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December 12, 2019

Filed Via Web Portal

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
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12/12/19 12:46
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COMMISSION

Re: Docket U-180525: Response to Small Business Economic Impact Statement Questionnaire

Dear Mr. Johnson:

Puget Sound Energy (“PSE” or the “Company”) appreciates the opportunity to respond to the Small Business Economic Impact Statement (SBEIS) questionnaire issued on October 30, 2019 with respect to regulated utility deployment of Advanced Meter Infrastructure (AMI) technologies.

As this rulemaking effort has unfolded over the past year, the scope of these consumer protection rules has progressed beyond the initial objective to “modify existing consumer protection and meter-related rules to accommodate regulated utility deployment of AMI technologies.” Rather, this rulemaking now establishes broad-based consumer privacy obligations for any customer information collected by regulated utilities, regardless of whether it was collected specifically through AMI. Many of the consumer protection related provisions contained in WAC 480-100-153, as well as associated definitions contained in 480-100-023, mirror consumer privacy language that PSE believes would be better addressed through comprehensive statewide privacy legislation, rather than in an AMI rulemaking docket.¹ As mentioned in our previous comments, PSE is concerned that statewide privacy legislation expected to be considered in the upcoming legislative session (and already previewed in the last legislative session) could promulgate different rules than those being considered in this AMI rulemaking. It would be costly and burdensome for PSE to develop new processes and systems to comply with this set of rules, only to be subject to similar, but potentially different requirements, in another 1-2 years. This outcome would likely confer on customers more costs than benefits in the long-run. PSE is

¹ For purposes of these comments, references will be made to the electric rules, ch. 480-100 of the WAC. However, the same comments apply throughout to the gas chapter as well, ch. 480-90.

committed to protecting consumer privacy and looks forward to discussing these concerns in more detail at the upcoming workshop so that it can do so in a thoughtful and consistent manner.

As PSE commented previously, the definition of “customer information” remains too broad and lacks specificity. As a result, it is difficult to discern what information collected about a customer falls under this definition and what does not. While staff has signaled that the definition may be overly broad, it is not clear at this time whether the definition will be narrower upon final rule adoption or will remain the same. Having a broad and unclear definition of “customer information” creates significant compliance challenges with respect to meeting several of the requirements under WAC 480-100-153. It also makes it very difficult, if not impossible, to develop detailed cost impacts associated with the draft proposed rules.

PSE makes the following assumptions in providing these comments concerning the additional costs anticipated to comply with proposed WAC 480-100-153:

- There is “customer information” (as currently defined in WAC 480-100-023) that is being collected today in many different parts of the company that potentially could be considered outside of PSE’s “primary purpose” depending on how this term is applied. This information could not be disclosed to a third party without seeking express, written consent from the customer first.
- A centralized, consistent process for securing consent would need to be developed.
- Additional internal resources would be necessary to coordinate efforts across the company to ensure customer consent for uses outside PSE’s primary purpose in a consistent manner, and that consent is being logged in a centralized database or system.
- Our existing website, myPSE.com, would need significant updates or changes to accommodate the requirement in proposed WAC 480-100-153(14) that customers be able to access their own “customer information,” if customer information continues to be broadly defined. In addition, providing secure and authenticated access to customer information maintained outside of the existing myPSE.com security controls would be difficult and potentially costly.

As noted previously, with an expansive, yet unclear, definition of “customer information,” it is very difficult to estimate the additional costs associated with compliance. Under an expansive reading of “customer information,” for example, any kind of information PSE collects about its customers could be required to be uploaded into a “user-friendly website” so the customer can access it without charge. This could include, for example, sensitive personal information like a driver’s license number that PSE may collect as one of the identifiers to verify access to account information, income information that customers provide to apply for low income assistance, or the customer’s history of purchases of energy efficient appliances and fixtures. Updating PSE’s IT systems to accommodate a wide-range of “customer information” and make it accessible to the public could be very resource intensive and costly, and PSE would need to ensure it is protecting this customer information with appropriate safeguards. If a narrower reading of “customer information” were applied, or the definition were narrowed in the final rule, then the costs associated with compliance with WAC 480-100-153 could be more modest.

PSE has not identified any draft proposed rules that create potential cost savings.

PSE appreciates the opportunity to provide responses to this SBEIS questionnaire. Please contact Kara Durbin at (425) 456-2377 for additional information about these comments. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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