

**STAFF INVESTIGATION  
INTO THE BUSINESS PRACTICES OF  
  
PUGET SOUND ENERGY  
“PSE CONNECTIONS” PROGRAM**

**Prepared by:  
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Business Practices Investigations  
July 2006**

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## EXECUTIVE SUMMARY

The commission's Business Practices Investigations staff reviewed information received about a program offered by PSE called "PSE Connections." PSE Connections offers customers starting electric or gas service the opportunity to order additional services such as telephone, newspapers, and Internet service. PSE contracts for PSE Connections services with a third party company called Allconnect, Inc. (Allconnect).

As described by PSE in responses to staff's inquiries, PSE Connections works this way:

- A customer calls the company to establish service or transfer service to a new location. A PSE representative takes the customer's service order. At the end of that process, the representative transfers the customer to PSE Connections. The customer is told he or she is being transferred to PSE Connections where the service order will be confirmed. PSE Connections is not actually part of PSE; rather, PSE contracts with a third party, Allconnect, to provide PSE Connections services.
- As the customer is transferred to Allconnect, the customer's name, address, service start date, and product order information is electronically transferred to the Allconnect representative. Allconnect confirms the details of the order, including the customer's name, address, and other information, and reports any errors to PSE.
- Allconnect then markets other services to the customer including phone service, lawn care, newspaper subscriptions, Internet service, and other services a new home owner or renter may need. Allconnect can sign the customer up for these and other services.
- If the customer does not purchase an Allconnect service, Allconnect retains the personal information obtained from PSE for thirty days and then deletes it. If the customer purchases additional services, Allconnect retains the personal information obtained from PSE indefinitely and uses it in subsequent marketing efforts.

Based on a review of the information provided by PSE for this investigation, staff believes PSE is violating WAC 480-90-153 and WAC 480-100-153. These rules state that gas and electric utilities may not disclose or sell private consumer information with or to their affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so. The customer information released by PSE to Allconnect clearly falls under the definition of "private consumer information" described in the rules. Based on the information provided and the process described when PSE connects customers with Allconnect, staff concludes PSE does not obtain a customer's written authorization prior to disclosing that customer's private information to Allconnect.

PSE actively participated in developing and crafting the language for these rules from 1999 to 2001. Staff believes PSE was fully aware of the specific requirements relating to disclosing private consumer information when it began its PSE Connections program shortly thereafter in November 2001. Since that time, PSE has transferred 65,260 customers to Allconnect through its PSE Connections program.

## PSE Connections – Staff Investigation

Staff finds a total of 65,260 violations of WAC 480-90-153 and WAC 480-100-153 from November 2001 to March 2006 where PSE failed to obtain a customer's written authorization prior to disclosing that customer's private information to a third party for the purposes of marketing services or product offerings.

Based on the two-year statute of limitations (*RCW 4.16.100*), the number of violations subject to penalties is 22,319.<sup>1</sup>

PSE temporarily suspended the PSE Connections program pending commission review on March 16, 2006. In order to reinstitute the program, staff believes PSE must change its practices to conform to commission rules and obtain written authorization to disclose private consumer information prior to transferring customers to Allconnect. In the alternative, PSE may request an exemption of this requirement in WAC 480-90-153 and WAC 480-100-153 from the commission.

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<sup>1</sup> The number of customers transferred by PSE to Allconnect from July 2004 to March 2006.



## **PURPOSE, SCOPE, AND AUTHORITY**

### **Purpose**

The purpose of this investigation is to determine if elements of the Puget Sound Energy (PSE) “PSE Connections” program violate commission rules as evidenced in information obtained by the Washington Utilities and Transportation Commission (commission).

### **Scope**

The scope of the investigation focuses on information obtained by commission staff concerning the business practices of PSE related to PSE Connections.

### **Authority**

Staff undertakes this investigation under the authority of the Revised Code of Washington (RCW) 80.01.040, which directs the commission to regulate gas and electric companies in the public interest, and to adopt such rules and regulations as may be necessary to do so. In addition, RCW 80.04.070 makes it clear that the commission is authorized to conduct such an investigation. Appendix A includes copies of the appropriate laws and rules.

## DISCLOSURE OF PRIVATE CONSUMER INFORMATION

WAC 480-90-153 and WAC 480-100-153, Disclosure of private information, state that gas and electric utilities may not disclose or sell private consumer information with or to their affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so.<sup>2</sup>

The rules define “private consumer information” as the customer's name, address, telephone number, and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship.

### Commission rulemaking

The commission revised its natural gas and electric rules (chapter 480-90 WAC and chapter 480-100 WAC) in 2001. The rulemaking process, which began in 1999, included four stakeholder workshops. Attendees provided comments about the rule sections under review. Commission staff developed and revised rules extensively using the information and comments gathered from the attendees and stakeholders.

PSE played a major role in developing these rules. Nine staff from PSE participated in the workshops held from 1999 to 2000. In January 2001, Karl Karzmar of PSE provided specific comments on WAC 480-90-153 and WAC 480-100-153. Mr. Karzmar stated, in part,

“Utility Use of Information: PSE has no desire or intention to sell information about its customers, thus is generally supportive of this rule’s intent. However, the proposed rule reaches beyond this scope by prohibiting utilities from even using the listed information including customer names and addresses. As drafted, this privacy rule is really an anti-marketing rule, and could have unintended consequences. ...Revising this rule to focus more specifically on the interest of preventing dissemination of information about customers would be a more reasonable approach....

Regulated/Unregulated Services: Another concern with this rule is that it focuses on marketing of ANY product or service. ...Clarifying that this rule applies only to non-regulated service would help avoid ... negative, unintended consequences.”<sup>3</sup>

PSE’s extensive involvement in this rulemaking process included assisting staff in crafting the language used in WAC 480-90-153 and WAC 480-100-153. The rules became effective in September 2001.<sup>4</sup> Staff believes PSE was fully aware of the specific requirements relating to disclosure of private consumer information when it began its PSE Connections program shortly thereafter in November 2001.

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<sup>2</sup> See Appendix A - Full text of rules.

<sup>3</sup> See Appendix F - PSE’s comments on review of WAC 480-90.

<sup>4</sup> See Appendix G - Adoption order in docket UE-990473.

## INVESTIGATION

In order to better understand how the PSE Connections program works, Business Practices staff requested information by letter from PSE on March 6.<sup>5</sup> The letter listed questions and requested specific information about the PSE Connections program. PSE responded on March 21 with the requested information.<sup>6</sup> Subsequently, staff requested additional information to complete the review of the program.<sup>7</sup> PSE provided the information on May 10.<sup>8</sup> Staff sent a request for information by e-mail on May 23 and PSE responded by e-mail the same day.<sup>9</sup> Staff sent a final request for information on July 6. PSE replied the same day with the requested information.<sup>10</sup>

### Background

PSE began the PSE Connections program with Allconnect in November 2001 and modified it in October 2005. Allconnect is a Delaware corporation located in Atlanta, Georgia. PSE receives a quarterly payment from Allconnect based on the number of eligible customers that use the PSE Connections service and the amount of revenue Allconnect receives from other service providers for providing their services. From November 2001 through 2005, PSE received \$95,173 in gross revenues from Allconnect.<sup>11</sup>

### How it works

PSE describes PSE Connections as a “customer convenience program”<sup>12</sup> designed to allow PSE residential customers starting or transferring gas or electric service to arrange telephone, cable television, and other household services with one telephone call. PSE contracts with Allconnect to provide these services.

As described by PSE in response to staff’s inquiry, PSE Connections works this way:

- A customer calls the company to establish service or transfer service to a new location. A PSE representative takes the customer’s service order. At the end of that process, the representative transfers the customer to PSE Connections. The customer is told he or she is being transferred to PSE Connections where the service order will be confirmed. PSE Connections is not actually part of PSE; rather, PSE contracts with a third party, Allconnect, to provide PSE Connections services.
- As the customer is transferred to Allconnect, the customer’s name, address, service start date, and product order information is electronically transferred to the Allconnect representative. Allconnect confirms the details of the order, including the customer’s name, address, and other information, and reports any errors to PSE.
- Allconnect then markets other services to the customer including phone service, lawn care, newspaper subscriptions, Internet service, and other services a new home owner or renter may need. Allconnect can sign the customer up for these and other services.

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<sup>5</sup> See Appendix B - Data request.

<sup>6</sup> See Appendix C - PSE’s data request response.

<sup>7</sup> See Appendix D - Second data request.

<sup>8</sup> See Appendix E - PSE’s second data request response.

<sup>9</sup> See Appendix H - E-mail communication from Tom DeBoer dated May 23, 2006.

<sup>10</sup> See Appendix I - E-mail communication from Tom DeBoer dated July 6, 2006.

<sup>11</sup> See Appendix C - “PSE Response to Request for Information,” response to question 4.

<sup>12</sup> See Appendix C - “PSE Response to Request for Information,” response to question 1.

- If the customer does not purchase an Allconnect service, Allconnect retains the personal information obtained from PSE for thirty days and then deletes it. If the customer purchases additional services, Allconnect retains the personal information obtained from PSE indefinitely and uses it in subsequent marketing efforts.

### **Scripts for transferring customers to PSE Connections**

PSE began the PSE Connections program with Allconnect in November 2001. Through September 2005, PSE representatives used one of the following script options when transferring customers to Allconnect:

1. “I see that you qualify for PSE Connections. This is a free service we provide to assist our customers with connecting services such as local and long distance phone, cable, and other utilities. I’ll be glad to transfer you to a member of our connections team once I complete your new service request. If this is not a convenient time you are free to Call Toll Free 888-440-5769.”
2. “I’ve completed your move in request and now I’d like to transfer you to PSE Connections. They will provide you with other services related to your address. (This is a free service designed to assist you with connection set up of phone, cable, newspaper, internet and other helpful household services.) No time? Call Toll free 888-440-5769.”
3. “Congratulations! I see that you qualify for PSE Connections. This is a free service we provide to assist our customers with connecting services such as local and long distance phone, cable, and other utilities. I’ll be glad to transfer you to a member of our connections team once I complete your new service order. If this is not a convenient time you are free to Call Toll Free 888-440-5769.”<sup>13</sup>

The wording used in these scripts provided customers with a brief explanation about the types of services that would be offered through PSE Connections once the call was transferred. Customers were also given the option of calling PSE Connections at their convenience.

In October 2005, PSE changed to a confirmation process and changed its scripting significantly. PSE representatives now select from the following scripting options:

1. “Please hold while I transfer you to PSE Connections to confirm your service request.”
2. “May I connect you with PSE Connections to confirm your service request (and offer other services)?”
3. “At this time I’ll connect you with PSE Connections to confirm your service (and offer other services).”
4. “Let me go ahead and connect you with PSE Connections to confirm your service request (and offer other services).”<sup>14</sup>

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<sup>13</sup> See Appendix C - “PSE Response to Request for Information,” response to question 8.

<sup>14</sup> See Appendix C - “PSE Response to Request for Information,” attachment 4.

## PSE Connections – Staff Investigation

The revised scripts focus more specifically on the confirmation process and do not give customers information about the types of services that will be offered once the call is transferred. In addition, only in scripting option two, above, do customers have the opportunity to decline being transferred. The other three scripting options do not allow a customer to decline.

More importantly, none of the scripts used by PSE representatives advises customers that their private information will be shared with a third party company or contains language requiring PSE representatives to first obtain a customer's written permission to share private information with Allconnect.

### **Private consumer information**

PSE describes the private consumer information shared with Allconnect as the customer's name, address, service start date, and product assignment number.<sup>15</sup> When asked if Allconnect has access to additional PSE-held customer-specific data such as credit history, PSE responded that Allconnect does not have such access.<sup>16</sup> However, PSE's Master Agreement with Allconnect states:

“Allconnect, Inc. Listing Program, Master Agreement, Schedule 2 – Order Form

This schedule shall list all necessary information needed to process Start, Stop and Switch Service orders. Specific information and criteria to be supplied by PSE. This is defined in Schedule 6 of the direct transfer program.

Applicant Name (First, Last, Middle Initial)  
Address (Service street, City, Zip)  
Social Security Number (if available)  
Address (Mailing if different from Service address)  
Phone Number (Home & Business) (if available)  
Spouse or Roommate Name  
Spouse or Roommate SS# (if available)  
Requested date of service  
New home construction”<sup>17</sup>

Tom DeBoer, PSE's director of Rates & Regulatory Affairs, stated that Schedule 2 reflects the data Allconnect is requesting from PSE; however, PSE has not provided all of the requested information. According to Mr. DeBoer, PSE sends to Allconnect only the information required to complete the transaction, Specifically, PSE sends the customer name, service address, start date, and product assignment number. Mr. DeBoer further stated that Allconnect does not formally provide customer information to PSE, though Allconnect at times will provide corrected customer name, address, or start date via email to PSE's program manager.<sup>18</sup>

The PSE/Allconnect Master Agreement also states that PSE may release private consumer information to Allconnect for customers who opted not to be transferred to PSE Connections. Section 3.4 of the Master Agreement states:

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<sup>15</sup> See Appendix C - “PSE Response to Request for Information,” response to question 1.

<sup>16</sup> See Appendix E - “PSE Response to Request for Information,” response to question 1(c).

<sup>17</sup> See Appendix C - “PSE Response to Request for Information,” attachment 2.

<sup>18</sup> See Appendix I - E-mail communication from Tom DeBoer dated July 6, 2006.

## PSE Connections – Staff Investigation

“...Upon request of Allconnect, Inc., PSE may in its sole discretion decide to share customer data with Allconnect, Inc. for Customer (sic) who may have obtained service directly from PSE and have chosen not to be transferred to Allconnect, Inc. to obtain other services.”<sup>19</sup>

### **Number of transfers completed**

Staff asked PSE to provide the total number of customers transferred by PSE to Allconnect, by year, since the inception of PSE Connections in November 2001. PSE provided the following information:<sup>20</sup>

<b><u>Year</u></b>	<b><u>No. of Customers Transferred to Allconnect</u></b>
2001	1,218 (beginning Nov. 2001)
2002	18,927
2003	17,745
2004	10,614
2005	12,532
<u>2006</u>	<u>4,224 (program suspended 3/15/06)</u>
<b><i>Total</i></b>	<b><i>65,260</i></b>

### **Contractor Referral Service & Commercial Energy Efficiency programs**

When asked to describe any other instance where PSE shares customer-specific data with a third party, PSE stated that it provides customer information to its contractors and consultants who market and sell PSE’s programs. For its Contractor Referral Service, PSE states that it shares certain customer-specific information with its contractors once the customer contacts PSE and provides written or verbal permission. For the Commercial Energy Efficiency Programs, PSE passes on customer information to the appropriate contractor who then works with the customer on the particular program.

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<sup>19</sup> See Appendix C - “PSE Response to Request for Information,” attachment 2, section 3.4.

<sup>20</sup> See Appendix H - E-mail communication from Tom DeBoer dated May 23, 2006.

## FINDINGS

The customer information disclosed by PSE to Allconnect clearly falls under the definition of “private consumer information” as described in WAC 480-90-153 and WAC 480-100-153. Based on the information provided and the process described when PSE connects customers with Allconnect, staff concludes PSE does not obtain a customer’s written authorization prior to disclosing that customer’s private information to Allconnect.<sup>21</sup> Staff believes these practices violate WAC 480-90-153 and WAC 480-100-153.

PSE actively participated in developing and crafting the language for these rules from 1999 to 2001. Staff believes PSE was fully aware of the specific requirements relating to disclosure of private consumer information when it began its PSE Connections program shortly thereafter, in November 2001. Since that time, PSE has transferred 65,260 customers to Allconnect through its PSE Connections program.

Staff finds a total of 65,260 violations of WAC 480-90-153 and WAC 480-100-153 from November 2001 to March 2006, where PSE failed to obtain a customer’s written authorization prior to disclosing that customer’s private information to a third party for the purposes of marketing services or product offerings.

Based on the two-year statute of limitations (*RCW 4.16.100*), the number of violations subject to penalties is 22,319.<sup>22</sup>

PSE temporarily suspended the PSE Connections program on March 16, 2006, pending commission review. In order to reinstitute the program, staff believes PSE must change its practices to conform to commission rules and obtain written authorization to disclose private information from customers prior to transferring those customers to Allconnect. In the alternative, PSE may request an exemption of this requirement in WAC 480-90-153 and WAC 480-100-153 from the commission.

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<sup>21</sup> Staff notes the rules require written authorization prior to releasing private information. Not only does PSE release private information without the required written authorization, it also fails to obtain verbal authorization prior to release.

<sup>22</sup> The number of customers transferred by PSE to Allconnect from July 2004 to March 2006.

## **APPENDIX A**

### **RCW 4.16.100**

#### **Actions limited to two years.**

Within two years:

- (1) An action for libel, slander, assault, assault and battery, or false imprisonment.
- (2) An action upon a statute for a forfeiture or penalty to the state.

[Code 1881 § 29; 1877 p 8 § 29; 1869 p 9 § 29; 1854 p 363 § 5; RRS § 160.]

#### **Notes:**

Limitation of action for recovery of transportation charges: RCW 81.28.270.

### **RCW 80.01.040**

#### **General powers and duties of commission.**

The utilities and transportation commission shall:

- (1) Exercise all the powers and perform all the duties prescribed therefor by this title and by Title 81 RCW, or by any other law.
- (2) Regulate in the public interest, as provided by the public service laws, the rates, services, facilities, and practices of all persons engaging in the transportation by whatever means of persons or property within this state for compensation, and related activities; including, but not limited to, air transportation companies, auto transportation companies, express companies, freight and freight line companies, motor freight companies, motor transportation agents, private car companies, railway companies, sleeping car companies, steamboat companies, street railway companies, toll bridge companies, storage warehousemen, and wharfingers and warehousemen.
- (3) Regulate in the public interest, as provided by the public service laws, the rates, services, facilities, and practices of all persons engaging within this state in the business of supplying any utility service or commodity to the public for compensation, and related activities; including, but not limited to, electrical companies, gas companies, irrigation companies, telecommunications companies, and water companies.
- (4) Make such rules and regulations as may be necessary to carry out its other powers and duties.

[1985 c 450 § 10; 1961 c 14 § 80.01.040. Prior: (i) 1949 c 117 § 3; Rem. Supp. 1949 § 10964-115-3. (ii) 1945 c 267 § 5; Rem. Supp. 1945 § 10459-5. (iii) 1945 c 267 § 6; Rem. Supp. 1945 § 10459-6. Formerly RCW 43.53.050.]

#### **Notes:**

**Severability -- Legislative review -- 1985 c 450:** See RCW 80.36.900 and 80.36.901.

Flaggers -- Safety standards: RCW 49.17.350.

### **RCW 80.04.070**

#### **Inspection of books, papers, and documents.**

The commission and each commissioner, or any person employed by the commission, shall have the right, at any and all times, to inspect the accounts, books, papers and documents of any public service company, and the commission, or any commissioner, may examine under oath any officer, agent or employee of such public service company in relation thereto, and with reference to the affairs of such



## PSE Connections – Staff Investigation

company: PROVIDED, That any person other than a commissioner who shall make any such demand shall produce his authority from the commission to make such inspection.

[1961 c 14 § [80.04.070](#). Prior: 1911 c 117 § 77; RRS § 10415.]

### **WAC 480-90-153**

#### **Disclosure of private information.**

(1) A gas utility may not disclose or sell private consumer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so.

(2) Private consumer information includes the customer's name, address, telephone number, and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship.

(3) This section does not prevent disclosure of the essential terms and conditions of special contracts as provided for in WAC 480-80-143 (Special contracts for gas, electric, and water companies).

(4) This section does not prevent the utility from inserting any marketing information into the customer's billing package.

(5) The utility may collect and release customer information in aggregate form if the aggregated information does not allow any specific customer to be identified.

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160, and 34.05.353. 03-22-046 (Docket No. A-030832, General Order No. R-509), § 480-90-153, filed 10/29/03, effective 11/29/03. Statutory Authority: RCW 80.01.040 and 80.04.160. 01-20-059 (Docket No. UG-990294, General Order No. R-488), § 480-90-153, filed 9/28/01, effective 10/29/01.]

### **WAC 480-100-153**

#### **Disclosure of private information.**

(1) An electric utility may not disclose or sell private consumer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so.

(2) Private consumer information includes the customer's name, address, telephone number, and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship.

(3) This section does not prevent disclosure of the essential terms and conditions of special contracts as provided for in WAC 480-80-143 (Special contracts for gas, electric, and water companies).

(4) This section does not prevent the utility from inserting any marketing information into the customer's billing package.

(5) The utility may collect and release customer information in aggregate form if the aggregated information does not allow any specific customer to be identified.

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160, and 34.05.353. 03-22-046 (Docket No. A-030832, General Order No. R-509), § 480-100-153, filed 10/29/03, effective 11/29/03. Statutory Authority: RCW 80.01.040 and 80.04.160. 01-20-060 (Docket No. UE-990473, General Order No. R-489), § 480-100-153, filed 9/28/01, effective 10/29/01.]

## APPENDIX B



STATE OF WASHINGTON

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

March 6, 2006

Tom DeBoer, Director - Rates & Regulatory Affairs  
Puget Sound Energy  
P.O. Box 97034, MS: PSE-08N  
Bellevue, WA 98009-9734

**RE: PSE Connections**

Dear Mr. DeBoer:

The Washington Utilities and Transportation Commission recently received information about a program you offer called, "PSE Connections." According to the Puget Sound Energy (PSE) website, PSE Connections offers customers activating service the opportunity to order additional services like phone, newspapers, and internet service. We understand that you contract PSE Connections services with a company named Allconnect.

In order to better understand how this service works, we need more information from you. Please review the following questions and provide responses and documents as requested.

**PSE Connections**

1. Describe in detail how PSE Connections works.
2. Are both electric and natural gas customers eligible to use the program?
3. How long has the program existed?
4. Describe the nature of your relationship with Allconnect and how PSE is compensated for its referrals to the company.
5. Provide a copy of any contract PSE has with Allconnect.
6. Describe how PSE confirms customer orders to activate service.
7. Describe how PSE determines which customers to transfer to PSE Connections/Allconnect.
8. Provide copies of scripts used by PSE employees when transferring calls to PSE Connections/Allconnect for confirmation.



