,446	\$296,067	1.86%	\$157,932	53.34%	0.99%
		November	230,928	\$120,262	599	88	21	7	3	718	\$21,072,805	\$233,368	1.11%	\$119,047	51.01%	0.56%
		December	231,229	\$171,245	701	88	38	11	8	846	\$36,775,971	\$204,394	0.56%	\$101,751	49.78%	0.28%
2011	Quarter 5	January	231,481	\$249,628	735	145	26	17	6	929	\$41,506,354	\$182,504	0.44%	\$105,234	57.66%	0.25%
		February	231,534	\$339,164	820	104	62	17	6	1,009	\$37,921,442	\$157,644	0.42%	\$71,958	45.65%	0.19%
		March	231,530	\$543,697	1,133	221	80	21	14	1,469	\$36,003,457	\$266,198	0.74%	\$125,057	46.98%	0.35%
	Quarter 6	April	231,625	\$455,600	1,042	186	51	18	10	1,307	\$29,276,940	\$325,276	1.11%	\$146,898	45.16%	0.50%
		May	231,675	\$512,409	1,175	165	80	17	15	1,452	\$26,372,918	\$347,964	1.32%	\$151,326	43.49%	0.57%
		June	231,624	\$408,622	1,127	176	51	30	12	1,396	\$20,024,140	\$418,048	2.09%	\$207,380	49.61%	1.04%

Note: Gas, electric, and combination customers accounts combined.

Note: Uncollectibles Due to Prior include active and closed uncollectibles.

Quarter Totals

	Number of Residential Customer Accounts (avg/month)	\$\$ of Priors	Occurrences of Prior Obligation					Number of Priors	Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation		
			One	Two	Three	Four	Five or more			\$\$	% of Revenue	\$\$	% of Uncollectibles	% of Revenue
Quarter 1	230,276	\$1,044,108	3,470	155	-	-	-	3,625	\$100,149,942	\$652,472	0.65%	\$355,417	54.47%	0.35%
Quarter 2	230,592	\$917,203	5,844	710	82	1	1	6,638	\$65,007,766	\$883,265	1.36%	\$431,508	48.85%	0.66%
Quarter 3	230,580	\$535,006	2,327	370	101	28	-	2,826	\$50,219,587	\$826,582	1.65%	\$457,599	55.36%	0.91%
Quarter 4	231,000	\$474,817	2,251	281	101	28	14	2,675	\$73,808,222	\$733,829	0.99%	\$378,729	51.61%	0.51%
Quarter 5	231,515	\$1,132,409	2,688	470	168	55	26	3,407	\$115,431,254	\$606,346	0.53%	\$302,249	49.85%	0.26%
Quarter 6	231,641	\$1,376,710	3,344	527	182	65	37	4,155	\$75,673,998	\$1,091,287	1.44%	\$505,604	46.33%	0.67%

Prior Obligation: January 2010 - June 2011

Company: NW Natural

		Number of Residential Customers	\$\$ of Priors	Number of Priors	Occurrences of Prior Obligation					Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation			
					One	Two	Three	Four	Five or more		\$\$	% of Revenue	\$\$	% of Revenue	% of Uncollectibles	
2010	Quarter 1	January	63245	\$6,312	86	43	23	15	3	2	\$8,440,066	\$22,081	0.26%	\$6,312	0.07%	28.59%
		February	63154	\$6,231	65	38	15	6	4	2	\$5,815,585	\$17,549	0.30%	\$6,231	0.11%	35.51%
		March	63245	\$8,603	83	48	22	8	3	2	\$5,019,465	\$29,912	0.60%	\$8,603	0.17%	28.76%
	Quarter 2	April	63213	\$19,714	84	45	14	13	7	5	\$4,756,395	\$53,291	1.12%	\$19,714	0.41%	36.99%
		May	63279	\$16,270	57	34	16	4	2	1	\$3,660,866	\$51,865	1.42%	\$16,270	0.44%	31.37%
		June	63343	\$15,106	66	46	10	4	1	5	\$2,760,697	\$58,077	2.10%	\$15,106	0.55%	26.01%
	Quarter 3	July	63398	\$20,104	52	27	12	2	5	6	\$1,980,279	\$60,695	3.06%	\$20,104	1.02%	33.12%
		August	63398	\$18,316	74	38	22	7	2	5	\$1,612,072	\$48,951	3.04%	\$18,316	1.14%	37.42%
		September	63437	\$8,054	41	23	10	6	1	1	\$1,714,441	\$37,087	2.16%	\$8,054	0.47%	21.72%
	Quarter 4	October	63501	\$14,846	36	17	9	4	2	4	\$2,089,637	\$39,679	1.90%	\$14,846	0.71%	37.42%
		November	63642	\$10,893	45	16	13	10	2	4	\$3,741,562	\$29,454	0.79%	\$10,893	0.29%	36.98%
		December	63099	\$7,436	59	33	18	5		3	\$7,498,089	\$22,820	0.30%	\$7,436	0.10%	32.59%
2011	Quarter 5	January	64004	\$6,298	75	45	18	4	5	3	\$8,784,959	\$18,021	0.21%	\$6,298	0.07%	34.95%
		February	64076	\$4,197	98	57	22	9	2	8	\$6,997,068	\$14,092	0.20%	\$4,197	0.06%	29.78%
	Quarter 6	March	64117	\$7,618	80	45	18	11	2	4	\$7,247,317	\$22,429	0.31%	\$7,618	0.11%	33.96%
		April	64144	\$16,330	87	50	14	13	4	6	\$5,461,986	\$37,428	0.69%	\$16,330	0.30%	43.63%
	Quarter 6	May	64194	\$24,977	102	57	25	9	5	6	\$4,252,873	\$61,608	1.45%	\$24,977	0.59%	40.54%
		June	64177	\$17,666	89	43	22	10	5	9	\$2,681,856	\$49,305	1.84%	\$17,666	0.66%	35.83%

