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PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

Via electronic mail – records@utc.wa.gov

July 14, 2010

Mr. David W. Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Docket No. U-100523
Rulemaking to Consider Paperless Billing for Electric and Gas
Customers.
Comments of Puget Sound Energy, Inc.

Dear Mr. Danner:

Puget Sound Energy, Inc. (“PSE” or the “Company”) submits these comments in response to the June 11, 2010, Notice of Opportunity to File Written Comments. These comments address the draft Rules attached to the June 11, 2010 notice and provide suggestions to modify the draft Rules in order to provide customers flexibility, to clarify certain issues, address utility’s rights and also to propose a change to an additional rule. PSE appreciates the opportunity to be a participating party in this rulemaking proceeding and to comment on the draft rules. The Company believes this process will help expedite finalization of the rules.

Puget Sound Energy Comments

Puget Sound Energy presents its comments first in a discussion about the proposed new and amended rules and then followed by our recommended edits to the June 11 draft rules. In all new and amended rules PSE has proposed that the word “company” be

replaced with “utility” since “utility” is defined in WAC 480-90-023 and 480-100-023 (see definitions of “gas utility” and “electric utility” respectively).

Puget Sound Energy Comments on Specific Rule Provisions

WAC 480-90-XXX and 480-100-XXX (first paragraph)

Definition: To clarify and shorten rule provisions the draft rules include a proposed change that bills, notices of tariff revisions and bill inserts be defined individually as an “electronic document” or collectively as “electronic documents”. These defined terms are used throughout these comments.

Discussion: While the first sentence of this paragraph states a customer may request electronic documents, it does not make it clear that all affected statutes, rules and orders are to be interpreted to allow a utility to provide electronic documents. The initial sentence needs to clarify that an e-mail advising the customer of the availability of the electronic documents is sufficient and that the electronic documents themselves do not need to be provided to customers. PSE proposes an additional sentence be added to this section, to clarify the interpretation of statute, rules and orders related to electronic information and e-mail notification.

WAC 480-90-XXX(2) and 480-100-XXX(2)

Discussion: Customers request electronic documents in two ways: (1) directly from the utility or (2) through their financial institution or other bill-paying service (a “third party”). Many customers choose option 2 because they can then receive and pay all of their bills on a single Web site, utilizing a single password. When customers request electronic documents from PSE, the utility can provide those documents electronically as well as request electronic payment from the customer’s bank. However, PSE does not provide bills to its customers from other utilities or businesses. PSE does not have the capability to confirm consent from customers who select a third party to automatically pay the utility since the third party does not forward the customer’s e-mail address to PSE. Due to this limitation, revisions are proposed to this section to separate these two request options and to provide that the utility maintain a record of the request via third party.

WAC 480-90-XXX(2)(c) and 480-100-XXX(2)(c)

Discussion: WAC 480-90-XXX(2) and 480-100-XXX(2) envision that a customer’s consent may be a transaction on a Web page. A proposed modification to subsection (c) further provides for this rather than providing for a customer to “sign” a customer consent.

WAC 480-90-XXX(3) and 480-100-XXX(3)

Discussion: This section of the draft rule provides that notices to customers regarding proposed tariff changes of increased rates or restriction of access to services, and of public hearings include the wording “URGENT NOTICE” in the subject line. PSE has for many years used the wording “URGENT NOTICE” on its disconnection notices and is concerned that using the same wording will cause confusion for customers. PSE has used the wording “IMPORTANT NOTICE” on its notices of rate changes to avoid any possible confusion. PSE is therefore suggesting that the wording of the proposed new rule be changed to “IMPORTANT NOTICE”. PSE realizes that this change may conflict with the usage by other utilities, therefore another option, which is to change the rule to specify that a subject line “*such as* URGENT NOTICE” and “all in capital letters” may be advisable.

