

February 21, 2001

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

Re: Docket No. U-991301—Review of WAC 480-80-Customer Notice

Dear Ms. Washburn:

This letter is to convey Puget Sound Energy's (PSE or the Company) comments regarding Commission Staff's proposed changes to the customer notification rules currently under WAC 480-80. PSE hopes these comments are helpful to Staff as it endeavors to make revisions to these rules to implement Governor Locke's goal for regulatory improvement in Executive Order 97-02 and to ensure the rules are otherwise in the public interest. In addition to the comments on Staff's proposed rule below, please find the attachments that respond to Staff's Issues and Questions shown in Attachment A of the January 26, 2001, notice of opportunity to comment.

New Communication Channels Available—

Throughout this rulemaking process, PSE has advocated changing the existing rules in a manner that would make more information more readily available to customers in a cost-effective manner. Please note the Commission's current policy requires utilities to post public notices of proposed rate increases at payment stations. In addition to using press releases and bill inserts, PSE advocates a rule requiring the use of recorded information on a toll-free telephone number and posting regulatory filings on a utility's web site. These two new, cost effective communication channels could be used alone or in conjunction with bill print messages to more effectively communicate with customers than provided in the Commission's current policy of requiring notices be posted at payment stations.

Changing Focus of the Rule Requires Unreasonable Communication Methods

Staff's proposal would shift the focus of this rule from a mass communication basis to an individual customer communication basis by requiring each customer receive notice of a tariff filing within a minimum amount of time prior to a Commission's Open Meeting. Given the 30-day statutory notice period established by RCW 80.28.060, creating a

minimum time period within which individual customers must receive a notice would require use of expensive communication channels that are not typically used by utilities. There are only two ways to make such communications at this time: direct mail or an automated telephone messaging system. The expense and possible negative consequences of these approaches outweigh possible enhancements to the public interest. At some time in the future, utilities may have a cost-effective means of communicating with over a million customers on an individual basis in a short time span, such as through email or other electronic communication. Unfortunately, that time is not here yet. Therefore, while there are new opportunities to provide greater access to information, shifting the focus of notification from a mass communication system to an individual customer level using currently available technology is not reasonable.

Conclusion

In addition to the comments above, please find more detailed responses to Staff's questions and issues enclosed on Attachment A. PSE looks forward to discussing these issues and specific rule language with Commission Staff and other interested parties at the upcoming workshop. Thank you for the opportunity to file these comments. If you have any questions, or if we can be of any additional assistance, please contact Phillip Popoff at (425) 462-3229.

Sincerely,

Karl R. Karzmar
Manager, Revenue Requirements