Note: Gas and electric combined.

Quarter totals		Number of Residential Customers	\$\$ of Priors	Number of Priors	Occurrences of Prior Obligation					Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation		
					One	Two	Three	Four	Five or more		\$\$	% of Revenue	\$\$	% of Revenue	% of Uncollectibles
Quarter 1		189644	\$21,146.00	234	129	60	29	10	6	\$19,275,116	\$69,542	0.36%	\$21,146	0.11%	30.41%
Quarter 2		189835	\$51,090.00	207	125	40	21	10	11	\$11,177,958	\$163,233	1.46%	\$51,090	0.46%	31.30%
Quarter 3		190233	\$46,474.00	167	88	44	15	8	12	\$5,306,792	\$146,733	2.77%	\$46,474	0.88%	31.67%
Quarter 4		191042	\$33,175.00	140	66	40	19	4	11	\$13,329,288	\$91,953	0.69%	\$33,175	0.25%	36.08%
Quarter 5		192197	\$18,113.00	253	147	58	24	9	15	\$23,029,344	\$54,542	0.24%	\$18,113	0.08%	33.21%
Quarter 6		192515	\$58,973.00	278	150	61	32	14	21	\$12,396,715	\$148,341	1.20%	\$58,973	0.48%	39.76%
Totals		1,145,466	\$228,971.00	1,279	705	303	140	55	76	\$84,515,213	\$674,344	0.80%	\$228,971	0.27%	33.95%
Annualized (divide by 18, times by 12)		63,637	\$152,647.33	853	470	202	93	37	51	\$56,343,475	\$449,563	0.80%	\$152,647	0.27%	33.95%

