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PUGET SOUND ENERGY

The Energy To Do Great Things

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Filed: via WUTC web portal

September 10, 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 appreciates the extensive effort of the Commission's staff in preparing the Comment Summary Matrix dated August 3, 2010, that addressed each of the comments submitted by the interested parties in response to the June 11, 2010 Notice of Opportunity to File Written Comments. This matrix has been very helpful in formulating these comments and in reviewing the draft rules.

Puget Sound Energy, Inc. ("PSE" or the "Company") submits these comments in response to the August 9, 2010, Notice of Opportunity to File Written Comments. These comments address the draft Rules provided with the August 9, 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 an additional provision to the draft rules. PSE appreciates the opportunity to be a participating party in this rulemaking proceeding.

Puget Sound Energy Comments

Puget Sound Energy presents its comments first in a discussion about the proposed new rules and the discussion is followed by our recommended edits to the draft rules issued by the Commission that are dated August 4, 2010. Also attached is a summary of the recommended edits to the draft rules.

Puget Sound Energy Comments on Specific Rule Provisions

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

Discussion: As PSE stated in its earlier comments, PSE customers have two options to request electronic information: (1) directly from the utility, or (2) through their financial institution or other bill-paying service (a “third-party”).

Option (1): When customers request electronic information from PSE, PSE can provide information electronically directly to the customer as well as request electronic payment from the customer’s bank and maintain a record of that customer’s consent. In addition, the customer maintains and updates their e-mail address directly on PSE’s web site.

Option (2): Most PSE customers, however, choose the second option (their financial institution or a third-party) because they can then receive and pay all of their bills – utility, credit card, department store, etc. - on a single web site, utilizing a single password. With permission from the customer, the third-party obtains the customer’s utility account information from PSE and presents the electronic information to the customer and then transmits payment to PSE when requested by the customer. When a customer chooses this option PSE does not have the capability to confirm consent directly from a customer since the customer does not deal directly with PSE, the third party deals with PSE on behalf of the customer. PSE will obtain consent from the third-party on behalf of the customer. The August 4, 2010 draft rule provides that “The utility must retain a record of the customer consent...” PSE will maintain a record of the date and the name of the third-party request as a record of the customer consent. PSE believes that by retaining the information described in Options (1) and (2) above, PSE will comply with the August 4, 2010 provisions in WAC 480-90/100-XXX(2)(b).

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

Discussion: The August 4, 2010 draft of this provision could be found misleading since it states that the utility will provide a paper copy of electronic information upon request. The draft of WAC 480-90/100-XXX(5), however, states that utilities may limit paper copies to three times per year. PSE proposes a slight revision to eliminate the possibility of misinterpretation.

Suggested revision to draft rule:

WAC 480-90-XXX(2)(d)(iii) and 480-100-XXX(2)(d)(iii) Electronic information.

(2) Verification of consent.

(d) At a minimum, the customer consent must confirm the following information from the customer:

(iii) Confirmation that the customer understands that the utility will provide upon request and subject to the limitations provided in this rule, a paper copy of any document sent electronically at no additional charge;

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

Discussion: As mentioned in the discussion regarding WAC 480-90-XXX(2)(b) and 480-100-XXX(2)(b) above, when the customer requests electronic information directly from PSE (option 1) the customer enters, and is responsible for updating their e-mail address, directly on PSE's web site. PSE employees do not have access to enter or change a customer's e-mail address since PSE upholds a practice that customer e-mail addresses are private and confidential. This practice has worked very well for PSE's customers who easily can create new or change e-mail addresses. PSE therefore suggests a minor revision to the draft rule wording.

When a customer requests electronic information through a third-party (option 2), the third-party, not the utility, confirms the information for the customer. With this option, PSE will require third-parties to provide PSE with electronic confirmation that confirmation information has been provided to PSE customers.

Suggested revision to draft rule:

WAC 480-90-XXX(2)(d)(v) and 480-100-XXX(2)(d)(v) Electronic information.

(2) Verification of consent.

(d) At a minimum, the customer consent must confirm the following information from the customer:

(v) Confirmation that the customer understands it is their responsibility to provide ~~notify~~ the utility with notice or enter an update due to ~~of~~ any change to their e-mail address or other electronic address.