WAC 480-90-XXX(4) and 480-100-XXX(4)

Discussion: While the draft rules do not prohibit a utility from providing notices of disconnection electronically, PSE believes that customers may want to receive notices of disconnection electronically and that the rules should support these requests, providing that the utility has the capability of fulfilling such a request. Therefore a provision has been inserted into this section to allow utilities to fulfill such a request, provided the utility has the capability.

WAC 480-90-XXX(4)(b) and 480-100-XXX(4)(b)

Discussion: RCW 80.28.010 requires that notices of disconnection during the winter months include notice to customers of the provisions of the winter moratorium. PSE at times also includes notice of this program as a bill insert. The proposed revised wording would allow the provision of such an insert as an electronic document while continuing to require notice of the moratorium is included with notices of disconnection.

WAC 480-90-XXX(5) and 480-100-XXX(5)

Discussion: For several years many Washington State utilities have provided electronic documents to hundreds of thousands of customers. The proposed addition reflects that fact and provides for a modified consent to be sent to those customers who requested electronic documents directly from the utility but not required of customers who made the request through a third party (see the comments regarding WAC 480-90-XXX(2) and 480-100-XXX(2) above). A utility request for consent from customers who are currently receiving electronic documents will be very confusing to customers, especially those who requested electronic documents through a third party. To minimize confusion, the Commission may wish to eliminate or further modify the requirement for consent from customers who are currently receiving electronic documents.

WAC 480-90-XXX(6) and 480-100-XXX(6)

Discussion: Section (2)(d) requires that a utility provide, upon request, a paper copy of any electronic document sent to a customer. While PSE thinks this is a reasonable requirement, the fulfillment of such request will be a manual and expensive process. To control costs utilities should be allowed the ability to discontinue electronic documents to any, or all customers. An additional proposed revision allows a utility to require that customers who request billing by electronic document also receive all bill inserts as electronic documents.

WAC 480-90-XXX(7) and 480-100-XXX(7)

Discussion: Due to customer requests, PSE is planning to offer billing information in the EDI (Electronic Data Interchange) format used to transfer certain information from one computer system to another. Offering this service has costs that will be offset from savings achieved by discontinuing paper billing. Without such an offset, the costs of EDI or other specialized formats would be prohibitive or would be spread to other customers rather than just those requesting the specialized format. This added section provides for this offset but also requires that utilities that choose this option provide customers with electronic documents in addition to the EDI file or other specialized format file.

WAC 480-90-XXX(8) and 480-100-XXX(8)

Discussion: Several of these new rule provisions will require a considerable amount of time and work to implement. Since many utilities currently provide electronic documents to hundreds of thousands of customers, adoption of these rules would result in those utilities immediately in violation of the new rules. A section providing for one hundred eighty (180) days to implement changes is proposed.

WAC 480-90-128(6) and 480-100-128(6)

Discussion: An additional provision, section "o" is proposed to enable customers to request electronic notices of disconnection. While not included in the proposal below, the Commission may wish to consider allowing customers the opportunity to receive disconnection notices only as an electronic document. Some customers may prefer this option to avoid having a notice delivered to their door. Not only would an electronic document eliminate the embarrassment of having a notice on their door, it would eliminate the trip and its associated impact on the environment.

Discussion: A proposed sentence has been inserted to clarify that bills sent electronically are received by the customer and that these bills are considered received by customer three (3) days following electronic transmittal of a bill or e-mail notice regarding the availability of the bill. While this does not impact calculation of dates, it does clarify that electronic documents are considered received following issuance by the utility.

Suggested revisions to draft rule language:

NEW SECTION

WAC 480-90-XXX Electronic information. With the prior consent of the customer or applicant, a ~~company~~utility may provide bills, notices of tariff revisions, ~~or~~ bill inserts, or customer notices and information (“electronic document” or “electronic documents”) including ~~inserts containing~~ information required to be provided to customers or applicants by statute, rule, or commission order by electronic means instead of the use of paper copies sent by U.S. Mail. Statute, rule, commission order, or tariff provisions that refer to mailing of bills, notices of tariff revisions or bill inserts will be considered as met by a utility sending electronic documents or an e-mail advising of the availability of electronic documents to a customer who has consented to receiving electronic documents, provided that the e-mail includes a link to the electronic documents or otherwise advises the customer of the electronic location of such documents.