Prior Obligation: January 2010 - June 2011

Company: Puget Sound Energy

		Number of Residential Customers	\$\$ of Priors	Number of Priors	Occurrences of Prior Obligation					Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation			
					One	Two	Three	Four	Five or more		\$\$	% of Revenue	\$\$	% of Revenue	% of Uncollectibles	
2010	Quarter 1	January	1643801	\$180,189	281	246	30	4	1		\$200,267,977	\$1,119,410	0.56%	\$272,897	0.14%	24.38%
		February	1645252	\$254,192	408	354	44	8	2		\$167,705,109	\$722,147	0.43%	\$248,114	0.15%	34.36%
		March	1646805	\$425,765	733	673	54	6			\$168,434,600	\$855,460	0.51%	\$216,996	0.13%	25.37%
	Quarter 2	April	1646805	\$313,921	517	450	61	6			\$146,973,522	\$915,399	0.62%	\$158,117	0.11%	17.27%
		May	1646820	\$303,035	508	453	46	7	1	1	\$129,401,887	\$922,976	0.71%	\$74,367	0.06%	8.06%
		June	1646434	\$340,570	580	483	81	8	8		\$106,975,466	\$1,369,094	1.28%	\$153,172	0.14%	11.19%
	Quarter 3	July	1645754	\$324,672	588	498	76	10	4		\$95,311,910	\$1,282,815	1.35%	\$232,286	0.24%	18.11%
		August	1645358	\$314,724	650	558	78	9	4	1	\$95,386,621	\$1,176,719	1.23%	\$249,170	0.26%	21.17%
		September	1646091	\$262,800	592	485	91	13	1	2	\$98,769,449	\$1,300,732	1.32%	\$196,415	0.20%	15.10%
	Quarter 4	October	1648035	\$217,049	520	732	75	9	3	1	\$120,674,301	\$1,296,963	1.07%	\$231,278	0.19%	17.83%
		November	1650216	\$154,901	377	312	54	9	2	0	\$179,908,487	\$1,124,210	0.62%	\$182,834	0.10%	16.26%
		December	1648556	\$248,823	730	607	93	24	4	2	\$217,101,409	\$1,145,789	0.53%	\$207,215	0.10%	18.08%
2011	Quarter 5	January	1654123	\$232,273	664	548	86	23	5	2	\$233,189,414	\$803,841	0.34%	\$216,079	0.09%	26.88%
		February	1655278	\$392,804	1035	853	152	24	4	2	\$214,509,114	\$480,425	0.22%	\$163,659	0.08%	34.07%
		March	1656010	\$172,693	406	351	41	11	2	1	\$203,231,870	\$624,242	0.31%	\$162,854	0.08%	26.09%
	Quarter 6	April	1656193	\$460,608	1070	874	148	36	2	5	\$173,260,875	\$682,287	0.39%	\$158,247	0.09%	23.19%
		May	1655809	\$951,632	2012	1660	259	70	15	8	\$137,476,723	\$942,097	0.69%	\$183,871	0.13%	19.52%
		June	1655985	\$676,894	1628	1339	220	53	8	8	\$110,709,792	\$1,412,474	1.28%	\$278,119	0.25%	19.69%

Note: Gas and electric combined.

Quarter totals		Number of Residential Customers	\$\$ of Priors	Number of Priors	Occurrences of Prior Obligation					Residential Revenue	Residential Uncollectibles		Residential Uncollectibles Due to Prior Obligation		
					One	Two	Three	Four	Five or more		\$\$	% of Revenue	\$\$	% of Revenue	% of Uncollectibles
	Quarter 1	4935858	\$860,146.00	1422	1273	128	18	3	0	\$536,407,686	\$2,697,017	0.50%	\$738,007	0.14%	27.36%
	Quarter 2	4940059	\$957,526.00	1605	1386	188	21	9	1	\$383,350,875	\$3,207,469	0.84%	\$385,656	0.10%	12.02%
	Quarter 3	4937203	\$902,196.00	1830	1541	245	32	9	3	\$289,467,980	\$3,760,266	1.30%	\$677,871	0.23%	18.03%
	Quarter 4	4946807	\$620,773.00	1627	1651	222	42	9	3	\$517,684,197	\$3,566,961	0.69%	\$621,327	0.12%	17.42%
	Quarter 5	4965411	\$797,770.00	2105	1752	279	58	11	5	\$650,930,398	\$1,908,508	0.29%	\$542,592	0.08%	28.43%
	Quarter 6	4967987	\$2,089,135.00	4710	3873	627	159	25	21	\$421,447,390	\$3,036,858	0.72%	\$620,237	0.15%	20.42%
	Totals	29,693,325	\$6,227,546.00	13,299	11,476	1,689	330	66	33	\$2,799,288,526	\$18,177,079	0.65%	\$3,585,690	0.13%	19.73%
	Annualized (divide by 18, times by 12)	1,649,629	\$4,151,697.33	8,866	7,651	1,126	220	44	22	\$1,866,192,351	\$12,118,053	0.65%	\$2,390,460	0.13%	19.73%

ATTACHMENT 4

PRIOR OBLIGATION DATA

AUGUST 2011

Occurrence of prior obligation among residential customers

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5+ Prior	% of Cust
Avista-2004 Report	302,649	8,409	2.78	2,167	0.72	651	0.22	225	0.07	39	0.01
Avista-2011 Report	343,445	13,283	3.87	1,675	0.49	423	0.12	118	0.03	52	0.02

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5+ Prior	% of Cust
PP&L-2004 Report	97,154	1,228	1.26	305	0.31	54	0.06	13	0.01	11	0.01
PP&L-2011 Report	155,132	688	0.44	337	0.22	171	0.11	107	0.07	217	0.14

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5+ Prior	% of Cust
CNG-2004 Report	133,065	193	0.14	29	0.02	7	0.01	3	0.00	0	0.00
CNG-2011 Report	169,379	1,114	0.66	226	0.13	69	0.04	32	0.02	19	0.01