PSE Connections – Staff Investigation

Tom DeBoer  
March 6, 2006  
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9. Describe and provide a copy of any disclosure PSE provides to customers about PSE Connections/Allconnect prior to transferring them.
10. Provide copies of scripts used by PSE Connections/Allconnect employees when confirming a customers' service and offering additional services.
11. Describe the services PSE Connections/Allconnect provides for the customer and how the customer is charged for these services.
12. Describe all PSE-held information PSE Connections/Allconnect is able to access when a customer is transferred by PSE.
13. Provide copies of any written publications, brochures, or information concerning PSE Connections/Allconnect services.

Please provide your response and all requested documents by March 21, 2006. The response should be directed to Betty Young, Compliance Specialist, Business Practices Investigations Section. Ms. Young can be reached at (360) 664-1202, or by e-mail at [byoung@wutc.wa.gov](mailto:byoung@wutc.wa.gov).

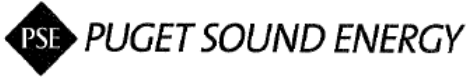
Sincerely,



Carole J. Washburn  
Executive Secretary

**APPENDIX C**

[www.pse.com](http://www.pse.com)



Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

**VIA HAND DELIVERY**

RECEIVED  
RECORDS MANAGEMENT  
06 MAR 21 AM 9:34  
STATE OF WASH  
UTIL AND TRANSP  
COMMISSION

March 21, 2006

Ms. Betty Young  
Compliance Specialist  
Business Practices Investigations Section  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Response of Puget Sound Energy to WUTC Request for Information  
Regarding PSE Connections (dated March 6, 2006)**

Dear Ms. Young:

Enclosed is Puget Sound Energy's ("PSE") response to the request for information issued by the Commission in its letter dated March 6, 2006. In this request, the Commission seeks information about a program called "PSE Connections" offered by PSE. The attached documents include responses to the thirteen questions posed by the Commission as well as supporting documentation.

Please note that PSE suspended operation of the PSE Connections program on March 15, 2006 pending completion of the Commission's review. If you have any questions about this response or need additional information about the PSE Connections program, please contact me at (425) 462-3495 or by e-mail at [tom.deboer@pse.com](mailto:tom.deboer@pse.com).

Sincerely,

A handwritten signature in black ink that reads "Tom DeBoer".

Tom DeBoer  
Director - Rates & Regulatory Affairs

Enclosures

**PSE Response to Request for Information**

**Question 1: Describe in detail how PSE Connections works.**

**Response:** PSE Connections is a customer convenience program that is designed to allow PSE residential customers who are starting or transferring gas or electric service to arrange telephone, cable TV and other household services with one telephone call rather than multiple calls. In order to implement the program, PSE entered into an agreement with Allconnect, Inc. (“Allconnect”), a national leader in providing these types of services (*see* Attachment 1).

PSE began the PSE Connections program in November, 2001 and modified it in October, 2005 to include a confirmation process. Since October, 2005, the PSE Connections program has worked as follows: A new or existing residential customer calls PSE Customer Services to start or transfer (if moving within the service territory) electric or gas service. Once the PSE Customer Service Representative has completed the start or transfer of the service, the Representative may transfer the customer to the PSE Connections service provided by Allconnect using the suggested scripting (*see* response to Question 8 and Attachment 4). At the same time, the following customer information is electronically transferred to the PSE Connections representative: name, address, service start date and product assignment number. The PSE Connections representative confirms the customer’s name, address and service start date and provides the customer a confirmation number which is the product assignment number in PSE’s database that is unique for the customer and location. The PSE Connections representative confirms the customer data and notifies PSE if there is an error in the customer name, address or start date. The PSE Connections representative will then offer to assist in setting up other services, such as phone, cable, etc., that are listed in the response to Question 11.

Prior to October, 2005, the program worked as follows: A new or existing residential customer called PSE Customer Services to start or transfer (if moving within the service territory) electric or gas service. Once the PSE Customer Service Representative completed the start or transfer of the service, the Representative may have transferred the customer to

the PSE Connections service provided by Allconnect using the suggested scripting (*see* response to Question 8). At the same time, the following customer information was electronically transferred to the PSE Connections representative: name and address. The PSE Connections representative then offered to assist in setting up other services, such as phone, cable, etc., that are listed in the response to Question 11.

**Question 2: Are both electric and natural gas customers eligible to use the program?**

**Response:** Yes, both new and transferring electric and natural gas residential customers may participate in the program.

**Question 3: How long has the program existed?**

**Response:** The program has been in place since November 2001.

**Question 4: Describe the nature of your relationship with Allconnect and how PSE is compensated for its referrals to the company.**

**Response:** Allconnect is a Delaware corporation located in Atlanta, Georgia. Allconnect is not a subsidiary or affiliate of PSE. PSE has contracted with Allconnect to assist PSE residential customers who are starting or transferring gas or electric service in arranging telephone, cable TV and other household services with one telephone call rather than multiple calls.

PSE receives a quarterly payment from Allconnect that is based both on the number of eligible customers that use the PSE Connections service and the amount of revenue Allconnect receives from other service providers for providing their services. The details of the payment calculations can be found in Exhibit 3 to the contract at Attachment 2. Since implementing the program in November, 2001 through 2005, gross revenues paid to PSE under this contract amount to \$95,173.00. These revenues are used for the benefit of retail customers to reduce other customer service costs.

**Question 5: Provide a copy of any contracts PSE has with Allconnect.**

**Response:** Enclosed at Attachment 2.

**Question 6: Describe how PSE confirms customer orders to activate service.**

**Response:** Once a residential gas or electric customer has completed the process to start or transfer to the new service location with the PSE Customer Service Representative, the PSE Customer Service Representative may transfer the customer to the PSE Connections service. The PSE Connections representative confirms the customer's name, address and start date then provides a confirmation number which is unique for this customer and location. Allconnect will notify PSE if there is an error in the customer name, address or start date.

**Question 7: Describe how PSE determines which customers to transfer to PSE Connections/Allconnect.**

**Response:** Any gas and electric residential customer who is starting or transferring service to a new location within PSE service territory is eligible. In practice, generally only a relatively low percentage (ranging from approximately 4 to 26%) of the customers eligible to be transferred to PSE Connections are actually transferred (*see* Attachment 3). In October, 2005, an effort was made to more formally include the PSE Connections offering as part of the start or transfer service process based on the results and survey feedback from those customers who had utilized the service.

**Question 8: Provide copies of scripts used by PSE employees when transferring calls to PSE Connections/Allconnect for confirmation.**

**Response:** Once the start or transfer of service is completed, the PSE Customer Service Representative selects one of the scripting options listed in Attachment 4 to transfer the customer to PSE Connections. Prior to October, 2005, once the start or transfer of service was completed, the PSE Customer Service Representative selected one of the following three scripting options to transfer the customer to PSE Connections.

1. PSE Connections

"I see that you qualify for PSE Connections. This is a free service we provide to assist our customers with connecting services such as local and long distance phone, cable, and other utilities. I'll be glad to transfer you to a member of our connections team once I complete your new service request."

**If this is not a convenient time you are free to Call Toll Free 888-440-5769**

2. PSE Connections

"I've completed your move in request and now I'd like to transfer you to PSE Connections. They will provide you with other services related to your address." (This is a free service designed to assist you with connection set up of phone, cable, newspaper, internet and other helpful household services.)

**No time? Call Toll free 888-440-5769**

3. PSE Connections

"Congratulations! I see that you qualify for PSE Connections. This is a free service we provide to assist our customers with connecting services such as local and long distance phone, cable, and other utilities. I'll be glad to transfer you to a member of our connections team once I complete your new service order."

**If this is not a convenient time you are free to Call Toll Free 888-440-5769**



**Question 9: Describe and provide a copy of any disclosure PSE provides to customers about PSE Connections/Allconnect prior to transferring them.**

**Response:** Until recently, customers could receive information regarding PSE Connections via the PSE website, a recorded message on the automated telephone service or a customer service representative. A copy of the information available on the website is at Attachment 5 or may be accessed at <<http://www.pse.com/solutions/aboutAcct.aspx>>.

Customers will hear the following recorded message when the start/stop option is selected in the phone menu:

*In most cases, Puget Sound Energy can now help you save time by connecting other services for your home such as local phone, long distance, and cable. If “starting service”, please ask for information about the “Free” PSE Connections program.*

For customers who speak to a PSE Customer Service Representative, once the start or transfer of service is completed, the customer service representative will provide information on PSE Connections as described in response to Question 8.

As of March 16, 2006, PSE has removed the PSE Connections information from both the website and telephone system pending the completion of the Commission’s review.

**Question 10: Provide copies of scripts used by PSE Connections/Allconnect employees when confirming a customer’s service and offering additional service.**

**Response:** “Welcome to PSE Connections, my name is \_\_\_\_\_: To start the confirmation process may I have your last name please?” Once the confirmation is completed the PSE Connections representative will offer to further assist the customer in setting up phone, cable, etc.

**Question 11: Describe the services PSE Connections/Allconnect provides for the customer and how the customer is charged for these services.**

**Response:** Allconnect currently offers the following services.

## PSE Connections – Staff Investigation

Local Telephone:	Verizon and Qwest
Long Distance:	MCI and Qwest
Cable:	Comcast
Satellite TV:	Dish and DirectStar TV
High Speed Internet:	Qwest DSL and Comcast
Dial-up Internet:	Earthlink and People PC
Local Newspaper:	The Seattle Times and Seattle-Eastside Journal
National Newspaper:	USA Today, The Wall Street Journal and Barron's
Personal Checks:	Checks Unlimited
Government Services:	US Mail Address Change
Lawn Care:	Service Master (TruGreen)
Home Security:	ADT and Brinks Home Security

The customer is charged directly by the company based on which product/package the customer selects. The customer is not charged a fee by either PSE or Allconnect.

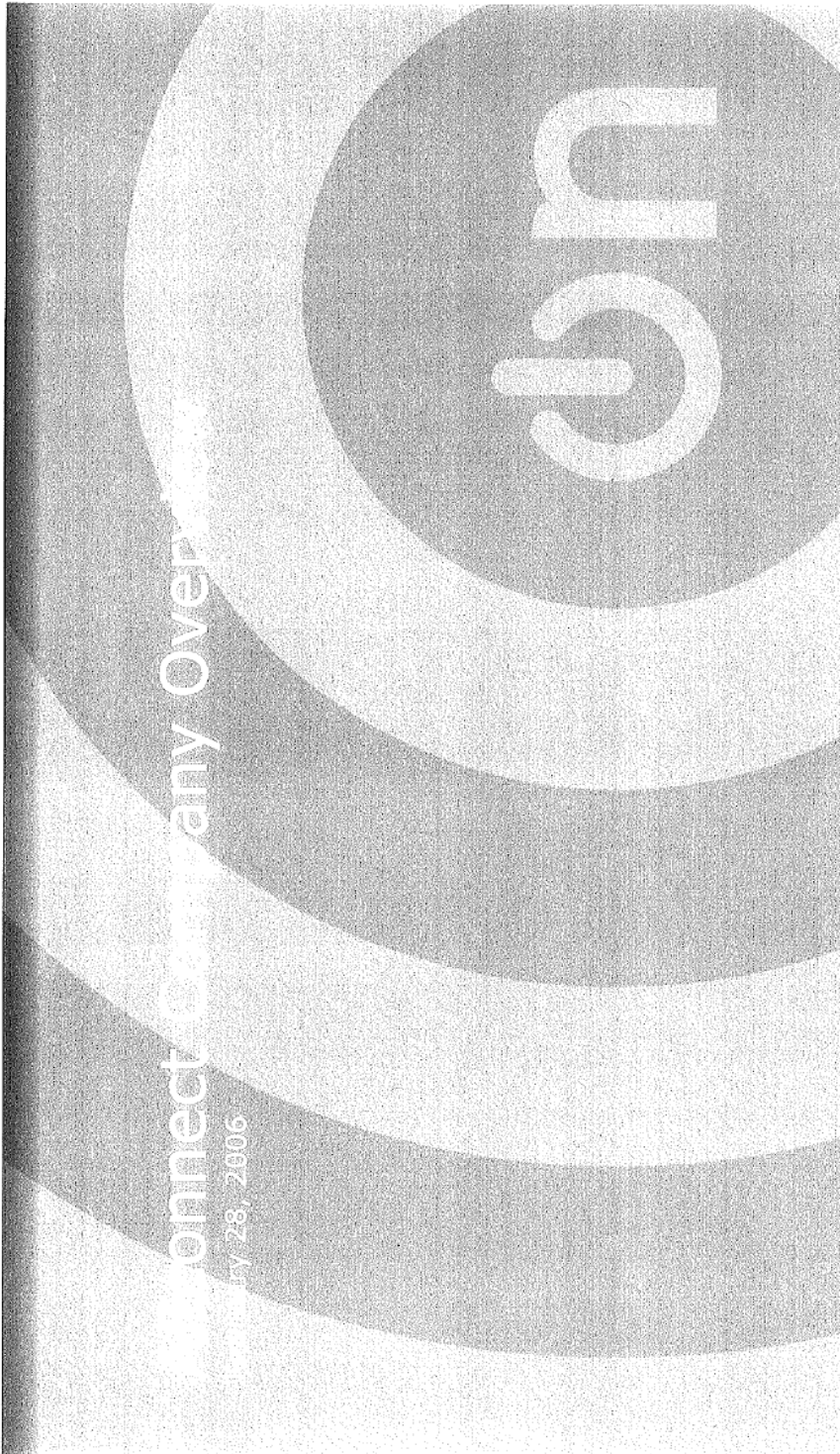
**Question 12: Describe all PSE-held information PSE Connections is able to access when a customer is transferred by PSE.**

**Response:** PSE Connections receives a data transfer which consists of the customer name, service address, start date and CLX product assignment number. Allconnect follows strict data privacy and security procedures in handling any transferred customer data. (*see* Attachment 6). Allconnect routinely purges this customer data if the transferred customer does not elect to purchase any of the offered services. Allconnect does not share any of this data except with the service providers that the customer selects and does not sell any customer information.

**Question 13: Provide copies of any written publications, brochures, or information concerning PSE Connections/Allconnect services.**

**Response:** Enclosed at Attachment 7.

***PSE Attachment 1***



All Connected

Getting you plugged in.

Company Overview

We are the most widely accepted method for relocation customers to select, order and manage essential household services providing the ultimate consumer experience.

allconnect

on

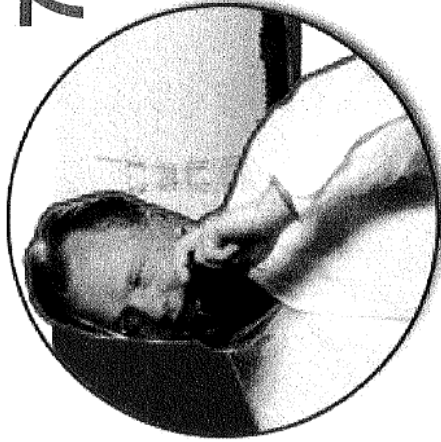
## Company Overview

- We are the leading provider of household “connection” services
- Headquartered in Atlanta, Georgia with call centers in Atlanta and St. George, Utah
- 415 employees
- We will serve almost 3.5 million movers in 2006, nearly 20% of all relocating households in the U.S., including about 50,000 in Puget territory

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3

## The Role of the Electric Utility



**70%** of movers call the electricity company first



**Then the customer has to make many more calls!**

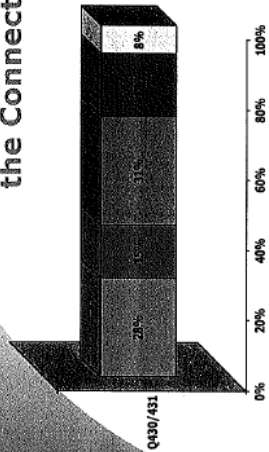
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# Consumer Benefit

(From Harris Interactive 2006 polling)

Q430/431 How much time do you think you saved using the Connections program?



■ >30 Min. ■ 30-59 Min. ■ 1-2 Hrs. ■ 2-3 Hrs. ■ 3+ Hrs.

- Of people responding with a time, 90% thought the Allconnect service saved them time
- 58% thought the service saved them over 1 hour
- 8% thought the service saved them over 3 hours

## Customers tell us we've saved them over 10 million hours!

That's...      41,667      5,952      1,488      124

                         days      weeks      months      Years!

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## Benefits to the Utility are Significant

### Increase Customer Satisfaction:

- ✓ Free Connections program delights customers at a critical contact point.
- ✓ Increases satisfaction with the electric order (confirmation model)
- ✓ Digital recordings of 99+% of all calls.

### Low Capital Investment Followed By Accretive Financial Impact

- ✓ Project carries low risk with high probability of success
- ✓ Requires no increase in rates

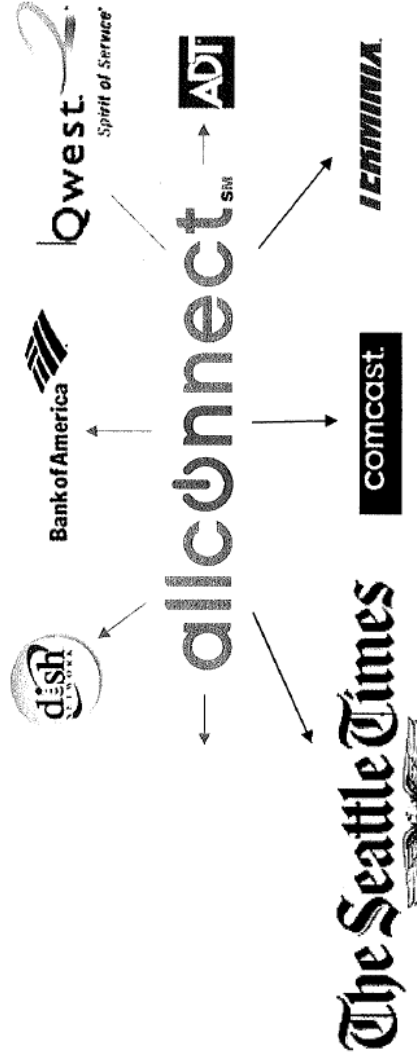
### Reduce Costs:

- ✓ Allconnect can provide automated new phone number uploads to the utility, resulting in call handling efficiencies and maximizing automated outage notification call handling.
- ✓ Eliminates the need for electric company CSR's to provide information on other service providers that customers often inquire about.
- ✓ Corrects data entry errors (confirmation model)
- ✓ Data accuracy and new premise phone number enhances "past due" collection process.

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# The Role of Service Providers

We connect thousands of consumers to trusted brands every day

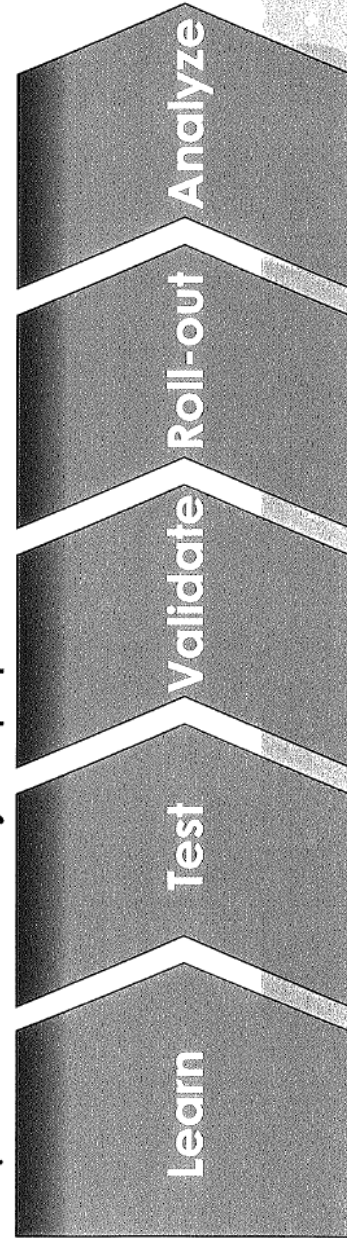


We offer consumers consultation and choice for home services at their new residence

allconnect

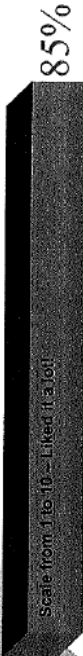
## Allconnect is a Customer Satisfaction Program

- ⌚ The foundation of our business model is customer satisfaction....without that, our business does not exist.
- ⌚ We start with product development based on the Six-Sigma concept of "Voice of the Customer". We polled over 200,000 movers (including both customers and non-customers) to provide us with unbiased empirical evidence of what services customers want from Allconnect and how they want them delivered.
- ⌚ Six Sigma instills a culture of continuous improvement.
- ⌚ Quality Assurance processes continue to evolve and mature as our business grows. For example, in 2006 we will add capabilities to allow each customer to participate in an after call survey.
- ⌚ Allconnect Customer Satisfaction is validated by rigorous measurement processes conducted by multiple parties



## Product Design Approach and Quality Assurance Processes Drive Customer Satisfaction Results: 4th Quarter 2005 Survey of Puget Sound Energy Customers

Q1...During your call, to what extent did you like or dislike being able to purchase additional home services?



8 out of 10 customers liked the ability to purchase additional home services after their electric start.

Mean score: 7.6

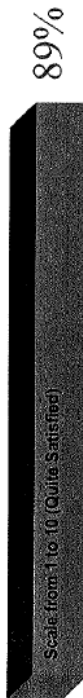
Q2...How did the opportunity to purchase additional home services influence your perception of your electric utility company?



For 9 of 10 customers, the opportunity to purchase additional home services left a positive perception of Puget Sound Energy

Mean score: 7.4

Q3...Overall, how satisfied were you with the representative that assisted with your home services?



Almost 9 out of 10 customers were quite satisfied with the Allconnect rep.

Mean score: 8.3

Q4...How likely are you to use Allconnect for your moving needs in the future?



8 out of 10 customers said they would use the Allconnect service again.

Mean score: 7.5

Q5...How likely are you to recommend that your friends and relatives use Allconnect to help them with their future moves?



8 out of 10 PSE customers would recommend Allconnect for future moves.

