

VIA ELECTRONIC E-mail and US MAIL

November 2, 2001

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

RE: Docket U-991301, Comments on Draft Revisions to WAC 480-80—
Customer Notice Rules

Dear Ms. Washburn,

Puget Sound Energy, Inc. ("PSE" or "the Company"), appreciates the opportunity to comment on the Utilities General-Tariffs rules, in the above noted docket. PSE hopes the Commission finds the following comments and suggested changes to Staff's proposal helpful and appropriate.

Proposed Policy Change for Timing of Notifications Should Be Rejected

Throughout this rulemaking process, Commission Staff has continually stated a new policy directive that utilities should be required to provide each customer at least 30 days notice prior to increasing rates. The Commission has never had such a policy. The existing policy requires posting notices at payment stations, which provides information to customers when they go to pay their monthly bill--less than 30 days notice. PSE has repeatedly asked Staff to explain what conditions it believes have changed since the last notice rule was adopted that warrants proposing such a new policy direction. At the September 18, 2001, workshop, Chairwoman Showalter asked a similar question. The primary supporting statements from Staff was captured in the statement from Mr. Blackmon at the workshop that Staff just thinks it is important.

While Staff has not provided a sufficient basis to justify a change in Commission policy, there have been significant changes that might affect timing of customer notice since the rules were last considered. Price volatility in both electricity and natural gas markets in the Northwest has increased exponentially. This fundamental change in the industry does not support Staff's proposed policy change; to the contrary, increased volatility of energy prices suggests there are instances when a shorter notification period is appropriate not a longer one.

Staff's proposal should be revised to continue with a customer notification policy that is consistent with current standards. Specifically, as an alternative to newspaper advertising, utilities should be allowed to use bill inserts to notify customers of proposed tariff changes commensurate with submitting the filing to the Commission. This would get information to more customers on a more timely basis than the current posting at pay stations. Please note this would be in addition to posting the information on the utility's website (which PSE supports) which would allow customers to see the notice 30 days in advance.

Given there has been no evidence provided on the record in this proceeding to support Staff's policy change, PSE recommends the Commission reject Staff's proposal. The modifications to Staff's proposal noted above will provide better notice to customers using updated technology without the Commission having to make an arbitrary change in policy.

Commission Should Reject Minimum Timing Requirements on Customer Notice of Public Hearing

Staff's proposal to require utilities to provide customers with 45 days notice of a hearing to take public comment in an adjudicative proceeding should be rejected. As noted in prior PSE comments, this timing requirement does not belong in this set of rules. The timing for establishing a public hearing date is completely beyond a utility's control. It is not reasonable to subject utilities to such a requirement.

A more reasonable rule would require utilities to include the notification in the next reasonably available billing cycle after the Commission issues the schedule in a prehearing conference order. If Staff wishes to establish a new policy that binds the Commission to providing no less than 45 days notice of a public hearing, Staff should propose that revision in WAC 480-09, which addresses Commission procedures. While PSE would not support this revision in those rules either, this policy change should not be considered or adopted in the context of the utility operations or tariff rules.

Conclusion

Thank you for the opportunity to file comments in this proceeding. If you have any questions pertaining to these comments or other related matters, please contact Phillip Popoff at (425) 462-3229. If I can be of any other assistance, please contact me at (425) 462-3178.

Sincerely,

Steve Secrist
Director, Rates and Regulation