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

Discussion: This section provides for notice by only one method (e-mail). The Company proposes that this be expanded to include U.S. Mail since PSE does not have the e-mail addresses for those customers who have signed up for paperless billing through a third-party. See the suggested rule change below.

Suggested revision to draft rule:

WAC 480-90-XXX(2)(e) and 480-100-XXX(2)(e) Electronic information.

(2) Verification of consent.

(e) Utilities providing electronic information to customers at the time this rule is adopted by the commission may meet the requirements for verification of consent by sending an e-mail or letter by U.S. Mail to each of those customers stating the following:

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

Discussion: As with section (2)(d)(iii) the August 4, 2010 draft of section (2)(3)(ii) could be found misleading since it states that the utility will provide a paper copy of electronic information upon request. The draft of WAC 480-90/100-XXX(5), however, provides that utilities may limit paper copies to three times per year. PSE proposes a slight revision to the draft rule to eliminate the possibility of misinterpretation.

Suggested revision to draft rule:

WAC 480-90-XXX(2)(e)(ii) and 480-100-XXX(2)(e)(ii) Electronic information.

(2) Verification of consent.

(e) Utilities providing electronic information to customers at the time this rule is adopted by the commission may meet the requirements for verification of consent by sending an e-mail or letter by U.S. Mail to each of those customers stating the following:

(ii) The utility will provide upon request and subject to the limitations provided in this rule, a paper copy of any document sent electronically at no additional charge;

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

Discussion: As mentioned in the above discussions regarding WAC 480-90/100-XXX(2)(b) and 480-90-XXX(2)(d)(v), when the customer requests electronic information directly from PSE (option 1) the customer enters, and is responsible for updating their e-mail address, directly on PSE's web site. PSE therefore suggests a minor revision to the draft rule wording.

When a customer requests electronic information through a third-party (option 2), the third-party, not the utility, confirms the information for the customer. With this option, PSE will require third-parties to provide PSE with electronic confirmation that confirmation information has been provided to PSE customers.

Suggested revision to draft rule:

WAC 480-90-XXX(2)(e)(iv) and 480-100-XXX(2)(3)(iv) Electronic information.

(2) Verification of consent.

(e) Utilities providing electronic information to customers at the time this rule is adopted by the commission may meet the requirements for verification of consent by sending an e-mail or letter by U.S. Mail to each of those customers stating the following:

(iv) The customer is responsible to provide ~~notify~~ the utility with notice or enter an update due to of any change to their e-mail address or other electronic address.

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

Discussion: This draft provision provides that all electronic notices of proposed tariff changes be marked “IMPORTANT NOTICE REGARDING YOUR UTILITY” in the subject line. PSE feels that this wording is so broad that it could be misleading and suggests that the word “SERVICE” be added as shown in the draft rule below.

Suggested revision to draft rule:

WAC 480-90-XXX(3) and 480-100-XXX(3) Distribution of electronic notices.

(a) Electronic notices of proposed tariff changes of increased rates or restriction of access to services, and public hearings will be marked IMPORTANT NOTICE REGARDING YOUR UTILITY SERVICE in the subject line.

WAC 480-90-XXX and 480-100-XXX

Discussion: The August 3, 2010 Comment Summary Matrix, item number 6 on page 10 of 16, states in the Staff Response column that new language might offer useful guidance to the company and added protection for customers. Staff recommends that Public Counsel propose suggested language for stakeholders to consider to address procedures regarding returned e-mail. PSE is providing comments at this time to explain the process at PSE and explore the need for such a rule.

PSE agrees with the need to keep e-mail addresses updated for receipt of electronic bill notifications. The actual electronic information, however, is available to customers through PSE’s web site and a customer may look at the electronic information without receiving the e-mail. In addition, PSE addresses this issue with customers who have signed up directly with PSE by assigning responsibility to the customer for maintaining their own e-mail address on PSE’s web site. As mentioned earlier, PSE employees do not have access to enter or change customers’ e-mail addresses for receipt of electronic information since PSE upholds a practice that customer e-mail addresses are private and confidential. This practice has worked very well for PSE’s customers who easily can create new or change e-mail addresses, allowing the customer direct control of the change on PSE’s web site. In addition, customers control both the enrollment and enrollment cancellation on PSE’s web site. PSE customers go to PSE’s web site to enroll, cancel enrollment, add an e-mail address or change an e-mail address for electronic billing. These actions are not handled by PSE representatives, except in unusual situations where PSE representatives may cancel a customer’s enrollment. Should a customer incorrectly type their e-mail address or fail to change their e-mail address, PSE does attempt to contact the customer to have the customer correct the error. Follow-up is time consuming and costly. It should be noted there exists a safeguard for customers which is to receive credit notices through the U.S. Mail.