Mean score: 7.2



## Data Security and Privacy Protection

- ⌚ Dual firewall layers
- ⌚ Database encryption; Access to database only through defined applications
- ⌚ Locked-down desktops without removable media
- ⌚ Privacy Policy does not allow distribution of customer data to third parties without express permission
- ⌚ Intrusion detection monitored by Fidelity Information Services Network Operating Center
- ⌚ Security compliance certified by TrustWave

**No security breach in 7 years of existence**

allconnect

1.1

## Summary

### ***The Voice of the Customer will lead us in everything we do.***

#### **We are:**

- ⤵ Redefining convenience by giving consumers flexibility in how they do business with us: phone, web, email, mail.
- ⤵ Redefining choice by allowing consumers to select among many “Mover” related Product categories and Service Providers.
- ⤵ Redefining connected by delivering something of value to each and every mover.

***Through our Voice of the Customer program and Six Sigma standards, we are focused on setting benchmarks for Quality Control Processes and Customer Satisfaction Ratings for call center centric business activity.***

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**PSE Attachment 2**

**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT**

This Master Agreement (this "Agreement"), by and between Allconnect, Inc., Inc., a Delaware Corporation "Allconnect, Inc.", located at 6255 Barfield Road, Suite 200, Atlanta, Georgia 30328 ("Allconnect, Inc."), and the Service Provider identified below ("PSE, Inc."), includes attached Listing Program Schedule, mutually agreed to, together with any additional schedules and exhibits referred to in this Agreement and mutually agreed to in writing in the future.

**Service Provider Name:** Puget Sound Energy (PSE)

**Service Provider Address:** 411-108th Ave. NE OBC-03N  
PO Box 97034, 98009  
Bellevue, WA 98004-5515

**Service Provider Name:** PSE, INC.

**Authorized Contact:** Tom Shannon  
**Tel:** 425-424-6561  
**Fax:** 425-424-6537  
**e-mail:** tshann@puget.com

**Date of Agreement:** September 26, 2001

**TERMS AND CONDITIONS**

**1.0 Recitals.**

1.1 PSE, Inc.(PSE) provides the Services described in Schedule 5 – **Products and Placed Customer Fees** to residential customers in the Territory.

1.2 Allconnect, Inc. provides information to residential customers in the Territory (as defined in Schedule 5) concerning services such as the Services offered by PSE, and assists residential customers in selecting and ordering such services.

1.3 This Agreement sets forth the terms and conditions pursuant to which Allconnect, Inc. shall be authorized to inform residential customers in the Territory about PSE's Services, to accept on PSE's behalf applications for Services, and to transmit orders for Services to PSE.

1.4 This Agreement sets forth the terms and conditions pursuant to which the PSE will transfer moving household customers to Allconnect, Inc.'s call center to connect utility and communications services.

**2.0 Definitions.** Capitalized terms used in this Agreement and not otherwise defined have the meaning set forth in this Section 2.

"Confidential Information" has the meaning set forth in section 7 of this Agreement.

"Default Event" means, with respect to any party: (i) the application for or adjudication in, bankruptcy or similar events under the insolvency law of any jurisdiction, which application or

adjudication is not withdrawn or dismissed within sixty (60) days; (ii) the insolvency, dissolution or liquidation under the law of any jurisdiction; (iii) an appointment of a receiver, trustee or other custodian; (iv) assignment for the benefit of creditors; (v) the taking of any corporate or other action to authorize, or in furtherance of, any of the foregoing; or (vi) the discontinuation of regular operations or businesses.

"Existing Customer" means a Potential Customer who currently receives Services or has, within the three (3) month period immediately preceding the date the Potential Customer contacts Allconnect, Inc., received Services from PSE, whether or not such Services were ordered through Allconnect, Inc..

"Placed Customer," means any Potential Customer who is the subject of an Order Form submitted by Allconnect, Inc. and, if related to a New Service Order, to whom PSE commences providing Services at any time within three (3) months following the date Allconnect, Inc. submits an Order Form.

"Potential Customer" means any residential customer in the Territory who contacts Allconnect, Inc. to inquire about, request or order Services.

"Service Commencement Date" means the date on which the PSE installs, starts or otherwise commences providing Services to a Placed Customer.

"Services" means any or all of the services offered by PSE to residential customers in the Territory at the current prices and service plans and in accordance with the terms and conditions set forth on Schedule 5 – Products and Placed Customer Fees to this Agreement, as the same may be modified or amended from time to time by PSE to add new or additional Services or to modify the pricing or service plan schedule.

"New Customer Order" means a customer that has never been a PSE customer.

"Stop Service Order" means an order for the termination of any Services placed with PSE by Allconnect, Inc. on behalf of an Existing Customer or Potential Customer.

"Territory" means the geographic areas in which PSE offers Services, as set forth on Schedule 5 – Products and Placed Customer Fees, as the same may be modified or amended from time to time by PSE upon not less than thirty (30) days advance written notice to Allconnect, Inc..

"Switch Service Order" means an order for the transfer of any of Services from one residential location to another in the Territory placed with PSE by Allconnect, Inc. on behalf of an Existing Customer or Potential Customer.

### 3.0 Services to be Performed by Allconnect, Inc.; PSE Obligations

3.1. During the term of this Agreement, Allconnect, Inc. agrees to inform Potential Customers of PSE's Services in accordance with PSE's then-current list of Services and pricing schedule. Allconnect, Inc. shall be responsible for providing its services by qualified personnel in a professional manner. ALLCONNECT, INC. DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

3.2 For each Potential Customer who requests services by PSE, Allconnect, Inc. shall complete and transmit an Order Form to PSE. For each Order Form received by PSE before 3:00 PM PST, PSE shall transmit a receipt and confirmation to Allconnect, Inc. by 12:00 PM EST the

Confidential

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9/26/2001

File: AC-PSEcontract - 9-26-01-v6 (Final), Allconnect Master List Agreement.



next business day. All Order Forms and confirmations shall be transmitted electronically by a means and method agreed to by the parties.

3.3 PSE agrees to accept Service Orders from and provide Services to each Potential Customer who is the subject of a properly submitted Order Form, an accurate list of service and pricing schedule, and in accordance with the terms of such placed customer's Order Form. The parties agree that any Placed Customer who receives Services from PSE shall be considered a customer of both parties, and either party shall be free to solicit such customer for any other purpose, mutually agreeable to both parties, not inconsistent with or in contravention of this Agreement. PSE and Allconnect, Inc. shall keep and maintain adequate records of Placed Customers, which records shall be subject to review and audit by Allconnect, Inc. and PSE during regular business hours upon reasonable notice to PSE.

3.4 Placed Customers obtaining Services directly from PSE and existing customers of PSE shall be considered a customer of PSE until they have contacted Allconnect, Inc. directly or have been transferred to Allconnect, Inc. through PSE. Prior to such contact, PSE shall retain ownership of data unique to the customer that has been previously obtained by PSE in connection with the customer's obtaining service from PSE. Upon request of Allconnect, Inc., PSE may in its sole discretion decide to share customer data with Allconnect, Inc. for Customer who have obtained service directly from PSE and have chosen not to be transferred to Allconnect, Inc. to obtain other services.

#### 4.0 Promotional Materials; Service Provider Support and Assistance

4.1 PSE will supply Allconnect, Inc. with a mutually agreed amount of sales and promotional materials free of charge, which materials may be freely distributed by Allconnect, Inc. to Potential Customers.

4.2 PSE shall provide Allconnect, Inc.'s call center and administrative personnel with help desk support during Allconnect, Inc.'s hours of operation, which are currently 7:00 AM to 8:00 PM, Eastern Time, Monday through Friday; 9:00 AM to 1:00 PM, Eastern Time, Saturdays; excepting holidays. Allconnect, Inc. agrees to expand the hours of its call center or to establish a presence in the greater Seattle metropolitan area or Western United States region as needed and agreed to by both parties. Help desk hours are stated in Schedule 3.

#### 5.0 Term and Termination

5.1 This Agreement shall remain in effect for an initial term of two (2) years. PSE shall have the option of extending this Agreement for an additional two (2) year term provided that it notifies Allconnect, Inc. in writing no later than thirty (30) days prior to the expiration date of the initial term of this Agreement. If PSE does not provide written notice to extend this agreement two (2) years thirty (30) days prior to expiration, then this agreement shall automatically renew for an additional one (1) year term, unless and until terminated as provided in Section 5.2

5.2 In the event either party breaches a material term or condition of this Agreement, the non-breaching party shall give written notice of such breach to the breaching party. If the party in breach has not cured the breach within thirty (30) days of the notice to the reasonable satisfaction of the non-breaching party, the non-breaching party may terminate this Agreement in writing. In addition, the non-defaulting party may terminate this Agreement upon the occurrence of a Default Event.

5.3 Termination for Convenience. After the initial two-year term of this Agreement, and upon an automatic renewal of this Agreement for one year, either party may

Confidential

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9/26/2001

File: AC-PSEcontract - 9-26-01-v6 (Final), Allconnect Master List Agreement.

terminate this Agreement for any reason effective ninety (90) days after delivery of written notice to the other party.

- 5.4 Termination of this Agreement shall not affect the terms, provisions, obligations and remedies afforded by the other sections of this Agreement which by their nature survive termination, or any other right or remedy which either party may have at law or equity, including, but not limited to, obligations of confidentiality (See Section 7.0), indemnity (See Section 9.0) and payment of all Placed Customer Fee's (See Section 5.0).

#### **6.0 Confidential and Proprietary Information and Materials**

6.1 By virtue of this Agreement, the parties may have access to information that is confidential to one another ("Confidential Information"). Confidential Information includes, but is not limited to, customer requirements, customer lists, pricing strategies, marketing information and strategies, the terms and fees and commissions under this Agreement, and all other information clearly identified as confidential. Without limiting the generality of the foregoing, Confidential Information includes customer information or data that either party receives, maintains or holds subject to such party's privacy policies. Allconnect, Inc.'s privacy policies are stated in Schedule 7.

6.2 Confidential Information shall not include information that, as evidenced by reasonable documentary evidence: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the recipient's lawful possession prior to the disclosure and had not been obtained by the recipient either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the recipient by a third party without restriction on disclosure; or (d) is independently developed by the recipient.

6.3 Each party agrees to hold the other party's Confidential Information in confidence during the term of this Agreement and for a period of five (5) years after termination of this Agreement or as required by law or regulation governing PSE's business or the confidential information disclosed by the other party. Each party agrees not to make the other party's Confidential Information available in any form to any third party or to use the other party's Confidential Information for any purpose other than the implementation of this Agreement. Each party agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by any person or entity in violation of the terms of this Agreement or applicable law. Notwithstanding the foregoing, it shall not be a breach of either party's obligations to protect Confidential Information of the other party in the event such Confidential Information is obligated to be disclosed by court order or government requirement; provided, however, the disclosing party provides the non-disclosing party reasonable notice of such required disclosure.

6.4 Each party acknowledges that any use or disclosure of the other party's Confidential Information in any manner inconsistent with the provisions of this Agreement may cause the other party irreparable damage for which remedies other than injunctive relief may be inadequate and, accordingly, each party agrees that the other party shall have the right to seek an immediate injunction enjoining any breach of this Agreement in addition to any other rights and remedies which may be available to it.

#### **7.0 Trademarks; Press Releases**

7.1 Allconnect, Inc. agrees to market PSE's Services only under the trademarks and other logos designated by PSE ("Trademarks"). PSE shall provide scalable representations of its Trademarks in a format mutually agreeable to the parties. Allconnect, Inc. shall use and present

the Trademarks on the Allconnect, Inc. web site only to identify the PSE's Services and to identify Allconnect, Inc. as an authorized agent of PSE in the Territory. PSE may from time to time discontinue or modify the Trademarks or add new Trademarks, and shall provide to Allconnect, Inc. not less than thirty (30) days advance written notice of such discontinuance or modification.

7.2 Neither party shall issue or cause to be issued any press release, announcement or statement regarding the terms of this Agreement or its subject matter to the general public (including promotional or marketing materials, but excluding any announcement intended solely for internal distribution), any governmental authority or any third party without the prior written approval of the other party, which will not be unreasonably withheld. Notwithstanding the foregoing, Allconnect, Inc. recognizes that PSE is regulated by various regulatory agencies having jurisdiction and that PSE may disclose the existence and terms of this agreement as may be required in connection therewith.

#### 8.0 Indemnification; Limitations of Damages and Liability

8.1 Neither party (or its employees, agents or representatives) shall in any manner assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the other party, or act for or bind the other party in any respect except as expressly provided in this Agreement. Each party agrees to indemnify, defend, and hold the other party free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies (including interest, penalties, attorneys' fees and costs) that (a) Allconnect, Inc. may incur as a result of any lawsuit based on (a) PSE's Services, a breach by PSE of any representation or warranty contained in this Agreement, or Allconnect that PSE may incur as a result of a breach by Allconnect, Inc. of any representation or warranty contained in this Agreement.

8.2 EXCEPT FOR THE INDEMNIFICATION PURSUANT TO THIS SECTION 9, NEITHER PARTY (NOR ITS SUPPLIERS OR CUSTOMERS) SHALL BE LIABLE TO THE OTHER PARTY FOR PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES INCLUDING WITHOUT LIMITATION, LOST PROFITS, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### 9.0 Governing Law; Dispute Resolution

9.1 This Agreement shall be governed by and construed under the laws of the United States, and otherwise, by the laws of the State of Delaware, without reference to any conflict of laws principles. Venue with respect to any dispute, controversy or claim shall be in the State of Delaware.

#### 10.0 Miscellaneous

10.1 All notices required to be sent pursuant to this Agreement shall be in writing and shall be deemed to have been given (a) three (3) days after mailing when mailed by first class mail, registered or certified mail, (b) the next business day, when sent by established overnight courier (with appropriate receipts), (c) upon receipt, if by facsimile accompanied by appropriate and verifiable confirmation. All communications from one party to the other pursuant to this Agreement shall be sent to the address set forth on the first page of this Agreement. Any party may change its address for purposes of this Agreement by written notice given in accordance herewith.

10.2 The relationship between PSE and Allconnect, Inc. created by this Agreement is one of independent contractor. Except as expressly provided herein, nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship between the parties, neither party shall have the power or authority to bind the other party to any contract or obligation, and under no circumstances shall any employee, agent, representative or contractor of either party be deemed to be an employee, agent, representative or contractor of each other.

10.3 This Agreement, including without limitation, any rights, duties or obligations pursuant to this Agreement shall not be assigned, transferred or delegated by either party without the prior written consent of the other party, which shall not be unreasonably withheld, and any such attempt at assignment, transfer or delegation shall be null and void; provided, however, either party may assign this Agreement to a successor of either party, either through a merger, purchase of a majority of either parties outstanding shares or a purchase of all, or substantially all, of either party's assets.

10.4 A waiver by either party of any default, breach or right of this Agreement shall not constitute a waiver of any other or subsequent default, breach or right. Failure of either party to inform the other party of a default or breach of any term or condition of this Agreement shall not be regarded as a waiver of that term or condition or of any future breach or default of any term or condition of the Agreement. If any provision of this Agreement, or any portion thereof, is held to be invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make such provision or portion thereof, legal and enforceable, and all other obligations shall not be adversely affected.

10.5 Neither party shall be responsible for failure to perform in a timely manner under this Agreement when its failure results from any of the following causes: acts of God or public enemies, civil war, insurrection or riot, fire, flood, explosion, earthquake or serious accident, strike, labor trouble or any cause beyond its reasonable control.

10.6 All schedules and exhibits attached to this Agreement are incorporated herein by reference and are expressly made a part of this Agreement.

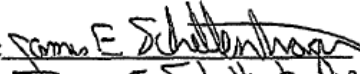
10.7 This Agreement constitutes the complete Agreement between the parties and supersedes all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement. This Agreement may not be modified or amended except in writing signed by a duly authorized officer of each party. No other act, document, usage or custom shall be deemed to amend or modify this Agreement.

10.8 This agreement may be executed in any number of counterparts, each of which shall constitute one and the same agreement and all of which shall constitute one instrument.


Each party has caused this Agreement to be executed by its duly authorized representative, for and in consideration of, and intending to be bound by, the terms, conditions, understandings and covenants set forth in this Agreement.

PSE Connections – Staff Investigation

PUGET SOUND ENERGY (PSE)

By:   
Name: James E. Scheidt, Esq.  
Title: Senior Counsel

ALLCONNECT, INC.

By:   
Name: Lee Pritchard  
Title: CEO

**SCHEDULES AND AGENDA**

**Listing Program Schedule:**

- Schedule 1 - Services
- Schedule 2 - Order Form
- Schedule 3 - Service Provider Help Desk Service Levels
- Schedule 4 – Order Provisioning and Service Level
- Schedule 5 – Direct Transfer Program
- Schedule 6 – Privacy Policy

**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULE 1 – Services**

1. Connection, Disconnection, and Transfer of Electric or Natural Gas services specific to PSE footprint

All products and services are not defined and available for product launch at agreement date. Additional products may be added to this agreement with addendums, and do not have to be defined at this point.

**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULE 2 - Order Form**

This schedule shall list all necessary information needed to process Start, Stop and Switch Service orders. Specific information and criteria to be supplied by PSE. This is defined in Schedule 6 of the direct transfer program.

- Applicant Name (First, Last, Middle Initial)
- Address (Service street, City, Zip)
- Social Security Number (if available)
- Address (Mailing if different from Service address)
- Phone Number (Home & Business) (if available)
- Spouse or Roommate Name
- Spouse or Roommate SS# (if available)
- Requested date of service
- New home construction



**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULE 3 - Service Provider Help Desk Service Levels**

PSE will provide order provisioning support and help desk service to Allconnect, Inc. 7:00am to 8:00 pm EST Monday through Friday; 9:00 am to 1:00 pm EST on Saturdays through PSE's Customer Care Center. This support matches our order processing team hours and will facilitate customer care. Order volumes may require an expanded time frame; Allconnect, Inc. and PSE will determine such volumes.

PSE help desk service will be in the form of first available Customer Service Representative. However, PSE and Allconnect will have dedicated key contact person in each companies respective call centers/help desks to handle special customer issues or emergencies. The help desk availability will be consistent with Allconnect, Inc.'s business hours.

In the event of emergencies, PSE will establish an escalation process that will allow Allconnect, Inc. to contact someone in the call center after the stated business hours.

**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULES 4 – Order Provisioning and Service Levels**

The Order Process and Confirmation method for all Start, Stop and Switch Service Orders will be transmitted via a Partner Order Provisioning System supplied by Allconnect, Inc., if found to be acceptable by PSE and Allconnect, Inc. Other acceptable electronic order provisioning methods may be used if approved by both parties.

Order Provisioning and Connections Date will occur under the following guidelines:

- All orders placed prior to 3:00 pm EST Monday through Friday shall be provisioned with confirmation by 12:00 (noon) pm EST the following business day.
- All confirmations from PSE to Allconnect, Inc. will include, but not limited to, customer connection date and deposit requirements, relating to individual customers. Deposit requirements may be stated only as the actual "deposit required", the "actual \$ amount", or both
- Allconnect will communicate to the customer that the service providers of their choice may require a deposit.

Allconnect, Inc. will have orders processed and sent to PSE within 24 hours of receipt from customer in order to best serve PSE and the customer.

**ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULE 5 – DIRECT TRANSFER PROGRAM**

This Direct Transfer Program Schedule ("Program Schedule") is intended to be part of and governed by the terms and conditions of the Allconnect, Inc. Listing Program Master Agreement ("Master Agreement") dated (*acceptance date*), 2001 by and between Allconnect, Inc. ("Allconnect, Inc.") and PSE ("PSE"). The terms and conditions of the Master Agreement are incorporated herein by reference. Defined terms used in this Program Schedule and not otherwise defined have the meaning ascribed to them in the Master Agreement. In the event of any conflict between the terms of this Program Schedule and the Master Agreement, the terms of this Program Schedule shall control.

**A. Program Terms and Conditions**

**1. Direct Transfer Program for Moving Households calling PSE's Published Customer Care Number or utilizing PSE and Allconnect's co-branded DT web site**

- a. Through its voice response unit/integrated voice response ("VRU/IVR") call center technology or customer service representative ("CSR") contact, PSE agrees to promote a branded product, "PSE CONNECTIONS/ Powered By Allconnect"; version of Allconnect, Inc.'s services to that segment of its residential customer base, which the parties initially designate as new residential customers placing Start Service Orders, and Transfer Service Orders for electricity and/or natural gas service in the Territory ("PSE Direct Transfer Customers"). Such promotion shall include, at a minimum, using a script that informs PSE Direct Transfer Customers about and promotes the use of the Allconnect, Inc. services. The exact wording of the script will be determined and shall be modified as mutually agreed to by both parties, but shall be acceptable to both PSE CSR's and Allconnect, shall be specifically defined for the PSE and Allconnect co-branded web site, and shall be developed specifically for any VRU/IVR transfer program PSE and Allconnect may develop and implement.
- b. After sign up for PSE electricity and/or natural gas account is completed, interested PSE Direct Transfer Customers shall be transferred to Allconnect, Inc.'s call center where they receive a branded product greeting from a CSR or VRU/IVR. The exact wording of the greeting shall be modified as mutually agreed to by the parties.
- c. PSE Direct Transfer Customers shall be considered Potential Customers and, if Allconnect, Inc. commences providing Services to any PSE Direct Transfer Customer, considered Placed Customers.
- d. If, upon mutual consent of both parties, Allconnect, Inc. and PSE agree to implement a voice response unit/integrated voice response (VRU/IRV) call transfer program whereby all, or a majority of all, PSE moving customers are transferred to Allconnect for both new/transferred electric and gas service, as well as for other services within the Direct Transfer program, both Allconnect, Inc. and PSE will agree to an amendment to this agreement detailing all terms and conditions of such a program.
- e. PSE will filter eligible customers for the program based on a pre-determined set of zip codes that reflect population clusters and/or MSA's where the service will be offered. Once full implementation of the program is initiated, all customers in PSE's service territory shall be eligible for the Service.

2. Direct Transfer Program for Indirect Sales Channels in the PSE Footprint

a. If, upon mutual consent of both parties, Allconnect, Inc. and PSE agree to implement a retail/indirect Sales Channel Strategy in the PSE footprint, both Allconnect, Inc. and PSE will agree to an amendment to this agreement detailing all terms and conditions of such a program.