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5+ Prior	% of Cust
NW Nat-2004 Report	43,222	1,694	3.92	227	0.53	33	0.08	7	0.02	1	0.00
NW Nat-2011 Report	63,637	470	0.74	202	0.32	93	0.15	37	0.06	51	0.08

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5+ Prior	% of Cust
Totals-2004 Report	576,090	11,523	2.00	2,728	0.47	746	0.13	249	0.04	51	0.01
Totals-2011 Report	731,593	15,555	2.13	2,440	0.33	756	0.10	294	0.04	338	0.05

Prior Obligation Paid by Customer - Not written off as uncollectible

	Total Prior	Collected	%		Uncollected	%
Avista-2004 Report	2,506,471	1,926,059	76.84		580,412	23.16
Avista-2011 Report	2,376,269	755,532	31.79		1,620,737	68.21

	Total Prior	Collected	%		Uncollected	%
PP&L-2004 Report	464,247	37,952	8.17		426,295	91.83
PP&L-2011 Report	1,000,729	0	0.00		1,000,729	100.00

	Total Prior	Collected	%		Uncollected	%
CNG-2004 Report	39,331	10,753	27.34		28,578	72.66
CNG-2011 Report	1,163,467	983,921	84.57		179,546	15.43

	Total Prior	Collected	%		Uncollected	%
NW Nat-2004 Report	382,676	317,613	83.00		65,063	17.00
NW Nat-2011 Report	152,647	0	0.00		152,647	100.00

	Total Prior	Collected	%		Uncollected	%
Totals-2004 Report	3,392,725	2,292,377	67.57		1,100,348	32.43
Totals-2011 Report	4,693,112	1,739,453	37.06		2,953,660	62.94

Residential uncollectibles as a % of revenue

2004 Report

	Revenue	Uncollectible	%
Avista	212,209,665	2,051,227	0.97
PP&L	74,921,208	1,089,238	1.45
CNG	113,051,503	495,460	0.44
NW Natural	30,493,938	190,386	0.62
Totals	430,676,314	3,826,311	0.89

2011 Report

	Revenue	Uncollectible	%
	320,193,845	3,195,856	1.00
	121,981,743	1,805,139	1.48
	137,979,946	1,028,253	0.75
	56,343,476	449,563	0.80
	636,499,010	6,478,811	1.02

Unpaid prior obligation as a % of revenue

2004 Report

	Revenue	Unpaid Prior	%
Avista	212,209,665	580,412	0.27
PP&L	74,921,208	426,295	0.57
CNG	113,051,503	28,578	0.03
NW Natural	30,493,938	65,063	0.21
Totals	430,676,314	1,100,348	0.26

2011 Report

	Revenue	Unpaid Prior	%
	320,193,845	1,620,737	0.51
	121,981,743	1,000,730	0.82
	137,979,946	179,546	0.13
	56,343,476	152,647	0.27
	636,499,010	2,953,660	.46

Unpaid prior obligation as a % of uncollectibles

2004 Report

	Uncollectible	Unpaid Prior	%
Avista	2,051,227	580,412	28.30
PP&L	1,089,238	426,295	39.14
CNG	495,460	28,578	5.77
NW Natural	190,385	65,063	34.17
Totals	3,826,311	1,100,348	28.76

2011 Report

	Uncollectible	Unpaid Prior	%
	3,195,856	1,620,737	50.71
	1,805,139	1,000,730	55.44
	1,028,253	179,546	17.46
	449,563	152,647	33.95
	6,478,811	2,953,660	45.59

ATTACHMENT 5

PSE Data

Occurrence of prior obligation among residential customers (PSE only)

	Total Customers	1 Prior	% of Cust	2 Prior	% of Cust	3 Prior	% of Cust	4 Prior	% of Cust	5 or more	% of Cust
PSE-2011 Report	1,649,629	7,651	0.46	1,126	0.07	220	0.01	44	0.00	22	0.00

Prior Obligation Paid by Customer - Not written off as uncollectible (PSE only)

	Total Prior	Collected	%	Uncollected	%
PSE-2011 Report	4,151,697	1,761,237	42.42	2,390,460	57.58

Residential uncollectibles as a % of revenue (PSE only)

	Revenue	Uncollectible	%
PSE Report	1,866,192,351	12,118,053	0.65

Unpaid prior obligation as a % of revenue (PSE only)

	Revenue	Unpaid Prior	%
PSE Report	1,866,192,351	2,390,460	0.13

Unpaid prior obligation as a % of uncollectibles (PSE only)

	Uncollectible	Unpaid Prior	%
PSE Report	12,118,053	2,390,460	19.73