(1) All documents provided electronically must meet the requirements for format, due dates, calculation of due dates, minimum timeframes, and any other requirements specified within WAC 480-90. Electronic documents will be treated the same as documents that are mailed within the Sstate of Washington for the purposes of calculating due dates and minimum timeframes.

(2) **Verification of consent.** The ~~company~~utility must obtain prior written or electronic consent to provide ~~prescribed documents electronically~~ electronic documents (customer consent letter) if the customer makes the request for electronic documents directly to the utility. Where the customer requests electronic documents through a third party (such as a through their bank’s Web site) no verification of consent or customer consent is required. The customer consent letter must not be combined on the same document or on the same screen or Wweb page with unrelatedany other information. When a customer makes the request for electronic documents directly to the utility, tThe companyutility must retain a record of the customer consent letter as a permanent part of the customer’s account records to serve as verification of the customer’s authorization to receive selected documents electronically. When a customer makes the request for electronic documents through a third party, the utility must retain -a record that the customer signed up through a third party as a permanent part of the customer’s account records to serve as verification of the customer’s authorization to receive selected documents electronically. The documentation of the consent or request through a third party must be made available to the customer and to the

commission upon request at no charge. The customer consent letter must confirm the following information from the customer:

(a) The customer's name, telephone number, address, and e-mail address;

(b) The decision to change;

(c) Confirmation that the customer understands that they have consented to signing the consent letter allows the company/utility to provide bills, notices of tariff revisions, or bill inserts including inserts containing information required to be provided to customers or applicants by statute, rule, or commission order by electronic means instead of the use of paper copies sent by U.S. Mail;

(d) Confirmation that the customer understands that the company/utility will provide upon request, a paper copy of any document sent electronically at no additional charge. The customer may also request to revert to paper delivery at no additional charge.

(3) Electronic notices for proposed tariff changes of increased rates or restriction of access to services, and public hearings will be marked IMPORTANT/URGENT NOTICE in the subject line.

(4) A customer may request that notices of disconnection be provided electronically, however, utilities are not required to provide notices of disconnection electronically. The following documents may not be provided solely by electronic means:

(a) Notices of disconnection; and

(b) Information regarding the winter moratorium on disconnection of low-income heating customers payment to be included with notices of disconnection program, including written copies of any extended payment plans under the winter low-income payment moratorium program.

(5) Utilities that are providing electronic documents to customer at the time this rule is adopted by the commission may meet the requirements for verification of consent by:

(a) sending an e-mail to each customer who requested electronic documents directly from the utility and providing the information in (2)(a), (c) and (d) above. The utility will retain a record of customers notified in this manner; or,

(b) by documenting and retaining a record that the customer made the request for electronic documents through a third party.

(6) A utility and is not obligated to provide both paper and electronic documents to a customer on a continuous basis. A utility may require that a customer who requests an electronic bill also receive all bill inserts electronically. A utility may refuse to provide or refuse to continue providing a customer documents electronically.

(7) When a utility provides electronic documents in a specialized format such as the Electronic Data Interchange (EDI) format, where the utility incurs a cost that is offset by not mailing paper bills, the utility may offer customers the choice of the specialized format or paper bill but may refuse to provide both. The utility shall provide customers receiving bills in a specialized format with electronic documents. At the customer's request, the utility also may provide a utility-formatted bill.

(8) Utilities shall implement all provisions of WAC 480-90-XXX within one hundred eighty days of its effectiveness.