When a PSE customer signs up for paperless billing through a third-party, PSE does not receive a record of the customer's e-mail address since the billing information is sent to the third-party for distribution to individual customers. However, the third-party does send information regarding returned e-mails to PSE for follow-up.

The Company believes that the obligation regarding e-mail addresses and therefore returned e-mail (see WAC 480-90/100-XXX(2)(d)(v)) is with the customer and perhaps the verification of consent should be expanded to mention returned e-mail.

PSE is not aware of any WAC rule regarding paper mail that is returned and believes that an additional rule (other than WAC 480-90/100-XXX(2)(d)(v)) is not necessary as utilities have an incentive to see that the bill reaches the customer so that it is paid on a timely basis and to avoid the expense and customer relations issues caused by credit actions. Since Public Counsel has been requested by Staff to propose suggested language, PSE is not proposing any suggested language but believes that any such language should only obligate utilities to treat returned e-mail in a manner similar to how the utility treats returned U.S. Mail.

WAC 480-90/100-XXX(4)(b) (in Electric and Gas Draft Rules dated August 4, 2010)

Discussion: The Company is proposing a slight revision to this provision as it may be misinterpreted to require a written copy of payment plans required under RCW 80.28.010(4) and (5).

Suggested revision to draft rule:

WAC 480-90-XXX(4) and 480-100-XXX(4) Obligation to provide paper documents. The following documents may not be provided solely by electronic means:

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

WAC 480-90-XXX & 480-100-XXX (in Comment Summary Matrix of August 3, 2010)
WAC 480-90/100-XXX(5) (in Electric and Gas Draft Rules dated August 4, 2010)

Discussion: The August 3, 2010 Comment Summary Matrix, item number 9 on page 10 of 16, states in the Staff Response column that "Staff does not agree to the last sentence. It is unnecessary. It is already covered by the language in the first sentence."

PSE had intended that the last sentence, which is: "A utility may refuse to provide or refuse to continue providing a customer documents electronically." as giving the utility the right to refuse to provide electronic information to a specific customer. While the first sentence gives the utility the right to refuse to provide both electronic information and paper documents on a continuous basis, it does not allow the utility to refuse to

provide electronic information to a specific customer. PSE believes that this is necessary, even though the August 4, 2010 draft rules, in the first sentence of WAC 480-90/100-XXX, provide that a utility “*may* provide by electronic means” (emphasis added) so that a utility does not appear to be discriminatory in refusing electronic information to a specific customer. Reasons for a utility refusing to provide electronic information include reasons such as the customer is unable to properly receive, view or understand the electronic information.

PSE is suggesting a revision to the August 4, 2010 draft of WAC 480-90/100-XXX(5) below, to address this concern.

In addition, the first two sentences may be misinterpreted if read and applied separately. To clarify the intent of the two sentences a minor revision is suggested below to eliminate the possibility of applying the two sentences separately.

Suggested revision to draft rule:

WAC 480-90-XXX(5) and 480-100-XXX(5) Limit on changes to information format. A utility is not obligated to provide both paper documents and electronic information to a customer on a continuous basis- , therefore, a A utility may limit a customer who has consented to electronic delivery to three requests for paper documents in a 12 month period. A utility may require that a customer who requests an electronic bill also receive all bill inserts electronically. If a customer is unable to properly receive, view or understand electronic information provided by the utility, the utility may refuse to provide that customer with electronic information.

WAC 480-90-XXX and 480-100-XXX in Comment Summary Matrix of August 3, 2010

PSE Proposed WAC 480-90/100-XXX(7)

Discussion: The August 3, 2010 Comment Summary Matrix, item number 11 on page 12 of 16, states in the Staff Response column that “A 60-day delay for implementation may be more appropriate.”

PSE has reviewed some of the changes that may be required by the draft rules and agrees that 180 days may be more than is necessary. Since a complete review of all applicable technology programs requires time, the Company suggests that the draft rule provide either a 90-day window for implementation or allow utilities to request an extension of time beyond the 60 days suggested by Staff.