**B. Term and Termination**

1. The Program Schedule terms and conditions set forth in Section A above shall become effective no later than the (Agreement Date).
  2. The term of the PSE Direct Transfer Program shall commence as provided in Paragraph B.1 above, and shall continue in effect for two (2) years from (Agreement Date). PSE shall have the option to extend this Agreement for an additional two (2) year term as set forth in the Listing Program Master Agreement.
  3. During the term of this agreement, PSE agrees that Allconnect will have exclusive rights to offer these connection services to moving households via the call center transfer.
  4. PSE may terminate the Allconnect, Inc./PSE Direct Transfer Program prior to the expiration of the term set forth in Paragraph B.2. above. In the event Allconnect, Inc. fails to maintain the PSE Direct Transfer Program Minimum Performance Standards as set forth in Direct Transfer Program Schedule 2, as the same may be amended by mutual agreement of the parties to include provisions such as client placement and average revenue per client requirements; provided, however, that PSE must provide written notice of the alleged failure, and Allconnect, Inc. shall have thirty (30) days from receipt of such notice to remedy such failure, and if Allconnect, Inc. so remedies any such failure, PSE shall not terminate the PSE Direct Transfer Program.
  5. Allconnect, Inc. may terminate the PSE Direct Transfer Program without liability to PSE in the event the number of PSE Direct Transfer Customers does not equal or exceed the "Minimum PSE Direct Transfer Program Participants Number" of an annual run rate of 30,000 and/or the average revenue per customer targets are not met by customers transferred from PSE (\$40.00), or the performance standards for order processing as set forth in Schedule 2 are not met by PSE, all as designated and agreed to by the parties prior to commencement of the PSE Direct Transfer Program, provided, however, that Allconnect, Inc. must provide written notice of the alleged failure, and PSE shall have thirty (30) days from receipt of such notice to remedy such failure, and if PSE so remedies any such failure, Allconnect, Inc. shall not terminate the PSE Direct Transfer Program.
- 6.** If Allconnect, Inc. terminates the PSE Direct Transfer Program prior to the end of the term for any reason other than pursuant to Paragraph B.6 above, Allconnect, Inc. shall pay PSE, Inc. all unpaid Placed Customer Fees then due.

C. Other Provisions

1. Upon expiration or termination of the PSE Direct Transfer Program, each party shall cease immediately its effort to promote a branded "Allconnect, Inc./PSE" version of Allconnect, Inc.'s services. Both parties still retain the right to operate in the territory/region under their own respective brands (Puget Sound Energy and Allconnect, Inc.) and may continue to offer new versions/trade name, or service marks of the "connections" program if they choose, but not the PSE Connections name.
2. During the term of the PSE Direct Transfer Program, PSE shall have the right of first refusal to participate in any Preferred Provider Program Offering, which includes electrical utility service in the geographic areas, which Allconnect, Inc. serves and PSE or another licensed energy supplier is qualified to serve residential electrical service customers.
3. During the term of the PSE Direct Transfer Program, Allconnect, Inc. shall not be denied opportunity to offer any products or services from PSE to Potential Customers from PSE that are listed in Exhibit 2 Section 3 –PSE's and Service Categories. Allconnect, Inc. will be required to offer a minimum amount of service categories and providers as agreed upon by both parties that provide service in the PSE service area. These are listed in Schedule 2-Service Categories and PSE's.
4. During the term of the PSE Direct Transfer Program, either party shall have the right, upon reasonable notice to the other, to perform an audit of the other party's records pertaining to activities governed by this agreement. The audit results will be subject to a reciprocal non-disclosure agreement. A party may request an audit no more than once every twelve months. The requesting party will bear the expense of the audit unless an error of 10% or more is discovered, in which case the party making the error will pay all reasonable audit costs.

ALLCONNECT, INC. LISTING PROGRAM  
MASTER AGREEMENT  
SCHEDULE 6 – Consumer Information Privacy Policy

Listed below is Allconnect, Inc.'s privacy policy as it relates to a consumer's use of information.

**Allconnect Privacy Policy**  
Last Revision: September 13, 2001

Privacy Policy Overview

*"At Allconnect we know that customers care how information about them is used and shared. They can rest assured and trust that we will do so carefully and sensibly".*

The information acquired by Allconnect helps us personalize and continually improve the customer experience. This Privacy Policy describes the information we collect about the customer and what may happen to that information. Due to the existing regulatory environment, we cannot ensure that all of a customer's private communications and other personally identifiable information will never be disclosed in ways not otherwise described in this Privacy Policy.

By way of example (without limiting the foregoing), Allconnect may be forced to disclose information to the government or third parties under certain circumstances or third parties may unlawfully intercept or access transmissions or private communications. Therefore, although we use industry standard practices to protect a customer's privacy, we do not promise that a customer's personally identifiable information or private communications will always remain private.

"Customer Information" includes all information gathered about our customers, including Personally Identifiable Information (see definition below) and other information.

"Personally Identifiable Information" is any information that identifies you or may be used to identify you as an individual or allow others to contact you by telephone or e-mail, including but not limited to, your name, phone number, e-mail address, social security number, birthday, income, credit card number, and credit references.

**How Allconnect Gathers Customer Information**

**Information Provided to us by the customer:** We receive and store information provided to us through direct phone contact with the customer, information entered on our Web site, information faxed to our call center and hard copy communications.

Customers may choose not to provide Allconnect with information, which may in turn make it impossible for Allconnect to provide it's services to the customer. Allconnect uses the information that is provided to us for provisioning new services, responding to customer inquires, customizing our web site, improving our service levels and communicating new product and service offerings to the customer.

**Automatic Information:** We receive and store certain types of information whenever one of our Referring Agents transfers a customer to Allconnect for provisioning or when a customer visits our web site. An example of this would be our use of "cookies" to learn more information about a customer or individual visiting our web site. In addition, we obtain certain types of information from a customers Web browser including their IP address when they visit the Allconnect.com web site.

**E-mail Communications:** To help Allconnect make email communication more useful, we often receive a confirmation from a customer when they open an email from Allconnect.

**Information from Other Sources:** For reasons such as improving personalization, providing better product recommendations and creation of special customer offers, we may from time to time receive information about the customer from other sources and add it to our previously collected information.

**How Allconnect Uses Customer Information**

Information about the customer is an important part of our business and we are not in the business of selling or renting it to third parties. Allconnect will adhere to the controls described below when using customer data.

**Order Fulfillment With Service Providers:** If a customer places one or more orders for services through Allconnect, we provide only the Customer Information required by each applicable service provider to initiate the services ordered by the customer. Please note that each Service Provider's privacy policy governs their use of Customer Information and such policies may differ from Allconnect's privacy policy.

**Referring Agents:** If the customer was referred to Allconnect through a utility company, a real estate, condominium, or apartment broker, agent, or manager (each, a "Referring Agent"), we will provide certain personally identifiable information regarding services ordered, new contact information, and the current status of the customer's orders to the Referring Agent from time to time to enable the Referring Agent to confirm that the customer service needs are being met and to offer the customer additional services. Please note that each Referring Agent's privacy policy governs their use of Customer Information and may differ from Allconnect's privacy policy.

**Aggregation of Non-Personally Identifiable Customer Information:** From time to time Allconnect will aggregate (gather up data across all user accounts) personally identifiable information and disclose such information in a non-personally identifiable manner to advertisers and other third parties for other research, marketing and promotional purposes. However, in these situations, we do not disclose to these entities any information that could be used to identify an individual customer. Certain information, such as a customer's name, email address, password, credit card number, and bank account number, are not disclosed to marketing advertisers ever.

**Affiliated Businesses or Subsidiary Where Allconnect Does Not Control the Use of the Customers Data:** Except as disclosed elsewhere in this Privacy Policy, Allconnect does not share Customer Information with other companies or subsidiaries in which it does not have complete control over the use of the customer information.

**Affiliated Businesses or Subsidiary Where Allconnect Controls the Use of the Customers Data:** From time to time Allconnect may utilize the services of other companies and individuals to provide third party services to Allconnect. Examples of this include delivering packages, sending postal mail, removing repetitive information from customer lists, analyzing data and processing credit card payments. In providing these services to Allconnect, these affiliated businesses or subsidiaries have access to customer personal information needed to perform their functions, but may not use the data for other purposes without the express written consent of Allconnect.



**Promotional Offers:** From time to time Allconnect may send promotional offers to selected groups of customers on behalf of itself or other businesses. When this occurs, Allconnect will not provide the other business with personally identifiable customer data. Customers can opt out of receiving such promotional offers by calling Allconnect toll-free at 1.800.255.2666 (1.800.ALL.CONNECT) or accessing the "My Account" section of our Web site with the customer logon ID and password and changing the preferences.

**Surveys:** From time to time, Allconnect may contact customers by phone or e-mail or provide online access to surveys that gather information about the customer experience with our service. These surveys are important tools for Allconnect to monitor its service levels and to give customers the best possible service experience. Participation in such surveys is completely voluntary. From time to time Allconnect may contact certain customers to ask for permission to include their comments in our promotional materials. This will occur only after Allconnect has received the customers written authorization to do so.

**Other Issues Regarding Customer Information & Privacy**

**Modifying Customer Information:** Customers can always contact Allconnect to update, correct, or delete personally identifiable customer information previously provided to us. This can be accomplished by calling Allconnect toll-free at 1.800.255.2666 (1.800.ALLCONNECT) or, if the customer account was created on our Web-site, by accessing the "My Account" section of our Web site with the customer logon ID and password.

**Business Transfers:** In the event that Allconnect or substantially all of its assets are acquired by a third party, customer information will be one of the transferred assets.

**Protection of Allconnect and Others:** Allconnect will release account and other personal information when it believes release is appropriate to protect the rights, property, or safety of Allconnect, the customer, or others. This includes exchanging information with other companies and organizations for fraud protection, identity theft and credit risk reduction. We can disclose any information about a customer to law enforcement or other government officials as we, in our sole discretion, believe necessary or appropriate, in connection with an investigation of fraud, or other activity that is illegal or may expose us, our customers, or partners to legal liability.

**Children:** Allconnect does not sell or buy products from children and children are not eligible to use our services, we ask that minors (under the age of 18) do not submit any personal information to Allconnect. If a customer is a minor, they can use the Allconnect service only in conjunction with their parent or guardian.

**Security:** Allconnect uses industry standard practices to safeguard the confidentiality of a customer's information, including "firewalls" and Secure Socket Layers. Allconnect treats data as an asset that must be protected against loss and unauthorized access. We employ many different security techniques to protect such data from unauthorized access by parties both inside and outside the company.

**Modification:** Allconnect may from time to time modify this Privacy Policy.


PSE Connections – Staff Investigation

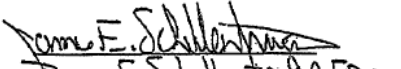
Each party has caused this Program Schedule to be executed by its duly authorized representative, for and in consideration of, and intending to be bound by, the terms, conditions, understandings and covenants set forth in this Agreement.

Effective Date: October 4, 2001

ALLCONNECT, INC.

PUGET SOUND ENERGY (PSE)

By:   
Name: R. Lee Perotano  
Title: CEO

By:   
Name: James E. Schellert, Esq.  
Title: Senior Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Direct Transfer Exhibits

- Exhibit 1- Direct Transfer Call Center Service Level
- Exhibit 2- PSE Direct Transfer Program Minimum Performance Standards
- Exhibit 3- Revenue Share to PSE
- Exhibit 4- Best Promotional Efforts
- Exhibit 5- Other Market Issues To Consider

**DIRECT TRANSFER EXHIBITS**  
**EXHIBIT 1 – Direct Transfer Call Center Service Level**

1. Hours of Operation: 7am to 8pm EST M-F, 9:00am to 2:00pm EST Saturday
2. Help Desk Levels: PSE and Allconnect, Inc. will designate specific individuals that will work on resolutions to any problems or customer service issues related to the PSE/Allconnect, Inc. Direct Transfer Program. These individuals will be available to work with each other during designated business hours Monday – Saturday. In the case of emergencies, PSE will establish escalation procedures to allow after hours contact information.

**DIRECT TRANSFER EXHIBITS**

**EXHIBIT 2- Allconnect, Inc./PSE Direct Transfer Program Minimum Performance Standards and Requirements**

Allconnect, Inc.'s Minimum Performance Standards, Service Area Commitment, and Reporting Requirements.

1. Minimum Call Center Performance: 1.) 83% of all transferred calls are answered in 20 seconds or less. 2.) Less than 5% of transferred calls are abandoned.
2. Minimum Revenue per Customer to equal \$40.00
3. Allconnect, Inc. agrees to provide at least one service provider for each of the service categories below in the agreed upon zip code areas of PSE's service footprint.

SERVICE CATEGORIES and SERVICE PROVIDERS Allconnect will commit to have a minimum of one provider:

Electricity (Service by PSE) – Puget Sound Energy  
Natural Gas (Service by PSE) – Puget Sound Energy  
Electricity (Potential Service by other municipality or future Retail Energy Supplier upon state energy deregulation)  
Natural Gas (Future Retail Gas Energy Supplier upon state gas deregulation)  
Local Phone – Qwest Communications and Verizon Communications  
Long Distance – Sprint Communications

Home Entertainment/Satellite/Cable – AT&T Broadband  
Newspaper – Seattle Times/PI  
ISP/Internet/High Speed Data – Earthlink, AOL, Qwest, AT&T Broadband  
Home Security – Brinks Home Security, ADT

SERVICE CATEGORIES and SERVICE PROVIDERS Allconnect will commit to bring on within three (3) months of commencing the Direct Transfer program the following service categories and service providers over a reasonable time when the program is fully implemented based upon mutual agreement by Allconnect and PSE:

Home Heating Oil - TBD  
Water/Sewer - TBD  
Sanitation – TBD  
Others - TBD

4. Minimum Reporting Requirements for PSE and Allconnect:

Allconnect, Inc. will provide PSE the following:

1. Daily, Weekly, and Monthly reports reflecting calls transferred from PSE switch to Allconnect, Call Close Rates, Average Revenue per Customer, and DT Partner Revenue Share
2. Key Metric reports of each Person Advisor (PA) (CSR).

PSE will provide Allconnect the following reports to the extent data is available and identifiable in a format to include in such reports:

1. Daily, Weekly, and Monthly reports reflecting PSE's total residential move transactions
2. Total move transactions eligible for the service
3. Accountings for move transactions not eligible for Allconnect service.

PSE's Minimum Performance Standards

1. Minimum number of Service Provider Direct Transfer Customers: Annual run rate of 30,000.

In the event of any activity that may cause the PSE footprint to deregulate, both PSE and Allconnect, Inc. agree to discuss the impact of those changes and amend the contract accordingly.

**DIRECT TRANSFER EXHIBITS**

**EXHIBIT 3- Revenue Share to PSE** Revenue share paid out from fees earned by Allconnect, Inc. for Placed Customer's acquired through PSE DT program only

1. Direct Transfer customer is defined as a Placed Customer in Section A(c) of Schedule 5
2. PSE potential placed customers are estimated on an annual basis and the estimated movers are based on average monthly estimates of movers in all PSE service territory from a recent historical year. Currently, the estimated total annual movers in PSE's service area is approximately 188,000 movers per calendar year based on 1999 data from PSE's "Cut-in Cut-out Analysis" MS Excel Worksheet document.
3. Direct Transfer Fee's are calculated on a calendar quarter basis attributable to customers connected during the quarter and orders qualified for revenue share. Orders qualifying for revenue share include orders received from transferred customers within 30 days or any time customers call the 800# assigned to the PSE Connections Direct Transfer program. Allconnect will pay PSE in Net 30 days of the end of each calendar quarter.
4. Direct Transfer Fee's paid to PSE are calculated as follows:
  - a.) PSE Penetration of Moving Customers: The total number of "Eligible Customers transferred to Allconnect divided by Total number of Eligible Customers in all PSE service territory and active service provider footprint for the corresponding pay period/quarter, equals the "PSE Penetration" rate.
  - b.) Allconnect Average Revenue per Customer: This is a calculation based on GAAP (Generally Accepted Accounting Principles) revenue per customer connected for the quarter generated from all PSE customers served during the period.

Direct transfer fees shall be paid upon the following schedule. Penetration of moving households shall mean the percentage of customers transferred to Allconnect, Inc. call center switch from PSE's phone switch and to Allconnect's web site from PSE's web site of the total start, transfer service orders served by PSE during that same period for the specific territory the direct transfer program served during the same period.

**Total PSE Annual Moving Customers (1999 Data) is 188,000/year, or 15,666/month (Data from PSE's "Cut-in Cut-Out Analysis")**

PSE Annual Moving Customers Who utilize the service (Penetration Rate/# of Movers)	Allconnect's Average Revenue per Customer (Paid by other Service Providers)				
	\$29.99 or Less	\$30.00 to \$49.99	\$50.00 to \$69.99	\$70.00 to \$89.99	\$90.00 & Up
15,666/month Total					
0% to 20% (0 – 3,133)	\$2.00	\$3.20	\$4.80	\$6.00	\$7.60
21% to 30% (3,134 – 4,700)	\$4.00	\$6.40	\$9.60	\$12.00	\$15.00
31% to 45% (4,701 – 7,050)	\$5.00	\$8.00	\$12.00	\$15.00	\$18.00
45% + (7,051 – Up)	\$6.00	\$9.00	\$13.00	\$16.00	\$18.00



**DIRECT TRANSFER EXHIBITS**  
**EXHIBIT 4 – Best Promotional Efforts and Brand Definition**

For the duration of Direct Transfer program, PSE agrees to offer the connection service to all moving households in the eligible service area, as determined by both Allconnect, Inc. and PSE.

These best promotional efforts will require that PSE's call center staff is adequately trained on the service and presents the service as agreed upon by both Allconnect, Inc. and PSE.

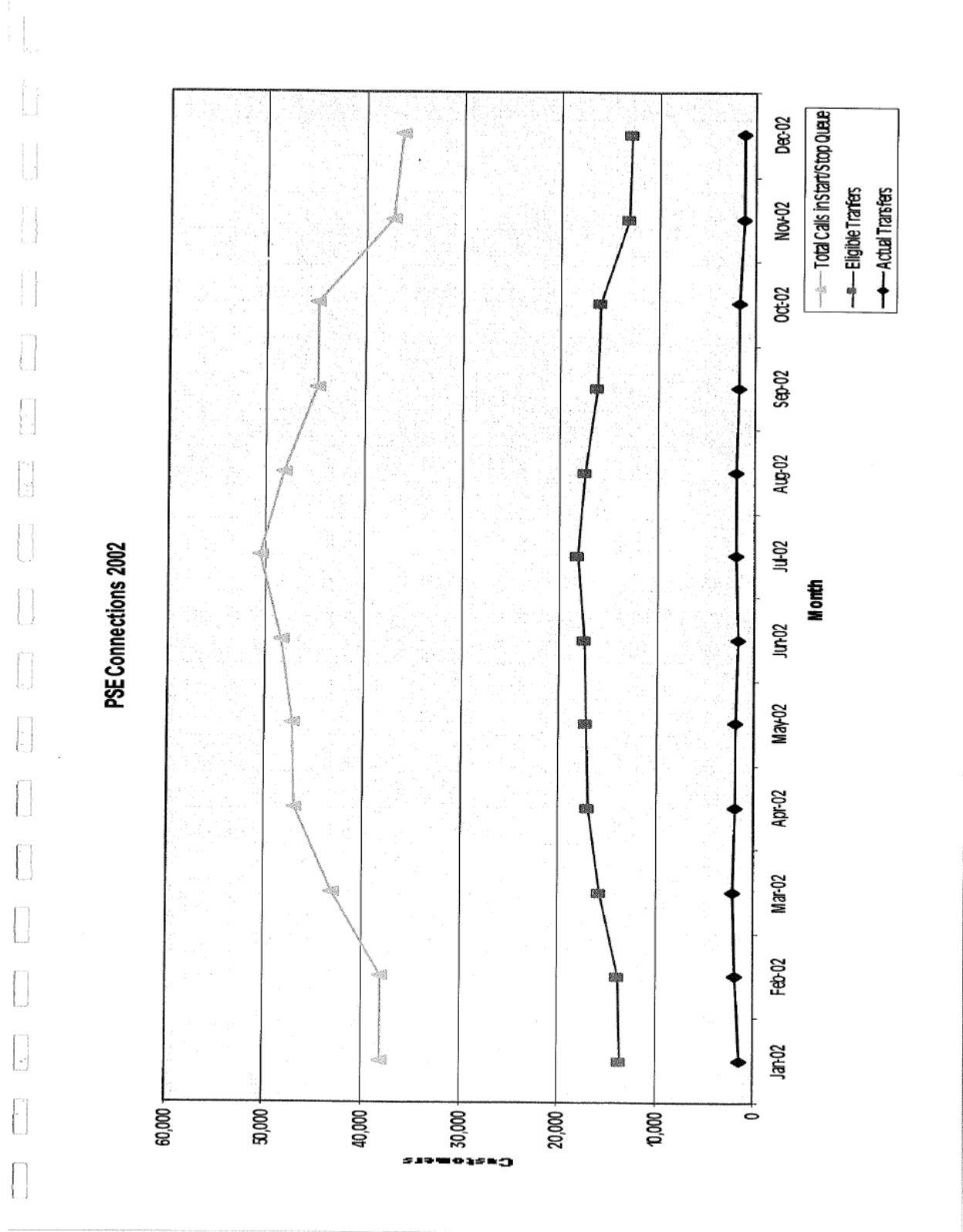
The brand has been defined as a co-branded "PSE CONNECTIONS/ Powered by Allconnect". connection service and Allconnect, Inc. retains the right to appear on all promotional material as the company that is in partnership to provide the connection service. At no time will the service be promoted without the mention of either company unless agreed to by both parties. This only applies in PSE's service area.

