**U-100523 Paperless Billing Rulemaking**

**Comment Summary Matrix**

**August 3, 2010**

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|  | **Section** | **Commenter** | **Comments** | **Staff Response** |
| **Electronic Information (NEW SECTION)** |
| 1. | 480-90-XXX[Note: also applies to electric rules] 480-100-XXX[Note: also applies to gas rules]480-90-XXX480-100-XXX | Northwest Natural Gas Company (NWNG or Company)Pacific Power (PacifiCorp or Company)Puget Sound Energy (PSE or Company) | Company proposed revision of section to provide a broad purpose statement. The reference to customer consent is removed as this requirement is addressed in section (2) of the draft rule. The company’s proposed language included disconnection notices. PacifiCorp uses its web site to convey information, and makes certain information available to customers on the web site and through e-mails sent by a third party. Additionally, with the rapid development and evolution of technology and social media, the Company encourages the commission to consider using a definition of “electronic” to accommodate flexibility in using existing technologies and adapting to new technologies.PSE proposed the word “company” be replaced with “utility” since “utility” is defined in WAC 480-90-023 and WAC 480-100-023.PSE recommends that the terms bills, notices of tariff revisions and bill inserts be defined individually as an “electronic document” or collectively as “electronic documents”. PSE proposes an additional sentence be added to make it clear that all affected statutes, rules and orders are to be interpreted to allow a utility to provide electronic documents. | **Staff disagrees.** It is important to emphasize that the company is required to obtain the customer’s prior consent to provide electronic information. It is not appropriate to provide electronic disconnect notices as the sole means of notification because it is harder to overlook or ignore a mailed or delivered notice. Staff believes the mailed or delivered notice is an important protection to allow the customer the opportunity to take some action to avoid disconnection of service. Staff believes that caution should be used during the transition to new information dissemination practices.**Staff agrees.** However, certain minimum standards, as specified in this rule, must be met for verification of consent and notification of information addressed by this rule. Current language does not preclude companies from exploring the use of other technologies in addition to the expanded use of paperless billing to communicate with its customers.**Staff agrees.****Staff agrees** that the terms bills, notices of tariff revisions and bill inserts be defined collectively as electronic information.**Staff disagrees.** This statement is too broad. The proposed rules certainly broaden the use of electronic documentation. However, the proposed rules expressly prohibit electronic disconnection notices and notices concerning low-income winter moratorium program.  |
| **Format of electronic communications** |
| 2. | 480-90-XXX(1)[Note: also applies to electric rules] | Northwest Natural Gas Company (NWNG or Company) | Company suggested adding a title (Format of Electronic Communications) for consistency with the rest of the rule. | **Staff agrees.** |
| **Verification of consent** |
| 3. | 480-90-XXX(2)(a)Through (c) Customer Consent[Note: also applies to electric rules]480-90-XXX(2)480-100-XXX(2)480-100-XXX(2)[Note: also applies to gas rules]480-90-XXX(2)480-100-XXX(2) | Northwest Natural Gas Company (NWNG or Company)Public Counsel (PC)Pacific Power (PacifiCorp or Company)Puget Sound Energy (PSE or Company) | Title of section changed from “Verification of Customer Consent” to “Customer Consent” which is more consistent with the requirements established in this section. The company has also modified the requirement for the consent letter because a hardcopy or an electronic letter, as described, is inconsistent with current electronic methods for obtaining customer consent. The Company currently obtains the customer’s consent using an electronic form that requires the customer’s electronic signature. A record is retained of the date, the electronic signature and a confirmation number for the request. Public Counsel generally supports a new section dealing with paperless billing. However, PC recommends adding provisions to help customers understand their obligations and rights under any paperless billing program. Absent clear instructions, customers may not alert the company to changes in e-mail addresses or a desire to return to paper billing. PC suggested adding language which allows the customer to request to revert to paper delivery at no additional charge.PC strongly encourages the commission to include language ensuring that utility providers do not charge a fee to customers who elect to continue receiving paper bills.As with Northwest Natural, PacifiCorp suggests that a consent “letter” is not necessary as long as the customer consent can be documented.PacifiCorp states that the requirement to permanently retain the customer’s consent to receive documents electronically would be burdensome.PSE stated that it receives requests for electronic documents in two ways: (1) directly from the customer; and (2) from the customer’s financial institution or other bill-paying service (i.e., a third party). PSE proposed language regarding requests for electronic documents submitted through a third party (i.e., bank or financial institution).As with Northwest Natural and PacifiCorp, PSE proposed that the verification be changed to a transaction on a web page versus a signed letter of consent.PSE proposed a revision which allows a utility to require that customers who request billing by electronic document also receive bill inserts as electronic documents. | **Staff agrees in part and disagrees in part.