NEW SECTION

WAC 480-100-XXX Electronic information. With the prior consent of the customer or applicant, a ~~company~~utility may provide bills, notices of tariff revisions, ~~or bill inserts, or customer notices and information~~ (“electronic document” or “electronic documents”) including ~~inserts containing~~ information required to be provided to customers or applicants by statute, rule, or commission order by electronic means instead of the use of paper copies sent by U.S. Mail. Statute, rule, commission order, or tariff provisions that refer to mailing of bills, notices of tariff revisions or bill inserts will be considered as met by a utility sending electronic documents or an e-mail advising of the availability of electronic documents to a customer who has consented to receiving electronic documents, provided that the e-mail includes a link to electronic documents or otherwise advises the customer of the electronic location of such documents.

(1) All documents provided electronically must meet the requirements for format, due dates, calculation of due dates, minimum timeframes, and any other requirements specified within WAC 480-100. Electronic documents will be treated the same as documents that are mailed within the Sstate of Washington for the purposes of calculating due dates and minimum timeframes.

(2) **Verification of consent.** The ~~company~~utility must obtain prior written or electronic consent to provide ~~prescribed documents electronically~~ electronic documents (customer consent letter) if the customer makes the request for electronic documents directly to the utility. Where the customer requests electronic documents through a third party (such as through their bank’s Web site) no verification of consent or customer consent is required. The customer consent letter must not be combined on the same document or on the same screen or Web page with any other unrelated information. When a customer makes the request for electronic documents directly to the utility, the company utility must retain a record of the customer consent letter as a permanent part of the customer’s account records to serve as verification of the customer’s authorization to receive selected documents electronically. When a customer makes the request for electronic documents through a third party, the utility must retain a record that the customer signed up through a third party as a permanent part of the customer’s account records to serve as verification of the customer’s authorization to receive selected documents electronically. The documentation of the consent or request through a third party must be made available to the customer and to the commission upon request at no charge. The customer consent letter must confirm the following information from the customer:

- (a) The customer’s name, telephone number, address, and e-mail address;
- (b) The decision to change;
- (c) Confirmation that the customer understands that they have consented to signing the consent letter allows the company utility to provide bills, notices of tariff revisions, or bill inserts including inserts containing information required to be provided to customers or applicants by statute, rule, or commission order by electronic means instead of the use of paper copies sent by U.S. Mail;

(d) Confirmation that the customer understands that the company/utility will provide upon request, a paper copy of any document sent electronically at no additional charge. The customer may also request to revert to paper delivery at no additional charge.

(3) Electronic notices for proposed tariff changes of increased rates or restriction of access to services, and public hearings will be marked ~~IMPORTANT~~URGENT NOTICE in the subject line.

(4) A customer may request that notices of disconnection be provided electronically, however, utilities are not required to provide notices of disconnection electronically. The following documents may not be provided solely by electronic means:

(a) Notices of disconnection; and

(b) Information regarding the winter moratorium on disconnection of low-income heating customers to be included with notices of disconnection payment program, including written copies of any extended payment plans under the winter low-income payment program moratorium.

(5) Utilities that are providing electronic documents to customer at the time this rule is adopted by the commission may meet the requirements for verification of consent by:

(a) sending an e-mail to each customer who requested electronic documents directly from the utility and providing the information in (2)(a), (c) and (d) above. The utility will retain a record of customers notified in this manner; or,

(b) by documenting and retaining a record that the customer made the request for electronic documents through a third party.

(6) A utility is not obligated to provide both paper and electronic documents to a customer on a continuous basis. A utility may require that a customer who requests an electronic bill also receive all bill inserts electronically. A utility may refuse to provide or refuse to continue providing a customer documents electronically.

(7) When a utility provides electronic documents in a specialized format such as the Electronic Data Interchange (EDI) format, where the utility incurs a cost that is offset by not mailing paper bills, the utility may offer customers the choice of the specialized format or paper bill but may refuse to provide both. The utility shall provide customers receiving bills in a specialized format with electronic documents. At the customer's request, the utility also may provide a utility-formatted bill.