**DIRECT TRANSFER EXHIBITS**

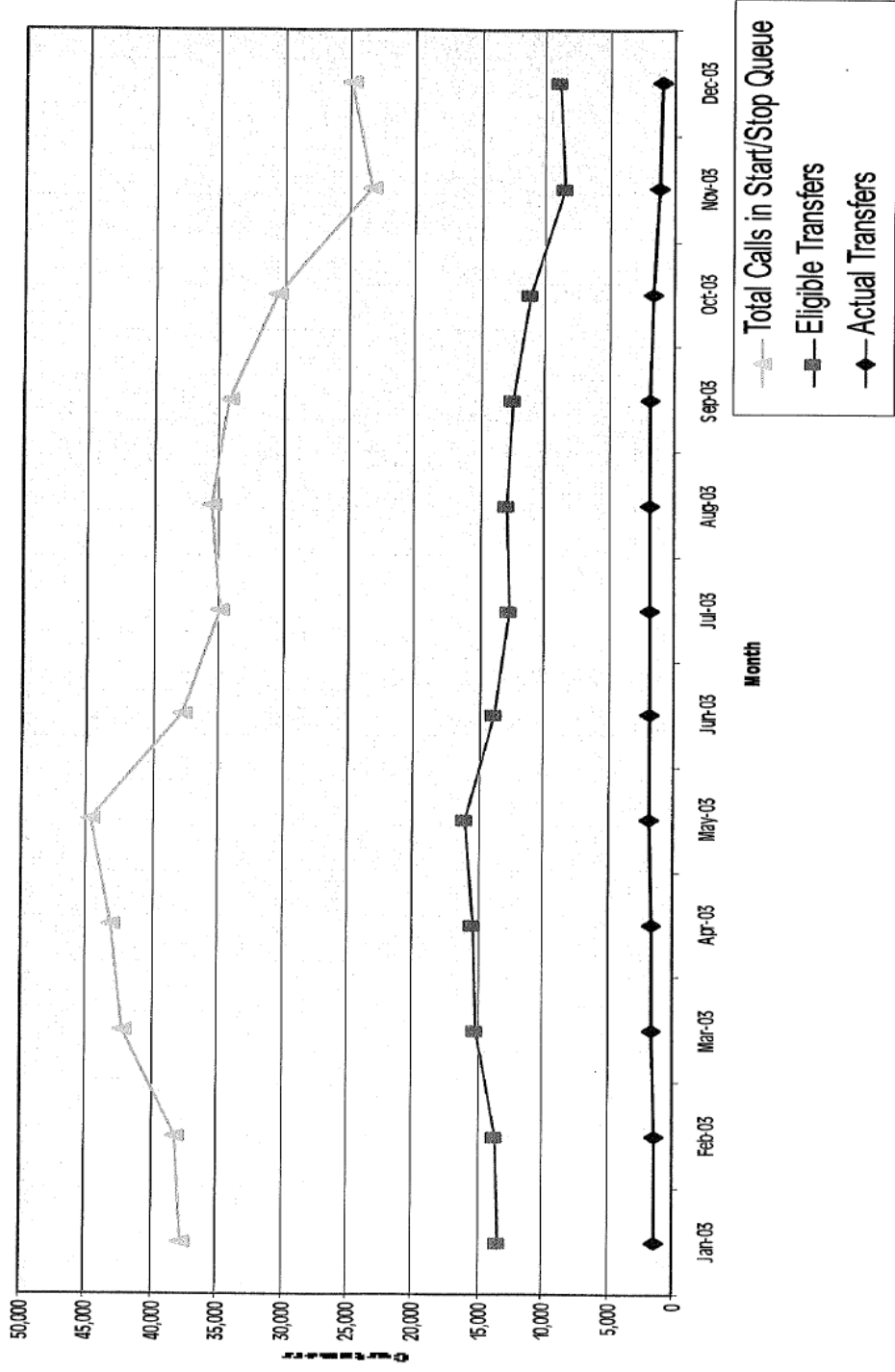
**EXHIBIT 5 – Other Market Issues To Consider**

1. Complete implementation of contract is contingent upon Allconnect becoming an Authorized Sales Agent of Qwest Communications and its affiliates "In-Region" products
2. Complete implementation of contract is contingent upon Allconnect achieving service provider economics deemed adequate by both PSE and Allconnect. (I.e.: Minimum Qwest In-Region average revenue per customer of \$30 or more).
3. For the Seattle metropolitan market to be 100% economical for Allconnect and PSE, it is essential to bring on the other major city municipalities that provide electric service. These municipalities are Seattle City Light in Seattle, Tacoma Power in Tacoma, WA, and Snohomish County PUD in Everett, WA. Allconnect and PSE will work in what makes viable marketing sense and economical sense. But, to include one of the following scenarios:
  - a. PSE contracts with each municipality in the Puget Sound Region and established a relationship to receive their 1<sup>st</sup> caller movers and have them directly transferred to Allconnect. This program TBD by both PSE and Allconnect, but to include specific performance parameters and metrics managed by PSE and outlined in an amendment to this agreement.
  - b. Allconnect will establish an independent DT program with each municipality named above whereby each establishes its own "connections" related program. Allconnect will establish specific "terms and conditions" with each separate municipality, and, if necessary, will create a fair and equitable amendment to this agreement recognizing the value PSE may bring to the overall success of these municipality agreements.

*PSE Attachment 3*

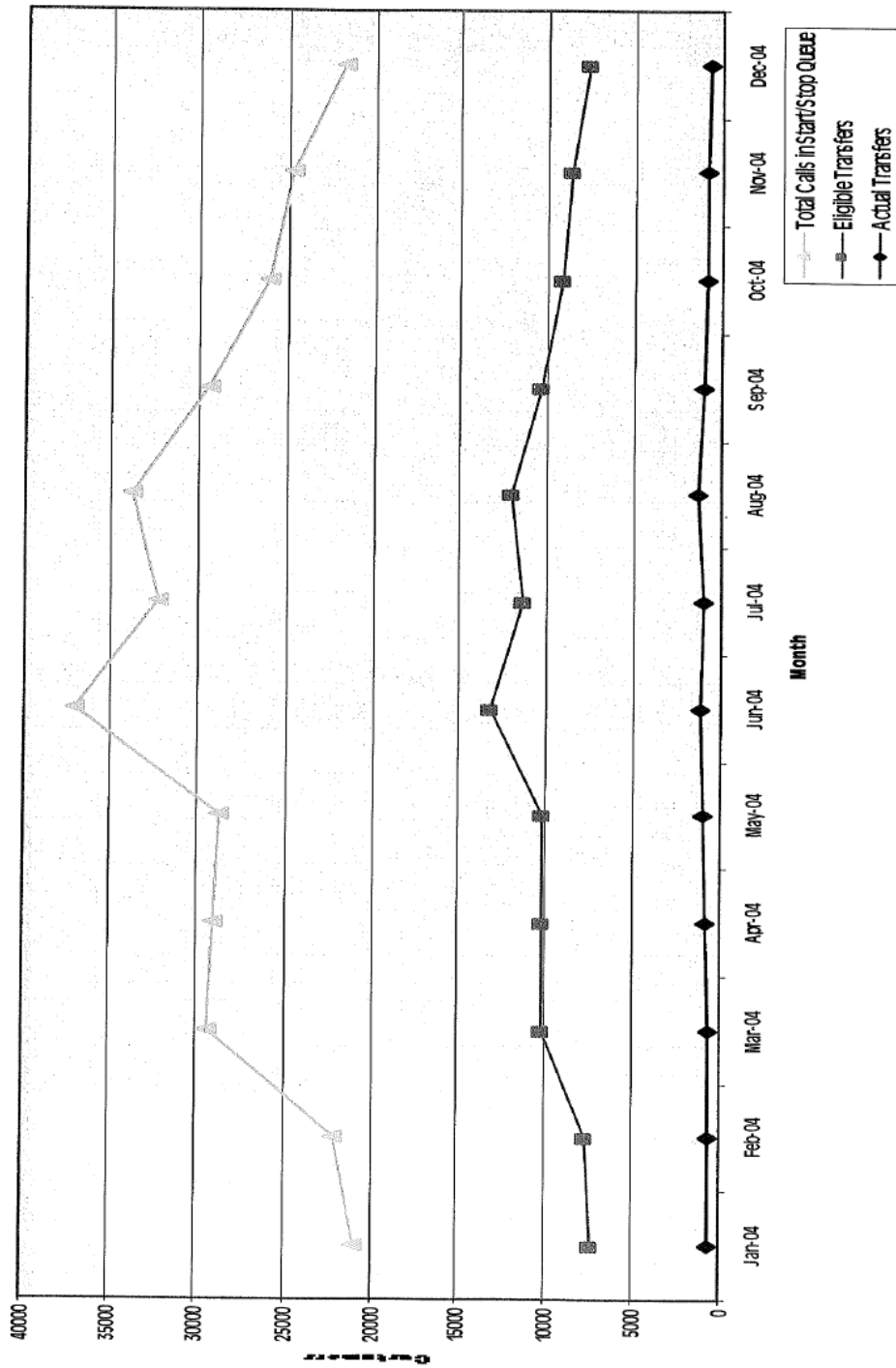


PSE Connections 2003



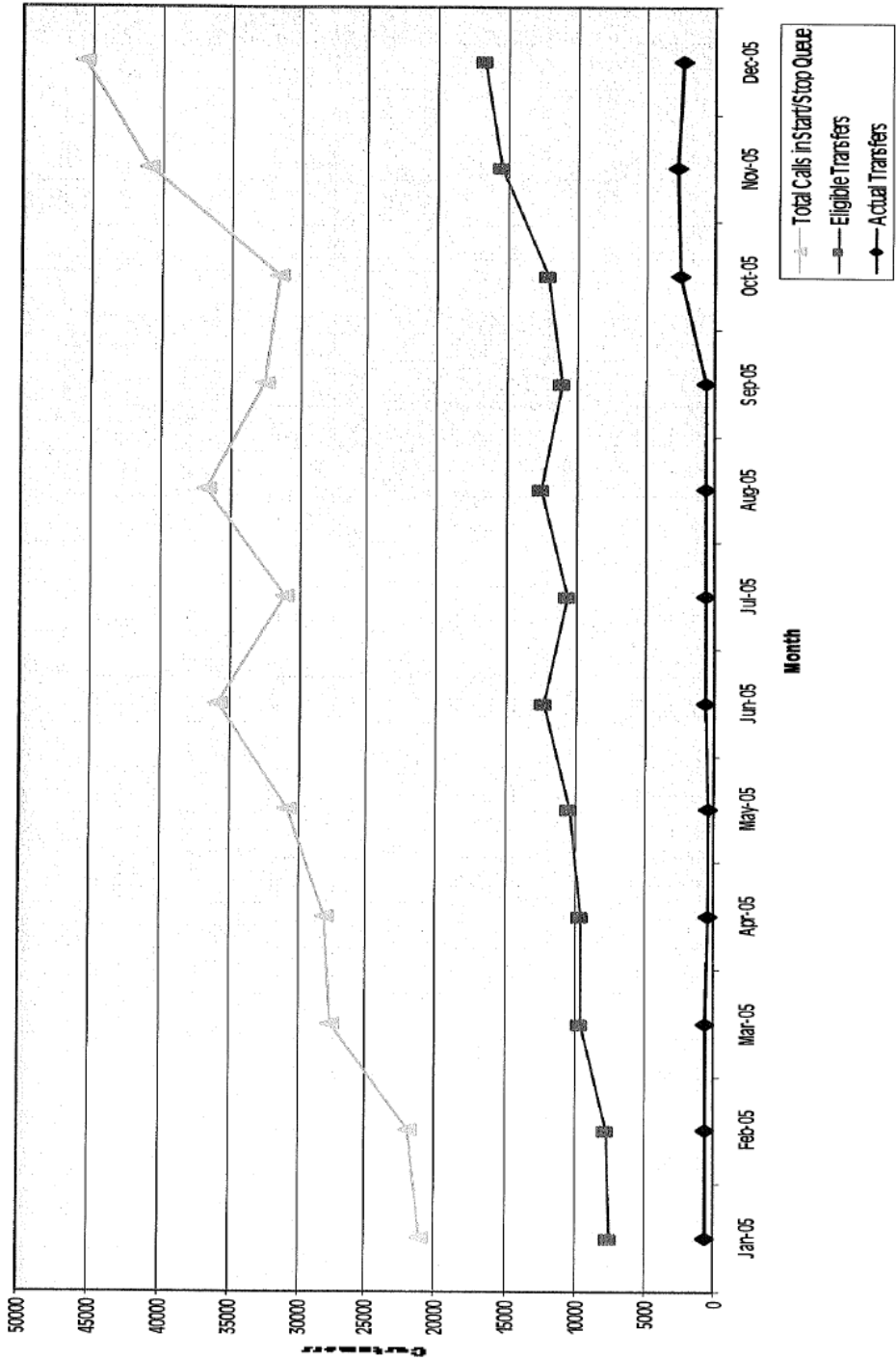
PSE Connections – Staff Investigation

PSE Connections 2004



PSE Connections – Staff Investigation

PSE Connections 2005



PSE Connections – Staff Investigation

PSE Connections 2006



**PSE Attachment 4**

**Confirmation of Service with PSE Connections**

PSE Connections will now be confirming the account name, service address and start date for all customers transferred, then offer additional services such as phone, cable, internet, etc. A confirmation number will be provided to the customer. The confirmation number will be the product assignment number that was sent with the call to PSE Connections.

For transferring to PSE Connections, once the start/transfer of electric and/or gas service is completed, please use one of the following suggested scripting:

*“Please hold while I transfer you to PSE Connections to confirm your service request”*

*“May I connect you with PSE Connections to confirm your service request (and offer other services)?”*

*“At this time I'll connect you with PSE Connections to confirm your service request (and offer other services).”*

*“Let me go ahead and connect you with PSE Connections to confirm your service request (and offer other services).”*

The agent then follows the 3 Easy Steps to transfer the customer to PSE Connections.

**Important: Be sure to enter the Product Assignment Number into the CTI Manager**

Once the customer is transferred to PSE Connections, the agent at PSE Connections asks to whom they are speaking, the customer gives their name and the agent then verifies the address and start date. Once this information is verified the agent will then offer other services such as, phone, cable, Internet, etc.

PSE Connections will communicate any discrepancy to PSE via an email file to the Web Agents for clarifications or corrections.

If the customer wants to speak with someone about an experience with PSE Connections, please transfer to our Program Manager, Paula Russell at extension 81-6444. Alternately, queue a task to Paula for a call back.

As with any compliment or complaint, remember to log the information as an  
***Inbound Comment***  
Topic- ***Programs and Services***  
Sub topic- ***PSE Connections***



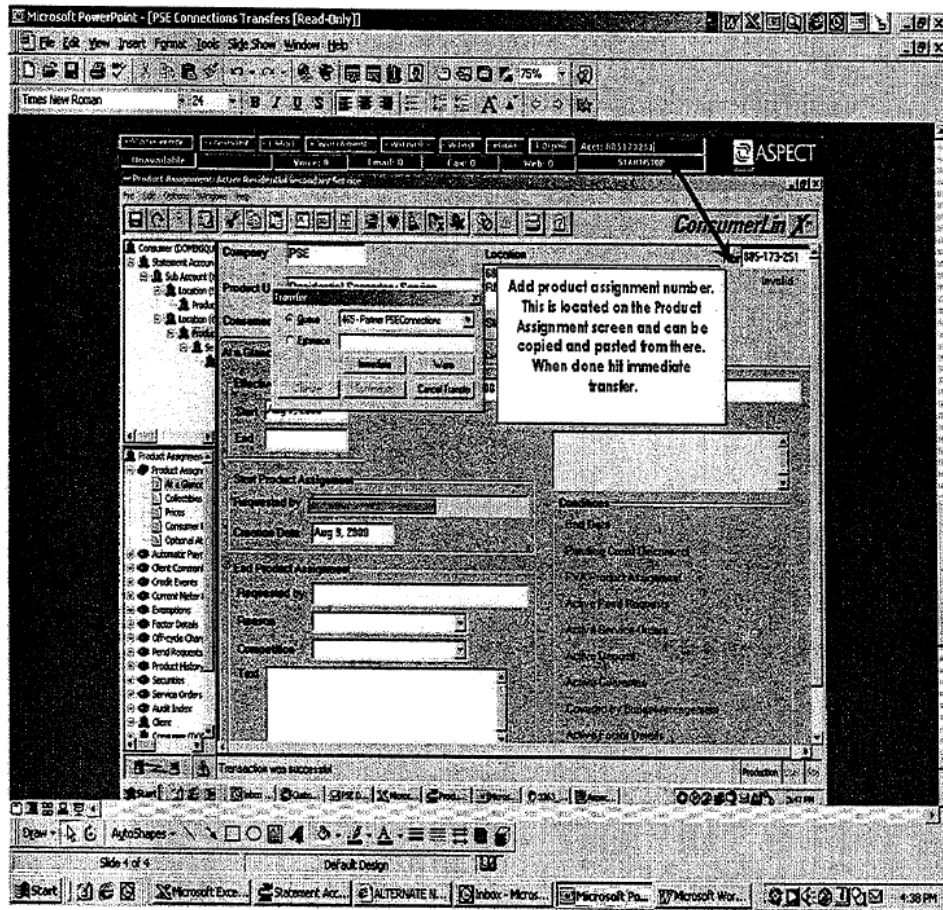
**3 Easy Steps to transfer all start and transfer of service calls to PSE Connections for confirmation:**

Step 1: Highlight and delete the account number in the Contact Manager.


Step 2: Copy and paste the appropriate Product Assignment number on to the Contact Manager.

Step 3: Immediate-transfer the call to PSE Connections from the Aspect drop down list.

This simple process ensures the best customer service.



PSE Attachment 5

**PUGET SOUND ENERGY**

*The energy to do great things*

My PSE Account:

[Home](#) [Service Map](#) [Search:](#)   [Contact Us](#)

March 16, 2006

[HOME & BUSINESS SOLUTIONS](#) [SAFETY & RELIABILITY](#) [ENERGY & ENVIRONMENT](#) [COMMUNITY](#) [INSIDE PSE](#)

**FOR YOUR HOME**

**Paying Your Bill**

---

**About Your Account**

- [Activating Service](#)
- [Understanding Your Bill](#)
- [My PSE Account](#)
- [Reading Your Meter](#)
- [Reporting an Outage](#)
- [Dispute Resolution](#)

---


**Low Income Assistance**

- [Ways to Save](#)
- [Rebates & Promotions](#)
- [Electric Service](#)
- [Choosing Natural Gas](#)
- [Green Power Program](#)

**Services**

- [Rates](#)
- [Customer Service Guarantee](#)

General Info: (888)225-5773



## About Your Account

---

### Starting Electric or Natural Gas Service with PSE

Welcome to Puget Sound Energy! We're pleased to have you as a new customer. If you have ever had an account with PSE before, please see the "Moving" section of this page.

**Start New Service**  
Start your new service now online.

**PSE Connections**  
If you're just moving in, be sure to check out PSE Connections and get signed up for local newspapers, phone service, and much more at the same time that you start your PSE account.

**Customer Service**  
Customer Service Representatives are available to assist you with payment options, account inquiries and service requests Monday through Friday from 6:30 am to 7:30 pm, and are available 24 hours a day for Natural Gas and Electric Emergencies for your safety and security. Automated services via telephone (1-888-225-5773) are also available.

We are committed to keeping your account safe, secure and private. The information you provide to start your account is confidential.

- » [Overview](#)
- » [Start Service](#)
- » [Moving](#)
- » [Stop Service](#)

**PSE Attachment 6**



**Customer data privacy and security at Allconnect**

Recent headlines have focused renewed attention around customer data security, protection, and dissemination. Allconnect adheres to best-in-class policies and infrastructure to maintain the highest levels to data security. This white paper seeks to answer some frequently asked questions about our consumer data permissions and protections currently in place.

Allconnect provides a service to our utility partners' moving population which allow them to purchase essential home services in their new residences, without the long hold times and redundant data entry associated with calling each provider directly. Our business model promotes "one call does it all". With the data provided one time during the electric order, consumers can compare and provision services from many leading companies and products. Further, making this service available to customers has quantitatively increased customer satisfaction scores of the electric utilities partnered with us.

1. Is any data collected if a customer does not accept any services?

The data collected is purged routinely after 30 days. Allconnect prides itself on offering customers maximum choice in provisioning essential home services for their new home. Customers are free to pick and choose between competing offers from many vendors, or choose none at all. All data collection at Allconnect is gathered on an "opt-in" basis. That is, customers give us information if and when they want to provision a service from Allconnect (phone, cable, internet, or other services). Information collected is dictated by the needs of the service provider (for example, a phone order might require "Employment Status").

Order provisioning is separate from the customer "start" information that comes over from our utility partners as part of the electric order confirmation process that begins each call. In this process, Allconnect serves as a third-party verifier of customer data entered by utility call center reps. Any corrections to name, address, or start date are immediately sent back to the utility for calibration with the utility database. Once the data has been verified, a confirmation number, provided by the utility, is given, and then our reps ask about the customer's need to hook up other essential home services. If a customer is not interested in an Allconnect offer, the data provided by the utility is purged within 30 days. If a customer is interested in provisioning a service, we use the data provided by the utility, and verified by our reps, and with the customer's explicit permission, to provision the service and communicate with the customer. This saves the consumer time by not requiring them to repeat name and address information for each service provisioned.



2. What security is provided for the data collected?

Allconnect utilizes industry standard best practices to ensure that consumer data and information is processed and stored in the most secure manner possible.

As information is transmitted to Allconnect from utility partners, SSL, 128 bit encryption is utilized to encrypt the data. Once the data arrives at Allconnect, it is stored in an Oracle database, which is secured behind two sets of firewalls at our data center. The data center is outsourced to Fidelity Information Services (the physical security measures that are in place at Fidelity can be provided upon request). On a periodic basis, Internet Security Systems performs a security audit to ensure that the data center is at the lowest risk level for being compromised. Intrusion detection testing is also performed daily at the data center.

The data transmitted from our utility partners to Allconnect is used for the purpose of providing the consumer with their confirmation number for the electric order. This provided data is automatically deleted from the system every 30 days for security purposes.

If the consumer elects to order additional services, then the following safeguards have been established to protect the consumer's data and information:

- Sensitive data, such as credit card number, social security number, driver's license number, and date of birth, are encrypted when stored in the database.
- Sensitive data is displayed in an unreadable format (Asterisks) on the screen after the data has been input into the system, and the screen has been exited for the first time. A special authorized login-id is required to view the data.
- Access to consumer records is tracked and stored in the database and stamped with the user ID that accessed the data along with a date and time stamp.