** We agree thatthe focus of the section is verifying the customer consent; regardless of the form it takes (a letter, e-mail, etc.). However, a record of the consent in the customer’s account record is necessary in the event a disagreement arises.**Staff agrees** with PC’s proposal. See new subsection WAC 480-90/100-XXX(2)(d)(v).**Staff agrees in part.** Staff believes that there should be a limit of 3 requests in a 12 month period to allow a customer to revert to paper delivery. The utility would then have the option to restrict a customer’s access to electronic delivery.**Staff disagrees** with including language ensuring that utility providers do not charge a fee to customers who elect to continue receiving paper bills. The cost of mailing bills is already included in rates (basic charge). Any change to this would require a tariff revision subject to the approval of the commission.**Staff agrees.** See discussion above.**Staff agrees** to change the requirement to retain the customer’s consent as part of the customer account record**.** **Staff disagrees.** The issue of electronic documents submitted through a third party is not relevant. The commission is not aware that banks or financial institutions need to receive a customer’s billing information. The customer is merely asking the financial institution to pay the bill. The customer should still receive a copy of the bill either by mail or electronically. Therefore, the customer must still consent to receiving an electronic bill.**Staff agrees.** The rule is about electronic information. It should refer to the customer’s consent, not a consent “letter.” Whether the verification is on a web page or some other format does not need to be specified in rule.**Staff agrees** that the utility could structure the customer consent in such a way to inform its customers that the consent applies to the listed documentation in the customer consent. The key issue for staff is the disclosure statement in the customer consent. |
| **Distribution of electronic notices** |
| 4. | 480-90-XXX(3)[Note: also applies to electric rules]480-90-XXX(3)480-100-XXX(3)480-90-XXX(3)480-100-XXX(3) | Northwest Natural Gas Company (NWNG or Company)Puget Sound Energy (PSE or Company)Public Counsel (PC) | Added title “Required Identifying Verbiage” for consistency. Modified language so that disconnection notices are marked URGENT NOTICE, while other notices about changes to a customer’s utility service are marked IMPORTANT NOTICE.PSE is concerned that using the wording URGENT NOTICE in the subject line of the electronic notification for both disconnection notices and notices of rate changes would cause confusion. PSE suggests that the wording for notices of rate changes be changed to IMPORTANT NOTICE.PC opposes any changes to the existing requirement that notices of proposed tariff changes or restriction of services, as well as public hearings, be provided in paper format to individual customers consistent with the commission’s notice rules. E-mail cannot provide the same degree of notice to customers of such important information regarding their utility service. Public Counsel believes that no electronic format accurately replicates the experience of receiving paper notices of tariff filings and notices. If the commission does, however, provide for notice of tariff filings and/or public hearings solely via e-mail, PC strongly urges the commission to, in addition, require inclusion of these notices in the actual customer bill to increase the probability that customers will view the content of the notices. | **Staff agrees.** Staff changed notice markings for proposed tariff changes of increased rates or restriction of service, and public hearings to read: IMPORTANT NOTICE REGARDING YOUR UTILITY. The rules do not address electronic notices of disconnection because it is an optional format to be used in addition to mailed disconnection notices.However, perhaps the disconnection notices should be marked URGENT DISCONNECTION NOTICE.**Staff agrees.** Same comment as above.**Staff disagrees.** Consumers have the option of printing any electronic documents which they are interested in. Many electronic documents are searchable which makes electronic documents preferable to paper documents. **Staff agrees** that the additional requirement of including a link to the notice in the actual electronic bill might be beneficial to both the customer and the utility. See WAC 480-90/100-XXX(3)(b). |
| **Documents requiring paper delivery** |
| 5. | 480-90-XXX(4)[Note: also applies to electric rules]480-90-XXX(4)480-100-XXX(4)480-90-XXX(4)480-100-XXX(4)480-90-XXX(4)480-100-XXX(4) | Northwest Natural Gas Company (NWNG or Company)Avista Corp. (Avista or Company)Public Counsel (PC)Puget Sound Energy (PSE or Company) | Added title “Provision of Hardcopies” for consistency. Minor language revisions made for improved readability.Avista supports the suggested modifications to the Commission’s rules, with one exception: The Company believes that if the customer has “opted in” to receiving information electronically, all communications should be provided to the electronically to include disconnection notices.Public Counsel opposes any modification to the existing WAC notice requirements for disconnection of service or for the winter low-income program (including disconnection notices under the program).Public Counsel opposes any changes to the existing requirement that notices of proposed tariff changes or restriction of services, as well as public hearings, be provided in paper format. PC believes that no electronic format accurately replicates the experience of receiving paper notices of tariff filings and/or public hearings solely via e-mail. PC stated that, if the commission allows the notices to be provided solely by electronic means, the commission requires inclusion of the notices in the actual customer bill to increase the probability customers will view the content of the notice.PSE suggests language that allows a customer to request notices of disconnection be provided electronically.PSE proposed language which requires the utility to mail copies of the winter moratorium program with the disconnection notices.  | **Staff agrees in part and disagrees in part**. Staff agrees that adding a title to the paragraph improves clarity. However, stating that the utility must always issue a paper notice in addition to an electronic notice may cause confusion since the utility is not required to issue an electronic notice.**Staff disagrees**. See staff responses in section 1 above. Disconnection notices and information regarding low-income winter moratorium should continue to be mailed to customers in a paper copy. Electronic documents may be more widely used in the future. Avista did say that only 14 percent of its customers have opted for paperless billing at this time. Staff believes that caution should be used during the transition to new information dissemination practices.**Staff agrees** that these notices should not be sent solely by electronic means. **Staff disagrees.** Electronic information can offer more detailed information than the limited space offered in paper copies. Links to documents can be made available to people desiring more information. Staff is willing to consider the requirement of the notices in the electronic bill (i.e., via a link or attachment). See WAC 480-90/100-XXX(3)(b).**Staff agrees in part and disagrees in part**. Staff believes this additional language is unnecessary. Draft rule language would allow a utility to provide disconnection notices electronically in addition to the mailed notice. **Staff agrees in part and disagrees in part.** Winter moratorium should be used as a last resort and should be discussed with the customer. A utility should only mail a copy of the winter moratorium after a PSE customer service representative has had the opportunity to speak to the consumer directly. |
| **PROPOSED NEW RULE****Undeliverable electronic documents – new language proposed by PC** |
| 6. | 480-90-XXX480-100-XXX | Public Counsel (PC) | Public Counsel recommends adding company procedures addressing e-mails returned as undeliverable. | **Staff agrees** that new language might offer useful guidance to the company and added protection to customers. Staff recommends PC propose suggested language for stakeholders to consider.  |
| **PROPOSED NEW RULE****Software and hardware requirements – new language proposed by PC** |
| 7. | 480-90-XXX480-100-XXX | Public Counsel (PC) | Public Counsel recommends the inclusion of software and hardware requirements for users of any paperless billing program. PC is concerned that inadequate customer knowledge of technological requirements will result in difficulties accessing electronic bills. | **Staff disagrees** with PC’s suggestion. It is unclear why New Jersey requires that bill providers outline the technology requirements needed to access electronic bills. Staff views this requirement as unnecessary.  |
| **PROPOSED NEW RULE****Existing customer consent – new language proposed by PSE** |
| 8. | 480-90-XXX480-100-XXX | Puget Sound Energy (PSE or Company) | PSE proposed language that provides for a modified consent to be sent to those customers who requested electronic documents directly from the utility prior to this rule change. | **Staff agrees.** See WAC 480-90/100-XXX(2)(e). |
| **PROPOSED NEW RULE****Obligation to provide paper bill and electronic bills** |
| 9. | 480-90-XXX480-100-XXX | Puget Sound Energy (PSE or Company) | Company proposed the following language: 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.  | **Staff agrees.** See staff’s response to Public Counsel in Section 3 above. A customer should be allowed to question an electronic bill and request a paper copy. However, this should not be on a regular basis. A request of this nature must be handled manually and would cause increased costs. Staff does not agree to the last sentence. It is unnecessary. It is already covered by the language in the first sentence. Staff believes that it is reasonable for a customer to request a paper copy 3 times in a 12 month period. |
| **PROPOSED NEW RULE****Electronic Data Interchange – new language proposed by PSE** |
| 10. | 480-90-XXX480-100-XXX | Puget Sound Energy (PSE or Company) | 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. Customers will have to choose between paper copies or the EDI format.  | **Staff agrees** that language may be necessary to address the special case of EDI (i.e., computer-to-computer interface). PSE’s proposed language is acceptable. However, if billing issues arise, the customer has a right to see copies of the bill that can be read and understood by humans. The company could ask the customer to accept the bills in an electronic format that can be understood by the customer. |
| **PROPOSED NEW RULE****Implementation timeframe – new language proposed by PSE** |
| 11. | 480-90-XXX480-100-XXX | Puget Sound Energy (PSE or Company) | PSE proposes a new section which provides for one hundred eighty (180) days to implement changes. | **Staff agrees in part.** Staff agrees a delayed implementation date may be required to implement changes required by the rules. Staff believes that 180 days may be too long; A 60-day delay for implementation may be more appropriate. |
| **Information to consumers** |