(8) Utilities shall implement all provisions of WAC 480-100-XXX within one hundred eighty days of its effectiveness.

AMEND

WAC 480-90-103 Information to consumers.

(3) The utility must provide to each applicant relevant rate information and a brochure that explains the rights and responsibilities of a utility customer. The brochure must include, at a minimum, information about the utility's regular business hours, the utility's mailing address, the utility's toll-free number, the twenty-four hour emergency number(s), and an explanation of the utility's processes to establish credit, deposits, billing, delinquent accounts, disconnection of service initiated by the utility, cancellation of service by the customer, the dispute resolution process, and the commission's informal complaint procedures to be followed if the customer remains dissatisfied with the utility's dispute

process. The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.

AMEND

WAC 480-90-128 (6) Disconnection notification requirements. The utility must notify customers before disconnecting their service, except as described in subsection (2) of this section. Notification consists of the following requirements:

(o) Any customer may request, if the utility has the capability, that notices of disconnection be e-mailed in addition to the U.S. Mail or personal delivery as provided in WAC 480-90-128.

AMEND

WAC 480-90-178 Billing requirement and payment date.

(4) With the consent of the customer, a ~~company~~ utility may provide regular billings in electronic form if the bills meets all the requirements for the use of electronic information in this chapter. Bills sent by electronic means will be considered received by the customer three (3) days following electronic transmittal of the bill or e-mail regarding availability of the bill. The ~~company~~ utility must maintain a permanent record of the customer's consent request, and the customer may change from electronic to printed billing upon request. The ~~company~~ utility must complete the change within two billing cycles of the request.

AMEND

WAC 480-90-194 Publication of proposed tariff changes to increase charges or restrict access to services. Each electric utility offering service under tariff must publish or provide electronically all proposed changes to its tariff for at least thirty days, as required by RCW 80.28.060. The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.

(1) Thirty-day notice to individual customers. To comply under this method, the utility must, at least thirty days before the stated effective date of the proposed change, mail or provide electronically the posting to each customer that would be affected by the proposed change. The posting must include information listed in subsection (4) of this section. The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.

(3) Reduced publication with shortened notice to individual customers. To comply under this method, the utility must:

(a) Mail or provide electronically the posting to each customer that would be affected by the proposed change at least fifteen days before the stated effective date of the proposed change; The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.

AMEND

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(3) The utility must provide to each applicant relevant rate information and a brochure that explains the rights and responsibilities of a utility customer. The brochure must include, at a minimum, information about the utility's regular business hours, the utility's mailing address, the utility's toll-free number, the twenty-four hour emergency number(s), and an explanation of the utility's processes to establish credit, deposits, billing, delinquent accounts, disconnection of service initiated by the utility, cancellation of service by the customer, the dispute resolution process, and the commission's informal complaint procedures to be followed if the customer remains dissatisfied with the utility's dispute process. The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.

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WAC 480-100-178 Billing requirement and payment date.

(4) With the consent of the customer, a company utility may provide regular billings in electronic form if the bill meets all the requirements for the use of electronic information in this chapter. Bills sent by electronic means will be considered received by the customer three (3) days following electronic transmittal of the bill or e-mail regarding availability of the bill. The company utility must maintain a permanent record of the customer's consent request, and the customer may change from electronic to printed billing upon request. The company utility must complete the change within two billing cycles of the request.

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PSE appreciates the opportunity to comment on the draft new rule or modifications to existing rules to clarify the use of electronic documents. Please direct any questions regarding these comments to Lynn Logen at (425) 462-3872 or at lynn.logen@pse.com or the undersigned at (425) 462-3495.

Sincerely,



Lynn F. Logen
Tariff Consultant

For

Tom DeBoer

Director – Federal and State Regulatory Affairs