Encryption is used when transmitting consumer information to service providers for the purpose of order fulfillment. Allconnect utilizes WebMethods, an industry standard Business-to-business data exchange tool to centralize and control the transmission, encryption, scheduling, tracking, and tracing of data files that are exchanged with our service providers



Getting you plugged in.™

3. How long is customer data kept at Allconnect?

For consumers who become customers, the data is currently kept indefinitely, with the same rigorous security standards outlined above, for a period of at least three years, as is required by our service providers. For customers who do not opt-in to any of our services, the electric start data provided by the utility is deleted within 30 days.

4. How/when is a customer's permission obtained to share their information?

The customer's data is only shared with service providers whose service they have chosen to purchase. The consumer is asked in the beginning of the call, and again as each order is being taken. Thirdly, at the conclusion of the call, our reps recap all services and plan details that the customer has agreed upon, and are required to ask for permission to provision the order on the customer's behalf with the service provider (phone, cable, gas, internet, etc.).

5. With whom does Allconnect share customer information?

Once the customer agrees to allow Allconnect to place services in their name (as mentioned in number 4), we provision the orders directly with the chosen service providers.

We do not share customer information with third parties.

6. Has Allconnect ever sold customer information?

No. This practice is contrary to our business practices and contracts with our utility partners.

In conclusion, Allconnect values the long relationship we have built with our utilities, and are committed to maintaining the highest security precautions for the customer data that we collect from our customer base.

PSE Attachment 7



**PSE Connections**

**Get Connected!**

**What is PSE Connections?**

How about a **FREE** service that let's you sign up for all of your new home connections at once?

...and did we say **FREE**?

No bothering with looking through the phone book or waiting on hold for utilities, city numbers, cable and others.

**PSE Connections** knows who serves your new home and can connect you up with them.

...and did we say **FREE**?

**Get Connected today!**  
**Call: 1-888-440-5769**



**If you are moving, Call PSE today at 1-888-225-5773, we have the Connections to set up your phone, cable, newspaper and other services, on the same call.**

© 2003 Puget Sound Energy  
1500 30th Ave SW

The energy to do great things



www.pse.com

**PSE Connections**

**Finally, a free service that really helps**

*PSE Connections* is designed to save you time. And Time is Money. We are designed to provide convenience and clarity to a process that can sometimes seem overwhelming. Especially when there are competing offers. We will take the time with you to compare those offers and reach agreement on what is best for you.

*PSE Connections* is also about security and privacy. All information you provide will be used only to provide the minimum information necessary to sign you up for service with the providers of your choice. No information will be sold or traded.

*PSE Connections* is all about satisfaction too.

We will provide you with a summary of the services you have requested within 24 hours of your call and within three days you will receive a confirmation of your services with appointment times and numbers.



**Who can I sign up with?**

- Qwest
- Verizon
- Sprint
- AT&T Wireless
  
- AT&T Broadband
- Dish Network
  
- Earthlink
- AT&T Broadband Cable Modem
- AOL
  
- Seattle Times
- Seattle PI
- Barrons
- King County Journal
- Wall Street Journal
  
- Brinks
- ADT
  
- ServiceMaster

**We got connected:**

*"Why spend all of my valuable time on the phone? I called PSE Connections and got signed up for everything with one phone call! I'd rather spend my time working out!"*



*"We were so lost when we moved here. PSE Connections saved us time and reduced the stress. We only made one phone call and signed up for 6 services!"*

*"What a wonderful service! I was glad that with one call I could get everything taken care of."*

*I also liked the idea that my information is secure and private."*



Service Providers will change over time. New providers will be added, as they become available.



[www.pse.com](http://www.pse.com)

## APPENDIX D



STATE OF WASHINGTON

### WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 586-8203

April 26, 2006

Tom DeBoer, Director - Rates & Regulatory Affairs  
Puget Sound Energy  
P.O. Box 97034, MS: PSE-08N  
Bellevue, WA 98009-9734

**RE: PSE Connections – Additional Information Needed**

Dear Mr. DeBoer:

We received the information you provided about PSE Connections on March 21, 2006. Commission staff needs additional records and information to complete its review of the program.

Please provide the following additional records and information:

1. Please elaborate on your response to Question 12 in our March 6 data request and Attachment 4 of PSE's response related to the transfer of PSE-held customer data to Allconnect:
  - Describe in detail how data is transferred to Allconnect (e.g., electronic transfer, etc.).
  - Does Allconnect have access to PSE's customer database, or any other PSE database?
  - Does Allconnect have access to additional PSE-held customer-specific data, such as customer credit history?
  - How long does Allconnect retain customer-specific data transferred to it?
  - Are there any contractual limitations in whether and how Allconnect subsequently uses that customer-specific data (other than in relation to the PSE Connections program)?
2. Under the current program, can customers decline to be transferred to PSE Connections? If a customer declines to be transferred to PSE Connections, is that customer's information still shared with Allconnect? If so, how long is that data kept by Allconnect?





PSE Connections – Staff Investigation

Tom DeBoer  
April 26, 2006  
Page 2

3. Provide copies of all written communication (e-mails, memos, etc.) where PSE management and staff provided guidance, direction, or information to PSE staff about PSE Connections from September 2005 to present.
4. Please describe any other instance where PSE shares customer-specific data with a third party for the purposes of marketing products or services.

Please provide your response and all requested documents by May 10, 2006. The response should be directed to Betty Young, Compliance Specialist, Business Practices Investigations Section. Ms. Young can be reached at (360) 664-1202, or by e-mail at [byoung@wutc.wa.gov](mailto:byoung@wutc.wa.gov).

Sincerely,



Carole J. Washburn  
Executive Secretary

**APPENDIX E**

[www.pse.com](http://www.pse.com)



Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

RECEIVED  
RECORDS MANAGEMENT

06 MAY 10 PM 3:46

STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

**Via Courier**

May 10, 2006

Ms. Betty Young  
Compliance Specialist  
Business Practices Investigations Section  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Response of Puget Sound Energy to WUTC Request for Additional Information Regarding PSE Connections (dated April 26, 2006)**

Dear Ms. Young:

Enclosed is Puget Sound Energy's ("PSE") response to the request for additional information issued by the Commission on April 26, 2006 regarding PSE Connections. The attached documents include responses to the four additional questions posed by the Commission as well as supporting documentation.

Please note that PSE suspended operation of the PSE Connections program on March 15, 2006 pending completion of the Commission's review. If you have any questions about this response or need additional information about the PSE Connections program, please contact me at (425) 462-3495 or by e-mail at [tom.deboer@pse.com](mailto:tom.deboer@pse.com).

Sincerely,

A handwritten signature in black ink that reads "Tom DeBoer".

Tom DeBoer  
Director, Rates & Regulatory Affairs

Enclosures

**PSE Response to Request for Information**

**Question 1:** Please elaborate on your response to Question 12 in our March 6 data request and Attachment 4 of PSE's response related to the transfer of PSE-held customer data to Allconnect:

**(a) Describe in detail how data is transferred to Allconnect (e.g., electronic transfer, etc.).**

**Response:** The data being sent – customer name, service address, start date and product assignment number (in PSE's customer database, a number is assigned to the energy product type, either gas or electric) – is automatically linked to Allconnect via the product number. If the agent transfers the call to Allconnect, the data is transferred automatically via electronic transfer. If the agent does not transfer the call to Allconnect, the data is not transferred to Allconnect.

**(b) Does Allconnect have access to PSE's customer database, or any other PSE database?**

**Response:** No. Allconnect does not have access to any PSE's customer database, or any other PSE database.

**(c) Does Allconnect have access to additional PSE-held customer-specific data, such as customer credit history?**

**Response:** No. Allconnect only gets the customer name, service address, start date and product assignment in a one-directional file transfer. There is no other data transferred or that can be captured during that transfer.

**(d) How long does Allconnect retain customer-specific data transferred to it?**

**Response:** If a customer is not interested in an Allconnect offer, the data provided by the utility is purged within 30 days. If a customer is interested in a service, the data provided by the utility is used, and with the customer's explicit permission, to provide the service and communicate with the customer. Other details regarding Allconnect's data security is provided in the document in Attachment 6 to PSE's March 21, 2006 response to the Commission's first request for information.

**(e) Are there any contractual limitations in whether and how Allconnect subsequently uses that customer-specific data (other than in relation to the PSE Connections program)?**

**Response:** Yes. Both PSE and Allconnect have contractual limitations about confidential customer-specific data. Specific information is contained in Attachment 2 of the March 6 data request, Master Agreement with Allconnect. Section 6.0 of the Master Agreement limits how confidential information may be used by the parties. "Confidential

Information” is defined in Section 6.1 as including all customer-specific information. Schedule 6 of the Master Agreement describes Allconnect’s privacy policy that applies to all customer data.

**Question 2: Under the current program, can customers decline to be transferred to PSE Connections? If a customer declines to be transferred to PSE Connections, is that customer’s information still shared with Allconnect? If so, how long is that data kept by Allconnect?**

**Response:** Under the confirmation method, the customer is advised he/she is being transferred to receive a confirmation of service. Should the customer decline to be transferred (e.g., does not have time, not interested, etc.), then no customer data is sent to Allconnect. If a PSE representative uses another method to communicate the service, the customer can decline, and no data is sent to Allconnect.

**Question 3: Provide copies of all written communication (e-mails, memos, etc.) where PSE management and staff provided guidance, direction, or information to PSE staff about PSE Connections from September 2005 to present.**

**Response:** Enclosed at Attachment 1.

**Question 4: Please describe any other instance where PSE shares customer-specific data with a third party for the purposes of marketing products or services.**

**Response:** PSE does not provide customer information to third parties for the purpose of marketing other company’s products and services. PSE does provide certain customer information to PSE’s contractors and consultants who market and sell PSE’s programs to customers. However, PSE only provides customer information, if the customer has contacted PSE expressing interest in a program or related information. For example:

- **Contractor Referral Service** – Once the customer initially contacts PSE for a qualified contractor and provides their written and/or verbal permission, PSE passes on certain specific customer information (name, contact info, and address) to contractors who call the customer and schedule a time to provide a bid on contract work.
- **Commercial Energy Efficiency Programs** – PSE has four programs (the sprayhead direct-install program, the vending misers direct-install program, the Grocer Smart Program, and the RAMP - refrigerated warehouse program) that are implemented by contractors for PSE. If an inquiry comes into PSE, we pass on the customer’s information to the appropriate contractor who works directly with the customer on the program.

PSE also has contracts with firms that assist PSE by sending out PSE information electronically to our customers about our programs.

- **“My Special Direct” with King5.com** – the King5.com website maintains a list of people who sign up through King5.com for special offers from different companies. At times, PSE has contracted with King5.com to promote PSE programs and offers to this list of customers. However, these customers have already specifically requested information regarding special offers.
  
- **Nexus Energy Software On-Line Energy Management Tools and e-newsletter** –On behalf of PSE, Nexus collects PSE customers’ e-mail addresses for those customers who sign-up for PSE’s e-newsletters (residential and commercial). The e-mail addresses are provided by customers through the PSE.com website or through written correspondence Nexus also collects customer information that is provided by the customer that helps the customer use the energy savings tools on the web. However, these e-newsletters and energy savings tools are all PSE’s and Nexus is merely assisting with the dissemination of the information to PSE customers.

**ATTACHMENT 1**

**Russell, Paula C**

---

**From:** Russell, Paula C  
**Sent:** Thursday, October 13, 2005 4:19 PM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Subject:** FW: Ice Cream Social for PSE Connections

I hope you all enjoyed the ice cream.

If I missed you, there is still ice cream left in the middle freezer upstairs.

Remember to start using the new script (of your choice) on **Tuesday, October 18th.**

Thank you  
Paula

-----Original Message-----

**From:** Russell, Paula C  
**Sent:** Thursday, October 13, 2005 2:19 PM  
**To:** Customer Care Center - EECCSCS  
**Subject:** Ice Cream Social for PSE Connections

Good Afternoon Everyone,

I will be coming around to all of you delivering ice cream sundaes - chocolate, vanilla or strawberry.

Plus a magnet for your desk. Please ask me any questions you may have.

Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

### **Confirmation of Service with PSE Connections**

PSE Connections will now be confirming the account name, service address and start date for all customers transferred, then offer additional services such as phone, cable, internet, etc. A confirmation number will be provided to the customer. The confirmation number will be the product assignment number that was sent with the call to PSE Connections.

For transferring to PSE Connections, once the start/transfer of electric and/or gas service is completed, please use one of the following suggested scripting:

*“Please hold while I transfer you to PSE Connections to confirm your service request”*

*“May I connect you with PSE Connections to confirm your service request (and offer other services)?”*

*“At this time I’ll connect you with PSE Connections to confirm your service request (and offer other services).”*

*“Let me go ahead and connect you with PSE Connections to confirm your service request (and offer other services).”*

The agent then follows the 3 Easy Steps to transfer the customer to PSE Connections.

**Important: Be sure to enter the Product Assignment Number into the CTI Manager**

Once the customer is transferred to PSE Connections, the agent at PSE Connections asks to whom they are speaking, the customer gives their name and the agent then verifies the address and start date. Once this information is verified the agent will then offer other services such as, phone, cable, Internet, etc.

PSE Connections will communicate any discrepancy to PSE via an email file to the Web Agents for clarifications or corrections.

If the customer wants to speak with someone about an experience with PSE Connections, please transfer to our Program Manager, Paula Russell at extension 81-6444. Alternately, queue a task to Paula for a call back.

As with any compliment or complaint, remember to log the information as an

***Inbound Comment***

Topic- ***Programs and Services***

Sub topic- ***PSE Connections***



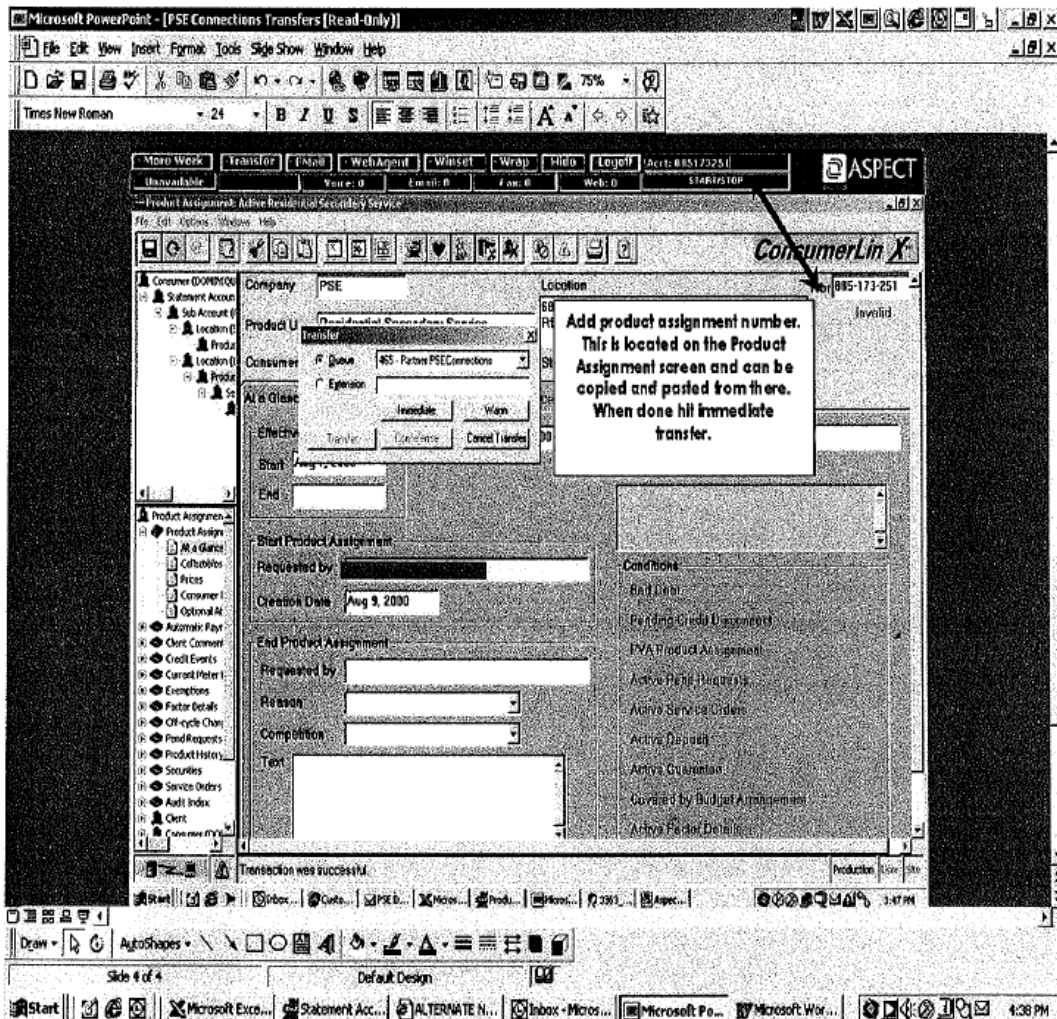
**3 Easy Steps to transfer all start and transfer of service calls to PSE Connections for confirmation:**

Step 1: Highlight and delete the account number in the Contact Manager.

Step 2: Copy and paste the appropriate Product Assignment number on to the Contact Manager.

Step 3: Immediate-transfer the call to PSE Connections from the Aspect drop down list.

This simple process ensures the best customer service.





This is a quick reference for the services that PSE Connections can provide.  
It's best to transfer the customer using your Contact Manager, if the customer wants to call back later the number is 1-888-440-5769.

- |                         |  |
|-------------------------|--|
| 1. Local Telephone      | Verizon/Qwest                                |
| 2. Long Distance        | MCI/Qwest                                    |
| 3. Cable                | Comcast                                      |
| 4. Satellite TV         | Dish/DirectStar TV                           |
| 5. High Speed Internet  | Qwest DSL/Comcast                            |
| 6. Dial-up Internet     | Earthlink/People PC                          |
| 7. Local Newspaper      | The Seattle Times/Seattle-Eastside Journal   |
| 8. National Newspaper   | USA Today/ The Wall Street Journal/ Barron's |
| 9. Personal Checks      | Checks Unlimited                             |
| 10. Government Services | US Mail Address Change                       |
| 11. Lawn Care           | Service Master (TruGreen)                    |
| 12. Home Security       | ADT/Brinks Home Security                     |



**PSE Connections toll-free # 1-888-440-5769**

**Russell, Paula C**

---

**From:** Russell, Paula C  
**Sent:** Friday, October 14, 2005 10:33 AM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Subject:** PSE Connections Q and A

Here are the questions that were asked yesterday while I was walking around:

**Q:** When do I start using the new script of my choice?

**A:** The confirmation process will start on Tuesday, October 18th. Allconnect (otherwise known as PSE Connections) will be fully staffed and ready to take the calls on that date. If you have already sent a call or two over now, don't worry it is okay. From now until Tuesday use the old scripts to transfer and on Tuesday use the new scripts.

**Q:** Do I transfer all starts/ transfer of service?

**A:** The only starts/transfers of service that qualify for PSE Connections are when the customer of record is calling for service. Please do not transfer apartment managers, real estate agents, builders, etc.

**Q:** Do I have to use one of the suggested scripts?

**A:** You may phrase it differently as long as it is Phone-Pro wording and the phrase "to confirm your service" is included. The reason for this is that PSE Connections will answer "PSE Connections. Before I start the confirmation process may I have your name?" If this phrase is not included and the customer is transferred to start phone service, cable service, etc there may be some confusion as to if the customer was transferred correctly since they are not being told of a confirmation.

**Q:** Why are we doing this? PSE Connections is not confirming.

**A:** Yes, PSE Connections does confirm service. When the CAC Agent enters the product assignment number (best practice is to use the electric product assignment number, however either one will work) for the new address, after the move-in have been completed, into CTI Mgr; this creates a data transfer to Allconnect. The PSE Connections agent sees the customer name, new service address and start date. The PSE Connections agent then gives the product assignment number as the confirmation number.

**Q:** Besides the services that PSE Connections can set up, do they provide phone numbers to water and garbage that the customer can call to set up service?

**A:** No, they do not have listings for local water and garbage companies.

**Q:** Does Allconnect have Spanish speaking agents?

**A:** Yes they do. We will be provided a separate toll-free number to use to transfer our Spanish speaking customers.

If you have any other questions, please ask me.

Thank you,

Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

**Russell, Paula C**

---

**From:** Russell, Paula C  
**Sent:** Tuesday, October 18, 2005 8:08 AM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Subject:** PSE Connections Confirmation starts today

Good Morning Everyone,

The confirmation process for PSE Connections starts today!!

When transferring the start or transfer of service call to PSE Connections be sure to copy and paste the Product Assignment Number into CTI Manager, this will ensure the data is transferred to a PSE Connections Agent.

I will be walking around the CAC today, if you have any questions, concerns, or comments, please flag me down.

Thank you,  
Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

**Russell, Paula C**

---

**From:** Russell, Paula C  
**Sent:** Wednesday, October 19, 2005 11:18 AM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Subject:** Results from PSE Connections

The numbers are in from PSE Connections!

Yesterday, October 18th, there were 216 calls transferred to PSE Connections out of the 792 calls received in the Start and Stop queue. This has exceeded the number of transfers in any one day since PSE Connections inception - 169 transfers on September 2, 2003.

Great Job Everyone!!!!

Just as a reminder, be sure to copy and paste the product assignment number into CTI Manager so that the data is sent to PSE Connections.

Upcoming:

Watch your inbox for a PSE Connections survey. I am looking for your feedback on this program.

Thank you,

Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

**PSE Connections Results and Survey**

Although the confirmation process for PSE Connections has been in effect for only a few days, I wanted to show the results and receive feedback sooner rather than later.

Calls transferred

October 18, 2005	216 calls transferred out of 792, or 55% of Eligible Customers
October 19, 2005	177 calls transferred out of 691, or 51% of Eligible Customers

Prior to this, for year-to-date 2005, an average of 25 calls per day, or 3-5% of Eligible Customers were transferred to PSE Connections. By switching to the confirmation process our transfer rate increased. The downside is that not all transfers are including the data transfer (product assignment number in CTI Mgr).

Customer Satisfaction Rating: Allconnect (PSE Connections) has their own email survey that is sent to our customers. We will not know the results for awhile. The Gilmore ratings will include questions about PSE Connections; again, we will not know the results for awhile.

Until then...

CAC Agent opinions: Attached is a survey that I am requesting all of your participation. Please fill out as completely and as honestly as possible. If there is not enough room for your response(s) ...use the backside. Return to me by 4:pm Wednesday, 10-26-05 in the box by my desk.