| 12. | 480-90-103[NOTE: also applies to electric rules]480-90-103480-100-103 | Northwest Natural Gas Company (NWNG or Company)Public Counsel (PC) | Added following language: The utility may provide this information in an electronic format consistent with the provisions in this chapter governing the use of electronic information.Public Counsel opposes any changes to the existing requirement that notices of proposed tariff changes or restriction of services, as well as public hearings, be provided in paper format. PC believes that no electronic format accurately replicates the experience of receiving paper notices of tariff filings and/or public hearings solely via e-mail.  | **Staff agrees.****Staff disagrees.** Staff believes that customers who want electronic billing would also be in favor of electronic notices and bill inserts.  |
| **Billing requirement and payment date** |
| 13. | 480-90-178[Note: also applies to electric rules]480-90-178480-100-178480-100-178480-90-178480-100-178 | Northwest Natural Gas Company (NWNG or Company)Public Counsel (PC)Pacific Power (PacifiCorp or Company)Puget Sound Energy (PSE or Company) | Recommended removal of requirements established in other sections under WAC 480-90 as repetitious and unnecessary. Replaced the removed language with: The utility may provide this information in an electronic format consistent with the provisions in this chapter governing the use of electronic information.Public Counsel supports the commission’s proposed language in this section.PacifiCorp states that the requirement to permanently retain the customer’s consent to receive documents electronically would be burdensome.Proposed a sentence be inserted to clarify that bills sent electronically are considered received by the customer after three (3) days following electronic transmittal of a bill. | **Staff disagrees.** Some redundancy is beneficial for added clarity.**Staff agrees.** See discussion above in Section 3.**Staff disagrees.** Adding PSE’s proposed language is confusing. Current rules are based on the mailed date and not the date received. The commission wants the electronic bills and notices to have the same due dates as specified for bills and notices mailed within the state of Washington. Current rules do not state when mailed bills are considered received. The only requirement is to have a proper due date for the bill. There is no reason to specify when the electronic data is considered received since the proposed rules do not allow for electronic disconnection notices. Staff is opposed to allowing electronic disconnect notices as the sole notice of disconnection. |
| **Publication of proposed tariff changes to increase charges or restrict access to services** |
| 14. | 480-90/100-194 | Northwest Natural Gas Company (NWNG or Company)Puget Sound Energy (PSE or Company) | Restore rule to its current form. Added reference to electronic communications is removed as the term “publish” does not preclude electronic channels.Company added language to increase clarity.“The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.  | **Staff agrees** to restore the rule language to its current form. Staff did not intend to eliminate the existing language in WAC 480-90-194 or 480-100-194. However, staff believes that the added reference to electronic communications adds clarity.**Staff agrees.** |
| **Thirty-day notice to individual customers** |
| 15. | 480-90-194(1) | Northwest Natural Gas Company (NWNG or Company)Puget Sound Energy (PSE or Company) | Minor edits to improve readability.Company added language to increase clarity.“The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information. | **Staff disagrees.** Original proposed language is already clear and concise.**Staff agrees.** |
| **Reduced publication with shortened notice to individual customers** |
| 16. | 480-90-194(3)(a) | Northwest Natural Gas Company (NWNG or Company)Puget Sound Energy (PSE or Company) | Minor edits to improve readability. NWNG added the following: The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information.Company added language to increase clarity.“The utility may provide this information in an electronic format consistent with provisions in this chapter governing the use of electronic information. | **Staff agrees.****Staff agrees.** |
| **Optional method of publication for purchase gas adjustment (PGA) – NWNG proposed changes**  |
| 17. | 480-90-194(5)(c) | Northwest Natural Gas Company (NWNG or Company) | Minor edits to improve readability.(c) The utility must provide the notice to each affected customer by U.S. mail or by electronic means consistent with the provisions in this chapter governing use of electronic information. The utility must also send the notice or a press release about the increase to every daily paper within its service territory. | **Staff agrees.** |
| **PROPOSED NEW RULE****Disconnection notification requirements – new language proposed by PSE** |
| 18. | 480-90-128(6)480-100-128(6) | Puget Sound Energy (PSE or Company) | PSE proposes a new section which would allow a customer to request disconnection notices only as an electronic document. Some customers may prefer this option to avoid having a notice delivered to their door. PSE suggested adding the following language: 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 and WAC 480-100-128. | **Staff disagrees.** See staff response to NWNG in section 1.Customers can avoid the disconnection notice on the door by calling the company to discuss payment arrangements. Also, if the Company mails a disconnection notice and e-mails the disconnection notice, this would also potentially preclude a disconnect visit by the Company. Staff believes the mailed or delivered notice is an important protection to allow the customer to be able to take some action to avoid a disconnection of service. It is harder to overlook or ignore the mailed or delivered notice. |