PSE notes that the August 4, 2010 draft rules do not reflect a section providing for implementation, therefore below is a suggested draft provision identified as WAC 480-90-XXX(7) and WAC 480-100-XXX(7).

Suggested revision to draft rule:

WAC 480-90-XXX(7) and WAC 480-100-XXX(7). Implementation by utilities. Utilities who are providing electronic information to customers at the time of implementation of WAC 480-90/100-XXX shall implement all provisions of WAC 480-90/100-XXX within ninety (90) days of its effectiveness. [OR Utilities who are providing electronic information to customers at the time of implementation of WAC 480-90/100-XXX shall implement all provisions of WAC 480-90/100-XXX within sixty (60) days of its effectiveness but may obtain an extension of this time, with reason and upon request to the Commission.]

PSE appreciates the opportunity to comment on the draft rules to clarify the use of electronic information. 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,



Tom DeBoer
Director – Federal and State Regulatory Affairs

Summary of Suggested revisions to draft rule language:

NEW SECTION

WAC 480-90-XXX(2)(d)(iii) and 480-100-XXX(2)(d)(iii) Electronic information.

(2) Verification of consent.

(d) At a minimum, the customer consent must confirm the following information from the customer:

(iii) Confirmation that the customer understands that the utility will provide upon request and subject to the limitations provided in this rule, a paper copy of any document sent electronically at no additional charge;

WAC 480-90-XXX(2)(d)(v) and 480-100-XXX(2)(d)(v) Electronic information.

(2) Verification of consent.

(d) At a minimum, the customer consent must confirm the following information from the customer:

(v) Confirmation that the customer understands it is their responsibility to provide notify the utility with notice or enter an update due to of any change to their e-mail address or other electronic address.

WAC 480-90-XXX(2)(e) and 480-100-XXX(2)(e) Electronic information.

AND

WAC 480-90-XXX(2)(e)(ii) and 480-100-XXX(2)(e)(ii) Electronic information.

(2) Verification of consent.

(e) Utilities providing electronic information to customers at the time this rule is adopted by the commission may meet the requirements for verification of consent by sending an e-mail or letter by U.S. Mail to each of those customers stating the following:

(ii) The utility will provide upon request and subject to the limitations provided in this rule, a paper copy of any document sent electronically at no additional charge;

WAC 480-90-XXX(2)(e)(iv) and 480-100-XXX(2)(3)(iv) Electronic information.

(2) Verification of consent.

(e) Utilities providing electronic information to customers at the time this rule is adopted by the commission may meet the requirements for verification of consent by sending an e-mail or letter by U.S. Mail to each of those customers stating the following:

(iv) The customer is responsible to provide notify the utility with notice or enter an update due to of any change to their e-mail address or other electronic address.

WAC 480-90-XXX(3) and 480-100-XXX(3) Distribution of electronic notices.

(a) Electronic notices of proposed tariff changes of increased rates or restriction of access to services, and public hearings will be marked IMPORTANT NOTICE REGARDING YOUR UTILITY SERVICE in the subject line.

WAC 480-90-XXX(4) and 480-100-XXX(4) Obligation to provide paper documents. The following documents may not be provided solely by electronic means:

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

WAC 480-90-XXX(5) and 480-100-XXX(5) Limit on changes to information format. A utility is not obligated to provide both paper documents and electronic information to a customer on a continuous basis. , therefore, a utility may limit a customer who has consented to electronic delivery to three requests for paper documents in a 12 month period. A utility may require that a customer who requests an electronic bill also receive all bill inserts electronically. If a customer is unable to properly receive, view or understand electronic information provided by the utility, the utility may refuse to provide that customer with electronic information.

WAC 480-90-XXX(7) and WAC 480-100-XXX(7). Implementation by utilities. Utilities who are providing electronic information to customers at the time of implementation of WAC 480-90/100-XXX shall implement all provisions of WAC 480-90/100-XXX within ninety (90) days of its effectiveness. [OR Utilities who are providing electronic information to customers at the time of implementation of WAC 480-90/100-XXX shall implement all provisions of WAC 480-90/100-XXX within sixty (60) days of its effectiveness but may obtain an extension of this time, with reason and upon request to the Commission.]