

May 18, 2001

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

Re: Docket UG-990294-Comments on Service Responsibilities and Disclosure

Dear : Ms. Carole J. Washburn

Puget Sound Energy, Inc. ("PSE" or "the Company"), appreciates the opportunity to comment on the service responsibilities and disclosure of private information rules in the above noted docket. The proposed rules provided in the May 2, 2001, notice are a good starting point, but PSE believes some modest, but important changes to the proposals are necessary for these rules to meet the standards set forth in Executive Order 97-02 and to otherwise ensure the rules are consistent with the public interest. Attached, please find PSE's suggested revisions to the proposed rules that correspond to the discussion below.

Service Responsibilities—Proposed WAC 480-90-123 and 100-123

PSE is primarily concerned with proposed WAC 480-100-123 (3) (a) and (b) and proposed WAC 480-90-123 (2) (a) and (b). Such rules would change the current process for making determinations concerning the economic feasibility of requested service and the potential harm to existing customers resulting from such service. The effect of this change would be to diminish the ability of the utilities and service applicants to reach mutually beneficial agreements by requiring the parties to pursue an unnecessary and time-consuming administrative procedure. Such unnecessary administrative burden would not provide extra protection to customers or service applicants relative to the current rules. Rather, the proposed rule would only increase both legal and business expenses for customers and utilities, whose costs will ultimately be born by all customers.

The current rules concerning refusal of service due to economic unfeasibility or harm to existing customers (WAC 480-90-056 and 480-100-056) are not ambiguous. Under the current rules, the Commission has ultimate authority to determine (1) whether the requested service would be economically unfeasible or would harm service to existing customers and (2) if such service would be economically unfeasible, whether the utility may refuse to serve the requesting party. At the same time, the existing rules are flexible enough to allow utilities to make the initial determination as to whether the requested service would be economically unfeasible or would harm service to existing customers. This affords the utility an opportunity to work with the customer to reach a mutually beneficial agreement before having to resort to a costly administrative procedure. The process established under the existing rules is clear, provides adequate protection to customers, and is more efficient than the proposed rule.

PSE proposes amending the proposed WAC 480-90-123 and 480-100-123 to conform to the current system for making determinations concerning the economic feasibility of requested service and the potential harm to existing PSE customers resulting from such service. While PSE does not believe any changes to the existing language is necessary, the suggested revisions shown on the attachment retains the advantage of the current process while more directly stating that the current “may not be required” phrase refers to the Commission’s authority.

Disclosure of Private Information

PSE has no desire or intention to sell its customer information to other parties or to otherwise provide such information to other parties for general marketing purposes. Therefore, PSE is supportive of the concept underlying this rule. However, the proposed rule reaches beyond the intended scope of the rule.

The first paragraph of the proposed rule goes well beyond protecting customers from utilities distributing private information through restricting a utility’s own use of the information. Striking this first paragraph and beginning with the second paragraph of the proposed rule will clearly protect customers from a situation where utilities could distribute private, personal information about customers without limiting how the utilities use the information, as long as it does not result in disclosure.

In the second paragraph, PSE recommends changing the word “share” to “disclose.” The reason for having the word “share” was to close any possible loophole for disclosing information other than outright selling the information. It seems more appropriate here to refer to the title of the rule (disclosure) which has the same effect but will provide internal language consistency.

Conclusion

PSE looks forward to working with Commission Staff and all other interested parties to help ensure changes to the existing rules are consistent with Executive Order 97-02 and are otherwise in the public interest. If you have any questions or if we can be of any assistance, please contact Phillip Popoff at 425-462-3229.

Sincerely,

George Pohndorf

Director, Regulatory Planning