Thank you,

Paula

P.S.

Allconnect will be coming out to throw a party for all of you. Details coming soon.

**PSE Connections Survey**

Name (Optional) \_\_\_\_\_

1. Have you been using one of the new confirmation scripts (or your own version) to transfer all starts/transfer of service? (Please circle one)

YES

NO

2. If the answer is "YES," what scripting do you use?

3. If the answer is "NO," why not?

4. Are you remembering to copy and paste the product assignment number into CTI Manager? (Please circle one)

I keep forgetting

Most of the Time

Always

5. How are your customers reacting to being transferred to PSE Connections for a confirmation number? (Please check one or put a percentage next to it)

Irritated that they are being transferred

Indifferent

Surprised at the new procedure but okay with it

Pleased that a confirmation number will be given

Other: (Please explain)

\_\_\_\_\_  
\_\_\_\_\_

6. Please complete the following:

My general feeling about how PSE is promoting PSE Connections is...

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*PSE Connections*

*Where are we Now???*

*A Snapshot of 2005... so far*



## *The Transfer Rate*

On October 18<sup>th</sup> the Confirmation Process went into effect for PSE Connections. All residential customers who are starting or transferring locations with PSE are eligible. In the 1<sup>st</sup> week an average of 57% of eligible customers were transferred to PSE Connections - prior to this only 3 to 5% were transferred.

This shows the confirmation process does work!!

Unfortunately the transfer rate is decreasing once again. The last week of November when the Post-Launch Lunch Party was held only 15% of eligible customers were transferred.

## ***Average Monthly Transfer Rate of Eligible Customers for 2005***

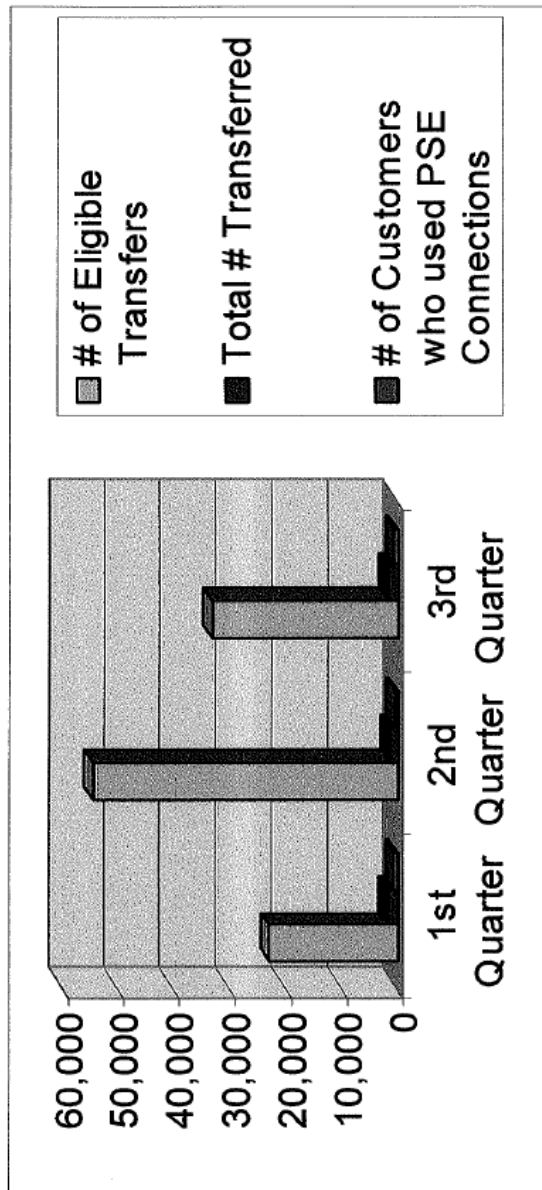
Jan	8%	July	5%
Feb	7%	Aug	5%
Mar	7%	Sept	4%
April	4%	Oct	26% ***
May	3%	Nov	22%
June	4%	Dec	13%

\*\*\* Confirmation Process started Oct 18th

## *How many customers actually sign up for the services offered at PSE Connections???*

Although the transfer rate is low, of the customers who are transferred 38% to 45% do sign up for 1 or more services.

- 1st Quarter 1,845 customers transferred  
804 signed up for 1 or more services
- 2nd Quarter 1,360 customers transferred  
565 signed up for 1 or more services
- 3rd Quarter 1,804 customers transferred  
689 signed up for 1 or more services



# *Customer Comments*

**The 3rd Quarter survey from Allconnect shows:**

***94% of the customers liked being able to sign up for multiple service(s) in one call***

***83% of the customers said they would use this service again.***

**PSE Inbound Client Comments from Jan to Oct:**

***10 customers have contacted PSE to complain***

# Prizes

Allconnect sent a list of customers transferred to PSE Connections from Nov. 28th - 30th that included the product assignment # (reminder: this is what starts the data transfer to confirm service for our customer), 82 agents transferred at least one customer during this 3 day period. A drawing was held and 6 agents each won a \$10 Target gift card.

The winners are .....



Aaron Ruvalcaba



Suzy Jelvik



Curt Tenzler



Vickie North



Marie Douglas



Mark Taylor

## *More Prizes to come ...*

Each week a day will be selected and those agents who transfer 50% or more of their start/transfer calls to PSE Connections will be entered in the drawing for that week.

At the end of each quarter (starting 2006)  
we will have either  
a catered lunch or the espresso cart.

Questions ?????

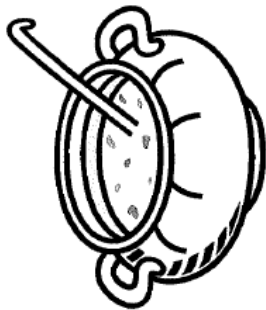
Comments ?????

Please see Paula Russell



## Lunch with PSE Connections

Susan with PSE Connections will be here tomorrow, Nov. 29th at noon for a celebration lunch.



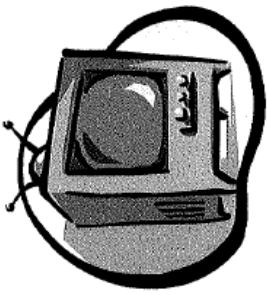
Soup, salad and bread sticks



from the Olive Garden.



Please come to the lunchroom during your break/lunch.  
Susan will be available to answer any questions you have on PSE Connections

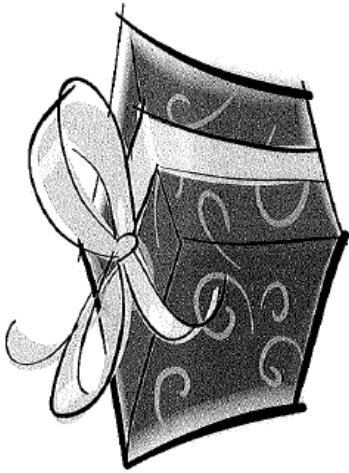


# *PSE Connections*

*Week of December 12th-16th*

*Prize Drawing*







## Prizes



Allconnect sent a list of customers transferred to PSE Connections from Dec. 12th - 16th that included the product assignment # (reminder: this is what starts the data transfer to confirm service for our customer).

The date chosen for the drawing was Friday the 16th with 43 agents transferring at least one customer.

 Agents who Transferred at least 1 customer 

Alicia Rodriguez	1	Andrew Hemstreet	5	Betsy Barnum	1
Billie Jo Edmunson	1	Catalina Charfauros	4	Claro Jorge	1
Danny Molvik	3	David Woodbury	1	Deb Nordstrom	1
Deborah Hodges	2	Diana Housh	1	Dianna Booth	3
Donna Strand	1	Dori Joffre	1	Eleisha Todd	3
Garnet Snow	4	Griffin Bowman	2	Heather Adams	2
Heather Allgier	7	Jamie Avery	1	John Krutenat	1
Jolene Jones	3	Kathleen McGarrity	1	Khanxay	1
Layne Hunt	2	Lindsey Raso	4	Lori Goetsch	3
Lynda Anderson	1	Marie Douglas	1	Mary Mitchell	1
Michelle Craig	1	Nina Gorgas	1	Otto Lam	1
Patrick Moore	1	Sallie Rinkler	1	Shannon Nelson	1
Staci Haverman	5	Susan Carnes	1	Susan Jelvik	1
Tanna McNally	4	Tiona Stauffer	1	Vickie North	1
		Victoria Utterback	1		



*The Winners Are.....*



Khanxay



Patrick Moore



Dianna Booth



Heather Allgier



John Krutenat

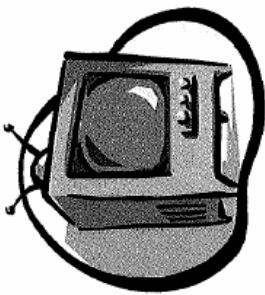


David Woodbury

**Please see Paula Russell  
to claim your prize**

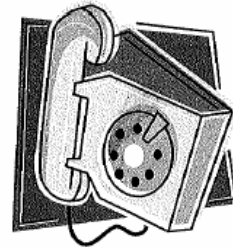
**Keep transferring residential  
start/transfers to confirm their  
service request.**

**Watch your email for next drawing!**



# *PSE Connections*

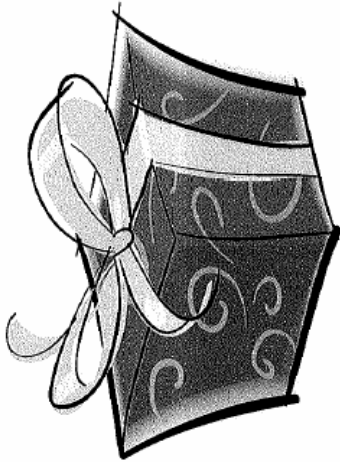
*Week of December 27th-30th*



*Prize Drawing*







## Prizes



Allconnect sent a list of customers transferred to PSE Connections from Dec. 27th - 20th that included the product assignment # (reminder: this is what starts the data transfer to confirm service for our customer).

The date chosen for the drawing was Friday the 27th with 47 agents transferring at least one customer.

 Agents who Transferred at least 1 customer 

Michelle Craig	9	Deborah Hodges	2	Garnet Snow	1
Lindsey Raso	8	Jessica Buckingham	2	Hether Allgier	1
Khanxay	6	Larry Hayes	2	Holly Nordahl	1
Staci Haverman	6	Lori Goetsch	2	Karolyn Chapman	1
Staci Vanderwal	6	Nancy Reeves	2	Kim Shay	1
Betsy Barnum	5	Regina Daniels	2	Kori Myers	1
Danny Molvik	5	Suzy Jelvik	2	Laurence Hooper	1
Georgia Savoy	5	Tahleha Jackson	2	Linda Campbell	1
John Krutenat	4	Victoria Utterback	2	Nina Gorgas	1
Linda Thomas	4	Andy Hemstreet	1	Rosemary Herrman	1
Mary Briggs	4	Patrick Moore	1	Sallie Rinkler	1
Fatoumata Drammeh	3	Raeann Berge	1	Shelley Baca	1
Catalina Charfauros	3	Ardith Richey	1	Tami Craig	1
Sandra Rogers	3	Cathy Abel	1	Tanna McNALLY	1
Vera Fuchs	3	Eleisha Todd	1	Victoria Wornstaff	1
		Alexis Schmidt-Pederson	1		



*The Winners Are.....*



Khanxay



Patrick Moore



Dianna Booth



Heather Allgier



John Krutenat



David Woodbury

Please see Paula Russell  
to claim your prize

Keep transferring residential  
start/transfers to confirm their  
service request.

Watch your email for next drawing!

**Schaefer, Adrienne -Chris**

---

**From:** Russell, Paula C  
**Sent:** Tuesday, May 09, 2006 10:28 AM  
**To:** Schaefer, Adrienne -Chris  
**Cc:** Gaines, Janet  
**Subject:** FW: Update: Problem with PSE Connections  
  
**Importance:** High

Chris,

Please add this email to the packet for the commission on PSE Connections.

Thank you  
Paula Russell

---

**From:** Russell, Paula C  
**Sent:** Monday, October 24, 2005 1:41 PM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Subject:** Update: Problem with PSE Connections  
**Importance:** High

Please start sending calls again to PSE Connections.

If you receive a call from a customer stating they were suppose to be transferred to PSE Connections, please apologize and try to transfer again, then send an email to me with the customer name, account # and time of call.

Thank you  
Paula

-----Original Message-----

**From:** Russell, Paula C  
**Sent:** Monday, October 24, 2005 12:07 PM  
**To:** Customer Care Center - EECCSCS; Revenue Management - EECCSCS - list -  
**Cc:** Koppe, Paul  
**Subject:** Problem with PSE Connections  
**Importance:** High

I have received several reports today that calls transferred to PSE Connections are coming back to the CAC.

Until the problem is resolved, please do not transfer customers to PSE Connections.

If a customers wants to use PSE Connections please refer the customer to the toll-free #1-888-440-5769

Thank you,

Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

## PSE Connections – Staff Investigation

Connections.

5 / 2=2.5

4 / 2.5= 160%

Overall this agent will have 100% transfer rate.

**Look for more prize drawings!**

Paula Russell

Program Manager

Puget Sound Energy

Office # 425-424-6444

Mobile # 425-471-0083

**Schaefer, Adrienne -Chris**

---

**From:** Russell, Paula C  
**Sent:** Wednesday, May 10, 2006 9:00 AM  
**To:** Schaefer, Adrienne -Chris  
**Subject:** FW: PSE Connections and Agent Tracking  
**Importance:** High

**From:** Russell, Paula C  
**Sent:** Tuesday, February 28, 2006 4:02 PM  
**To:** Customer Care Center - EECCSCS  
**Subject:** PSE Connections and Agent Tracking  
**Importance:** High

**Reminder: Agent tracking for PSE Connections starts March 1st**

**The following was in the CAC Newsletter dated February 9th.**

Starting March 1st, agent tracking for PSE Connections will be available.

**What does this mean for the agent?**

It will now be possible to see how many Start/Stop calls an agent received and how many of those were transferred to PSE Connections.

Our goal is to have a minimum daily transfer rate of 50% of eligible calls. Currently we are at a daily rate of 10% to 15%.

**What is an eligible call?**

Only the customer calling to start or transfer residential service is considered eligible. No commercial service and no 3rd party sign-ups (apt managers, landlords etc.)

**How is this calculated?**

Since not all calls routed through the Start/Stop queue are eligible, the total number of calls is divided by two then the transfer rate can be calculated. The same formula is used for each agent.

For example:

On Monday an agent receives 15 calls from the Start/Stop queue and transfers three customers to PSE Connections.

$$15 / 2 = 7.5$$

$$3 / 7.5 = 40\%$$

On Tuesday the same agent receives five calls from the Start/Stop queue and transfers four customers to PSE Connections.

$$5 / 2 = 2.5$$

$$4 / 2.5 = 160\%$$

Overall this agent will have 100% transfer rate.

**Look for more prize drawings!**



## PSE Connections – Staff Investigation

Paula Russell  
Program Manager  
Puget Sound Energy  
Office # 425-424-6444  
Mobile # 425-471-0083

## APPENDIX F

January 24, 2001

Ms. Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Docket No. UG-990294—Review of WAC 480-90**

Dear Ms. Washburn:

This letter is to convey Puget Sound Energy's (PSE or the Company) comments and suggested revisions to the electric operations rules under WAC 480-100 being considered for adoption as identified in the January 3, 2001 notice from the Commission. Throughout this almost two-year process, PSE has endeavored to identify changes Staff proposed to these rules and to clearly explain our concerns with some of the proposals. Some of our reasonable concerns have been adequately addressed in the rules currently before the Commission while other reasonable concerns have not been addressed. Several ambiguous or otherwise concerning provisions should be modified prior to Commission acceptance of the proposed rules. These concerns are generally explained in the following discussion with suggested language revisions enclosed in the attachment, except that PSE has not included a specific rewrite of the electric service responsibilities rule, which is addressed in PSE's recommended next steps section.

### *Service Responsibilities—Electric Rule*

As an initial matter, PSE stresses that it takes its service responsibilities very seriously. The Executive Order that was the genesis of this docket, 97-02, requires agencies to review existing rules for readability and content with attention being paid to, among other things, clarity and consistency with statutory authority. The Commission's draft revisions to the Service Responsibility section of WAC 480-100 raise a number of important issues and create a number of ambiguities that should be addressed in further discussions among the Commission, Staff and other interested parties. Specifically, PSE has the following concerns:

Proposed WAC 480-100-148(2)(a): The Proposed Revisions would require an electric utility to "install and maintain equipment within its system that may be necessary to operate the electric system." The Proposed Revisions do not define the phrase

“necessary to operate the electric system.” Because this term is not defined, the exact limits of this obligation are unclear. PSE recommends that the Commission reject this portion of the Proposed Revisions and retain the language currently contained in WAC 480-100-076 regarding an electric utility’s responsibilities for the installation and maintenance of equipment.

Proposed WAC 480-100-148(2)(b): This section of the Proposed Revisions would require electric utilities to notify “all affected customers of a change to the service that would affect the efficiency of operation or the adjustment of the customer’s equipment.” PSE notes that this portion of the Proposed Revisions differs from the existing WAC 480-100-076 in that the word “substantial” has been removed from in front of the word “change” in this portion of the Code. The reasoning behind this change is unclear. In that regard, it would be difficult to imagine a time when an electric utility would not be making changes – usually minute and momentary – to a customer’s service that would affect the efficiency of operation. Such changes are inherent in the operation of an integrated electric distribution system. To require an electric utility to inform a customer of each such change would be unduly burdensome to the utility and an unwelcome and annoying imposition on the customer. PSE recommends that the Commission retain the requirement that electric utilities inform customers of a change in service that would affect the efficiency of operation or require an adjustment to the customer’s equipment only when such changes are “substantial.”

Proposed WAC 480-100-148(2)(c): This section of the Proposed Revisions would require electric utilities to maintain their plant in such a condition “that will enable it to furnish safe, adequate, and efficient service and meet all applicable state and federal standards.” PSE objects to this provision to the extent that it suggests that (as yet unidentified) “applicable state and federal standards” impose requirements in addition to, and distinct from, the provision of “safe, adequate and efficient service.” PSE recommends that the Commission remove the phrase “and meet all applicable state and federal standards” from the final rule.

Proposed WAC 480-100-148(2)(d) (First Paragraph): This section of the Proposed Revisions would require an electric utility to “make all reasonable efforts to avoid interruptions of service, and, when such interruptions occur, must endeavor to reestablish service with the shortest possible delay.” PSE is concerned that this language may interfere with utilities’ ability to take sequential, cost-effective steps to address localized service issues. PSE recommends the Commission retain the standard from the current WAC 480-100-076 that utilities “shall endeavor to avoid interruptions of service . . . .” Moreover, the term “shortest possible delay” is also unclear and is over-broad to the extent that it suggests that speed is the sole factor to be considered in reestablishing service. PSE recommends that the Commission retain the standard from the current WAC 480-100-076 that utilities reestablish service with a “minimum” of delay.

Proposed WAC 480-100-148(2)(Second Paragraph): PSE recommends that the Commission retain language similar to the current WAC 480-100-076 that states that interruptions to service necessary in conjunction with modifications or repairs shall be during working hours when practicable. Retaining such language would balance the benefits of minimizing inconvenience to customers against the additional cost to them of paying for work performed outside of normal working hours.

***Service Responsibilities—Proposed Gas Rule***

Reporting requirements of service interruptions have been revised in the proposed rules, creating an inconsistency with WAC 480-93-210. The proposed rules would require utilities to file reports to the Commission in the event any firm customer is interrupted. The existing language is consistent with the gas safety rules that require reports when 25 or more firm customers are interrupted. Revising the rule, as proposed, would create inconsistencies among the WAC rules. Rather than mimic the requirements in the safety rules, it would be most reasonable to drop references to interruptions in this report, since those requirements are more fully addressed in WAC 480-93.

***Customer Deposits--Residential Customers both Gas and Electric Proposed Rules***

The proposed rule significantly and unreasonably limits the flexibility for utilities to calculate deposits owed by residential customers relative to the current rules. The proposed language requires utilities to use actual usage from the last 12 months as the basis for calculating a deposit if service existed. Frequently, landlords will keep service connected to a residential rental property even if there are no occupants for several months between tenants, which means the current rule will understate the proper deposit amount. Under the current rules, deposits are based on “estimated annual billings.” (WAC 480-100-051 (4)) The current rule provides utilities with reasonable flexibility and has had reasonable results in practice. The proposed change is not necessary nor reasonable.

***Customer Deposits—Non-Residential Customers, Gas and Electric Proposed Rules***

Deposits for non-residential customers in the proposed rules would also be based on the last 12 months of actual usage if service existed at that location. Energy consumption by non-residential customers is even less homogenous than for residential customers. Applying the new, inflexible approach to non-residential customer deposits is even less reasonable. Under the current rules, PSE estimates consumption based on the customer’s appliances to calculate a deposit. Again, the current rule provides a reasonable degree of flexibility for utilities to operate and has provided reasonable results. The proposed change should be rejected.

***Disclosure of Private Information—Both Gas and Electric Proposed Rules***

Utility Use of Information: PSE has no desire or intention to sell information about its customers, thus is generally supportive of this rule's intent. However, the proposed rule reaches beyond this scope by prohibiting utilities from even using the listed information including customer names and addresses. As drafted, this privacy rule is really an anti-marketing rule, and could have unintended consequences. For example, under this rule, PSE would be prohibited from taking proactive steps to work with Schedule 48 customers to purchase price hedges. Revising this rule to focus more specifically on the interest of preventing dissemination of information about customers would be a more reasonable approach. This could be accomplished by striking the first paragraph of the proposed rules, which would still prevent utilities from disseminating the sensitive information to any other party.

Regulated/Unregulated Services: Another concern with this rule is that it focuses on marketing of ANY product or service. This could have the unintended consequence of limiting a utility's ability to market Commission regulated and approved service, either by the utility itself or using business partners where such strategies would be more effective. Clarifying that this rule applies only to non-regulated service would help avoid these negative, unintended consequences.

***Disconnection of Service—Two Issues***

Customer Disconnection for Non-Payment Choice: At the Commission's December 13, 2000, Open Meeting, Public Counsel advocated that customers of combined utilities that do not pay their energy bills should have the choice of which fuel to disconnect, which would most likely be the natural gas service. Over the course of the past several months, PSE has opposed such a policy. First, in such situations, natural gas is probably the primary heating source. Customers substituting electric space heater(s) for the gas heat can create fire hazards by over-using the electric unit. Additionally, because electric space heaters are less efficient, the customer will not be able to afford the electric bill for equivalent heat. Furthermore, disconnecting and then reconnecting natural gas creates additional safety issues and requires the customer to be home for re-lighting appliances. All things considered, this proposal will probably not enhance the health, welfare, and safety of PSE's customers.

Disclosure for Medical Emergencies: PSE has supported changes to disconnection of service language to broaden the scope of medical facilities, change timing, and other revisions proposed by Staff. However, the proposed rules have omitted an important piece of information for efficiently administering this rule. Customers claiming medical emergency to avoid disconnection of service are no longer required to identify the name and relationship of the ill resident to the customer. Without this important information, utilities seeking to verify the medical emergency claims will only be able to use a patient's address when talking with a doctor's office. This may

lead to confusion and require additional verification activity for the customer during a very stressful time. It is difficult to understand how dropping this language will meet the Governor's objectives or further the public interest.

#### ***Billing Requirements and Payment Dates***

While PSE is not strongly opposed to the specific change identified here, it is important to clearly understand the ramifications. The proposed rule include a provision that would require utilities to disconnect a customer if the utility is unable to read the meter at the customer's location for more than four consecutive billing cycles if the reason is some kind of customer hazard, such as a large dog in the yard. While such circumstances are rare for PSE, especially as our automated meter reading technology is implemented, the result of having to disconnect the customer seems extreme. The rule should allow utilities to disconnect after four consecutive unsuccessful meter read attempts but not require it. This revision would provide utilities with the ability to threaten disconnection but not require it to be used.

#### ***Identification of Meters—Gas Rule***

The proposed rules would retain the current requirement that a utility's name or initials be placed on all gas meters. Staff explained the nameplate is important for safety to ensure clarity of where utility facilities end and a customer's facilities begin especially when customers have sub-meters at various parts of their facilities. This is a reasonable concern. However, the safety issues are adequately addressed if the name or initials on the meter's nameplate are a former name of the utility; i.e., WNG will be just as well understood as PSE. Retrofitting nameplates or placing special stickers on meters that have the utility's former name will not enhance the health, welfare, and safety of Washington citizens but will increase costs to our customers. Therefore, modifying the existing rule to allow a utility's former name it would be reasonable by balancing the benefits and costs of the rule.

#### ***Portable Indicating Instruments—Electric Rule***

Currently, this rule only applies to portable indicating instruments used to determine quality of service to customers. According to the existing rule, utilities must maintain calibration records for the life of such portable indicating instruments. The proposed rule, however, expands the record keeping to all portable indicating instruments, including those used to simply determine if a line is energized. PSE supports the proposal to include the new requirement that portable indicating devices used for employee safety be properly maintained. However, PSE is concerned that the proposed rule also significantly expands record keeping requirements to include safety instruments, not just instruments for checking power quality. It is more reasonable for the Commission to leave such record keeping requirements to Labor and Industries, which specializes in adopting rules pertaining to worker safety.

***Recommended Next Steps***

Electric Service Responsibilities Rule—Subtle changes in this rule may have important impacts on utilities, including operating costs, costs that will be paid by customers. PSE strongly urges the Commission host an informal discussion session where all parties may openly discuss potential changes to this rule.

The Other Rules—PSE would not object to additional discussion sessions or workshops on any of the other rules, if the Commission believes it would be helpful. The Commission may consider such additional discussions specifically on the disclosure of private information rule, for example, if the Commission shares some of PSE's concerns highlighted above. However, the recommendations in PSE's comments pertaining to the other rules have been made several times through this process. The recommendations above are clear and very reasonable, thus could reasonably be adopted by the Commission without additional workshops.

***Conclusion***

PSE would like to thank the Commission for the opportunity to file comments on the proposed operations rules. We look forward to continuing to work with Staff and all other interested parties in this process to ensure the Commission's rules are fair, just, reasonable, and otherwise satisfy the criteria listed in Executive Order 97-02. If you have any questions, or if we can be of any additional assistance, please contact Phillip Popoff at (425) 462-3229 or me at (425) 462-2797.

Sincerely,

Karl R. Karzmar  
Manager, Revenue Requirements

**Note: Only page 5 of the attachment is included in this report.**

**Attachment—PSE’s Recommended Revisions to Proposed Rules**



**WAC 480-100-153 Disclosure of private information.** ~~(1) An electric utility may not disclose, permit access to, or use private consumer information, as defined in subsection (3) of this section, for the purposes of marketing unregulated services or products offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so.~~

~~(2)~~ A utility may not share or sell private consumer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing non-regulated services or non-regulated product offerings to a customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written permission to do so.

~~(3)~~ Private consumer information includes the customer's name, address, telephone number, and any other personally identifying information, as well as information related to the quantity, technical configuration, type, destination, and amount of use of service or products subscribed to by a customer of a regulated utility that is available to the utility solely by virtue of the customer-utility relationship.

(4) This section does not prevent disclosure of the essential terms and conditions of special contracts as provided for in WAC 480-80-335, Special contracts for electric, water, and natural gas utilities.

(5) This section does not prevent the utility from inserting any marketing information into the customer's billing package.

**APPENDIX G**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

In the Matter of Adopting	)	
	)	DOCKET NO. UE-990473
	)	
WAC 480-100-153	)	GENERAL ORDER NO. R-489
	)	
	)	
Relating to Disclosure of Private	)	ORDER ADOPTING RULE
Information	)	PERMANENTLY
	)	
.....	)	

- 1     **STATUTORY OR OTHER AUTHORITY:** The Washington Utilities and Transportation Commission takes this action under Notice WSR #01-11-147, filed with the Code Reviser on May 23, 2001. The Commission brings this proceeding pursuant to RCW 80.01.040 and RCW 80.04.160.
- 2     **STATEMENT OF COMPLIANCE:** This proceeding complies with the Open Public Meetings Act (chapter 42.30 RCW), the Administrative Procedure Act (chapter 34.05 RCW), the State Register Act (chapter 34.08 RCW), the State Environmental Policy Act of 1971 (chapter 43.21C RCW), and the Regulatory Fairness Act (chapter 19.85 RCW).
- 3     **DATE OF ADOPTION:** The Commission adopts this rule on the date that this Order is entered.
- 4     **CONCISE STATEMENT OF PURPOSE AND EFFECT OF THE RULE:** RCW 34.05.325 requires that the Commission prepare and provide to commenters a concise explanatory statement about an adopted rule. The statement must include the identification of the reasons for adopting the rule, a summary of the comments received regarding the proposed rule, and responses reflecting the Commission’s consideration of the comments.
- 5     The Commission often includes a discussion of those matters in its rule adoption order. In addition, most rulemaking proceedings involve extensive work by Commission Staff that includes summaries in memoranda of stakeholder comments, Commission decisions, and Staff recommendations in each of those areas.
- 6     In this docket, to avoid unnecessary duplication, the Commission designates the discussion in this Order as its concise explanatory statement, supplemented where not inconsistent by the Staff memoranda presented at the adoption hearing and at the open meetings where the Commission considered whether to begin this rulemaking

and whether to adopt the specific language proposed by Staff. Together, the documents provide a complete but concise explanation of the agency's actions and the agency's reasons for taking those actions.

7       **PREPROPOSAL STATEMENT OF INQUIRY:** The Commission filed a Preproposal Statement of Inquiry (CR-101) on April 7, 1999, at WSR #99-08-105.

8       **ADDITIONAL NOTICE AND ACTIVITY PURSUANT TO PREPROPOSAL STATEMENT:** The Preproposal Statement of Inquiry advised interested persons that the Commission was considering entering a rulemaking on rules relating to electric companies to review them for content and readability pursuant to Executive Order 97-02, with attention to the rules' need, effectiveness and efficiency, clarity, intent and statutory authority, coordination, cost, and fairness. The review included consideration of whether substantive changes or additions were required.

9       The Commission also informed persons of the inquiry into this matter by providing notice of the subject and the CR-101 to all persons on the Commission's list of persons requesting such information pursuant to RCW 34.05.320(3) or who appeared on lists of interested persons in Docket UE-990473. Pursuant to the notice, the Commission:

- Held four interested person/stakeholder meetings.
- Created inter-institutional discussion and drafting subgroups to prepare initial rules drafts.
- Developed draft rules using the information gathered from stakeholders.
- Circulated three working drafts to stakeholders for comment.
- Updated drafts to incorporate comments received.

10       **NOTICE OF PROPOSED RULEMAKING:** The Commission filed a supplemental notice of Proposed Rulemaking (Supplemental CR-102) on May 23, 2001, at WSR #01-11-147. The Commission originally scheduled this matter for oral comment and adoption under Notice WSR #01-11-147 at 9:30 a.m., Wednesday, June 27, 2001, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Notice provided interested persons an opportunity to submit written comments to the Commission. On June 27, 2001, the Commission postponed consideration of this matter until July 11, 2001. On July 11, 2001, the Commission postponed consideration of this matter until July 25, 2001.

11       **MEETINGS OR WORKSHOPS; ORAL COMMENTS:** Before filing the notice of Proposed Rulemaking, the Commission held four workshops at its headquarters in Olympia, Washington. The workshops were held on June 3 and June 24, 1999, October 14-15, 1999, and May 25, 2000. The following persons attended all or some of the workshops: Bruce Folsom, Renee Webb, Dick Winters, Doug Young, Dick

McCarthy, and Dave de Felice (all representing Avista Utilities), Lynn Logen, Phil Popoff, Karl Karzmar, Christy Omohundro, John McClain, Rick Adams, Lisa Rasmussen, John Thorne, and Stephanie Kreshel (all representing Puget Sound Energy), Onita King and Lois Douglass (representing Northwest Natural Gas), Matt Steuerwalt and Evan Sheffels (representing the Office of Public Counsel), Carole Rockney, Royal Drager, Robin Cross, Gene Cardon, Lauren Panamen, Jim Moore, and Peggy Duke (representing PacifiCorp), Kathie Barnard, Barbara Groff, Julie Marshall, and Debbie Barry (representing Cascade Natural Gas), Michael Karpp (representing the Energy Project), Ed Finklea (representing Energy Advocates), Doug Betzold (with Cost Management Services), Liz Klumpp (representing the Energy Office of the Department of Community, Trade, and Economic Development), Mark Dirstine (representing the International Brotherhood of Electric Workers), and Al Rhoades (with the Washington State Building Code Council). During the workshops, attendees provided oral comments about all the sections under review. Most of the discussions focused on consumer related issues, including refusal of service, prior obligation, and disclosure of private information. The Commission adopted many of the comments offered by various stakeholders. Other comments were not adopted for the reasons stated below.

12 **COMMENTERS (WRITTEN COMMENTS):** The Commission received written comments from Avista Utilities, Northwest Natural Gas, Public Counsel, and Puget Sound Energy. The Commission adopted many of the recommendations presented in written comments filed by these stakeholders. Other comments were not adopted, for the reasons stated below.

13 **SUGGESTIONS FOR CHANGE THAT ARE REJECTED:** The following suggested changes were not adopted for the reasons explained below.

**WAC 480-100–153 Disclosure of private information**

14 **Public Counsel** expressed concern that the proposed language for WAC 480-100-153 rendered subsection (1) effectively moot and that, as a result of it, electric companies appeared to be precluded from using private information to market services, except their own, energy-related services. Public Counsel considered this a loophole and suggested that the Commission consider which policy goal it is pursuing: 1) to prevent regulated utilities from capturing a competitive edge in the provision of unregulated services by virtue of their position or, 2) to prohibit them from marketing unregulated, non-energy products to customers without the customer’s consent. The Commission intends that this rule prohibit companies from disclosing customer private information to affiliates, subsidiaries, or third parties for the purpose of allowing such entities to market services or products to customers who do not already subscribe to those services or products, without the customer’s written permission.

- 15 **Avista Utilities** commented that it is not opposed to a rule limiting the disclosure of private information, but Avista believes the proposed rule would lead to outcomes that may not be in utility customers' best interests. In Avista's opinion, subsection (2) of this rule, as proposed in the Supplemental CR-102, would prohibit the sharing of specific customer information with affiliates, subsidiaries, or other third parties. Utilities, in partnership with third parties, currently provide several services to regulated customers that they consider to be beneficial to customers. As an example, some energy efficiency programs available to regulated customers are provided through the Company's trade partners. This third party involvement spans the spectrum from simple product support to complete marketing responsibility. Avista stated that it would need to obtain a waiver from this rule to allow, for example, winning DSM bidders to implement programs under Avista Utilities' Request for Proposals. Third parties aid in marketing end-use products and signing up customers prior to build-out to demonstrate cost-effectiveness of such a project. Avista contends that this rule would prohibit such activities. Avista suggested two possible approaches to modify this proposed rule. One approach would be to add a clarifying section to note exceptions. The other would be to rewrite the rule based on expressed purposes.
- 16 The Commission believes that the customer should have control over how his/her private information is used. The customer should not be marketed to by any company to which the customer has not provided his/her private consumer information, unless the customer has given permission for his/her information to be used in this way. The Commission agrees to delete the proposed subsection (1) of the rule and to change the word "share" to "disclose" in subsection (2) to better achieve the proposed objectives of the rule.
- 17 **RULEMAKING HEARING:** The rule proposal was considered for adoption, pursuant to proper notice, at a rulemaking hearing held during the Commission's regularly scheduled open public meeting on July 25, 2001, before Chairwoman Marilyn Showalter, Commissioner Richard Hemstad, and Commissioner Patrick J. Oshie.
- 18 **COMMISSION ACTION:** After considering all of the information regarding this proposal, the Commission adopted the rule as proposed in the Supplemental CR-102 at WSR #01-11-147 with the changes described below.
- 19 **CHANGES FROM PROPOSAL:** The Commission adopted the proposal with the following changes from the text noticed at WSR #01-11-147:
- WAC 480-100-153 Disclosure of private information**
- 20 **Subsection (1).** Puget Sound Energy (PSE) stated that the Company has no intention to sell information about its customers and that, consequently, it is generally

supportive of this rule’s intent. The Company expressed the concern that, as drafted, the privacy rule is an anti-marketing rule, and could have unintended consequences, such as prohibiting PSE from working with Schedule 48 customers to purchase price hedges. PSE suggested revising the rule to focus more specifically on preventing dissemination of information about customers. The Company suggested that this could be accomplished by striking the first paragraph of the proposed rules, which would still prevent utilities from disseminating the sensitive information to any other party. Another concern expressed by the Company was that subsection (1) focuses on marketing of any product or service. This could have, according to PSE, the unintended consequence of limiting a utility’s ability to market Commission regulated and approved services, either by the utility itself or using business partners where such strategies would be more effective. Clarifying that this rule applies only to non-regulated service would help avoid these negative, unintended consequences. The Commission agrees to delete the proposed subsection (1) of the rule.

- 21 **Northwest Natural Gas (NW Natural)** opposed the inclusion in this rule of the language proposed under subsection (1). The Company stated that, as proposed, the rule would prohibit the utility from using customer information to inform and/or market to its own customers the types of services that, even though they may be unregulated, serve to provide potential benefits to ratepayers generally, such as equipment sales and/or financing services, appliance repair or warranty services, upstream capacity sales services, and many other similar services. NW Natural stated that it believes this section is unnecessary, and is not in the best interests of the utility or its customers.
- 22 Although NW Natural agreed that the privacy of the consumer should be protected, and that appropriate measures should be taken to ensure customers are properly protected, the Company believes that the consumer’s rights to privacy are sufficiently protected under subsection (2). NW Natural suggested eliminating subsection (1) in its entirety or, in the alternative, limiting it to say that a utility may not disclose or permit access to private consumer information to any third party. The Commission agrees to delete the proposed subsection (1) of the rule.
- 23 **Subsection (2). Puget Sound Energy (PSE)** recommended changing the word “share” to “disclose” to provide language consistency with the title of the rule. The Commission agrees with the Company’s suggestion.
- 24 **STATEMENT OF ACTION; STATEMENT OF EFFECTIVE DATE:** In reviewing the entire record, the Commission determines that WAC 480-100-153 should be adopted to read as set forth in Appendix A, as a rule of the Washington Utilities and Transportation Commission, to take effect pursuant to RCW 34.05.380(2) on the thirty-first day after filing with the Code Reviser.

**ORDER**

25 THE COMMISSION ORDERS That:

26 WAC 480-100-153 is adopted to read as set forth in Appendix A, as a rule of the  
Washington Utilities and Transportation Commission, to take effect on the thirty-first  
day after the date of filing with the Code Reviser pursuant to RCW 34.05.380(2).

27 This Order and the rule set out below, after being recorded in the register of the  
Washington Utilities and Transportation Commission, shall be forwarded to the Code  
Reviser for filing pursuant to chapters 80.01 and 34.05 RCW and chapter 1-21 WAC.

DATED at Olympia, Washington, this        day of September, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

*Note: The following is added at Code Reviser request for statistical purposes:*

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, amended 0, repealed 0; Federal Rules or Standards: New 0, amended 0, repealed 0; or Recently Enacted State Statutes: New 0, amended 0, repealed 0.

Number of Sections Adopted at Request of a Nongovernmental Entity: New 0, amended 0, repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 1, amended 0, repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 1, amended 0, repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, amended 0, repealed 0; Pilot Rule Making: New 0, amended 0, repealed 0; or Other Alternative Rule Making: New 0, amended 0, repealed 0.

## APPENDIX H



"DeBoer, Tom"  
<tom.deboer@pse.com>  
05/23/2006 04:58 PM

To: "Betty Young" <BYoung@wutc.wa.gov>  
cc  
bcc  
Subject: RE: # of customers transferred

Dear Ms. Young:

Here is the information you requested in your e-mail (shown below) from earlier today regarding PSE Connections.

<u>Year</u>	<u>No. of Customers Transferred to Allconnect</u>
2001	1, 218 (beginning Nov. 2001)
2002	18,927
2003	17,745
2004	10,614
2005	12,532
2006	4,224 (program suspended 3/15/06)

Please let me know if we can provide any further information.

Sincerely,

Tom DeBoer  
Director - Rates & Regulatory Affairs  
Puget Sound Energy  
(425) 462-3495

**From:** Betty Young [mailto:BYoung@wutc.wa.gov]  
**Sent:** Tuesday, May 23, 2006 11:01 AM  
**To:** DeBoer, Tom  
**Subject:** # of customers transferred

Mr. DeBoer:

Would you please provide the total number of customers transferred by PSE to PSE Connections (Allconnect), by year, since the program's inception (Nov. 2001).

Please provide the information as soon as possible. An e-mail response would be fine.

Thank you.

Betty Young  
Compliance Specialist  
Business Practices Investigations  
Washington Utilities & Transportation Commission  
(360) 664-1202



## APPENDIX I



"DeBoer, Tom"  
<tom.deboer@pse.com>  
07/06/2006 05:39 PM

To "Betty Young" <BYoung@wutc.wa.gov>  
cc  
bcc  
Subject RE: # of customers transferred

Dear Ms. Young:

Here is the additional information you requested earlier today.

Question 1: Please provide the number of customers transferred to Allconnect PER MONTH, starting in 2004 through the date the program was suspended (3/15/06).

Answer: See the attached Excel spreadsheet.

Question 2: In your March 21 response, in the Allconnect, Inc. Listing Program Master Agreement under Schedule 2 - Order Form -- Does this schedule apply to orders being sent by PSE to Allconnect, orders sent by Allconnect to PSE, or both?

Answer: Schedule 2 reflects the data AllConnect is requesting from PSE. However, PSE has not provided all of the requested information. PSE sends to Allconnect only the information required to complete the transaction: customer name, service address, start date and CLX product assignment number. AllConnect does not formally provide customer information to PSE, though Allconnect will, at times, will provide corrected customer name, address or start date via email to PSE's program manager.

Question 3: Are there any amendments to the Allconnect, Inc. Listing Program Master Agreement that have not been provided to us? If so, please provide copies.

Answer: There are no amendments to this agreement.

Please let me know if we can provide any further information.

Regards,

Tom DeBoer  
Director - Rates & Regulatory Affairs  
Puget Sound Energy  
425.462.3495

**From:** Betty Young [mailto:BYoung@wutc.wa.gov]  
**Sent:** Thursday, July 06, 2006 11:32 AM  
**To:** DeBoer, Tom  
**Subject:** RE: # of customers transferred  
**Importance:** High

Mr. DeBoer:

## PSE Connections – Staff Investigation

I need some additional information and responses to two questions:

1. Please provide the number of customers transferred to Allconnect PER MONTH, starting in 2004 through the date the program was suspended (3/15/06).
2. In your March 21 response, in the Allconnect, Inc. Listing Program Master Agreement under Schedule 2 - Order Form -- Does this schedule apply to orders being sent by PSE to Allconnect, orders sent by Allconnect to PSE, or both?
3. Are there any amendments to the Allconnect, Inc. Listing Program Master Agreement that have not been provided to us? If so, please provide copies.

Please provide your response as soon as possible. An e-mail response would be sufficient.

Thank you,  
Betty Young  
Compliance Specialist  
Business Practices Investigations  
Washington Utilities & Transportation Commission  
(360) 664-1202.

"DeBoer, Tom" <tom.deboer@pse.com>

05/23/2006 04:58 PM

To "Betty Young" <BYoung@wutc.wa.gov>  
cc  
Subject RE: # of customers transferred

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2003	17,745
2004	10,614
2005	12,532
2006	4,224 (program suspended 3/15/06)

Please let me know if we can provide any further information.

Sincerely,

PSE Connections – Staff Investigation

Tom DeBoer  
Director - Rates & Regulatory Affairs  
Puget Sound Energy  
(425) 462-3495

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**Sent:** Tuesday, May 23, 2006 11:01 AM  
**To:** DeBoer, Tom  
**Subject:** # of customers transferred

Mr. DeBoer:

Would you please provide the total number of customers transferred by PSE to PSE Connections (Allconnect), by year, since the program's inception (Nov. 2001).

Please provide the information as soon as possible. An e-mail response would be fine.

Thank you.

Betty Young  
Compliance Specialist  
Business Practices Investigations  
Washington Utilities & Transportation Commission



(360) 664-1202 PSE Connections transfers 2004-06.xls