

May 20, 2002

**NEW CUSTOMER NOTICE RULES ADOPTED**  
**(Effective June 17, 2002)**

RE: Docket No. U-991301

TO ALL PERSONS INTERESTED IN CUSTOMER NOTICE RULES:

You contacted the Commission regarding your interest in our proposed publication and notice rules for utility and telephone companies. We are pleased to announce that those rules will become effective **June 17, 2002**.

You can view the entire rule via our rulemaking web page at [www.wutc.wa.gov/991301](http://www.wutc.wa.gov/991301) or you can request a copy by calling our toll-free line at 1-800-562-6150, press 2 and leave your name and address and your request for the "991301" rule.

Many of the public comments we received during the course of the rulemaking asked the Commission to ensure that customer receive 30 days notice when regulated companies propose rate changes. While state law does not specifically require companies to provide direct customer notice of proposed rate changes, our rules provide a set of notice options that comply with state law but also encourage companies to provide 30 days direct notice to customers.

The customer notice sections of the rules apply when regulated natural gas, electric and traditional local telephone companies propose increases in the rates for services that are billed on a recurring basis. (Different notice requirements apply to telephone services that are considered competitive--see below.)

Companies must publish and distribute a notice of the proposed increase in one of the following ways:

- 1) At least 30 days before the proposed rate takes effect, the company must mail a notice to all customers affected by the proposed rate change. This notice can be included in with the customer's bill.

OR

- 2) At least 15 days before the proposed rate takes effect, the company must mail a notice to all customers affected by the proposed rate change AND do the following:

- a) Distribute copies of the notice to a mailing list of community organizations in the service area.
- b) Provide the notice to all media within the service area.
- c) Post a copy of the notice on the Internet.

OR

- 3) The company can avoid mailing a notice to customers if, at least 30 days before the proposed rate change, it does a), b) and c) above and buys an advertisement in the newspaper with the largest circulation in the service territory with the full notice in large print.

Regardless of how it is distributed, the notices must provide a brief explanation of the reason for the rate increase request, a comparison of current and proposed rates, an example illustrating the effect of the proposed rate increase on the average bill, the proposed effective date, and information on how the customer may comment to the Commission regarding the proposed rate increase.

Regulated companies must also maintain a physical location in each county where they serve to allow customers the opportunity to review the company's rates, services, and conditions (referred to as tariffs). A staff person must be available to answer questions. If it does not provide a physical location, the company must provide a toll-free phone number where customers can order copies of the rates for free and also provide Internet access to electronic copies of the tariffs.

The requirements described above apply to all regulated natural gas, electric and traditional local telephone companies. The rules do not apply to Public Utility District, city utilities or cooperatives. They also, as mentioned earlier, do not apply to new telephone companies and to certain telephone services, such as long-distance, that have been determined to be competitive.

State law allows competitive companies and services to undergo rate changes with 10 days notice to customers and the Commission. Because the services are subject to competitive pressure, the rates go into effect without the need of approval from the Commission. Since the only recourse when a competitive company raises rates is for the customer to look for alternative providers, the notice period becomes very important. Our new rule clarifies that when a competitive service rate is being increased, customers must receive at least 10 days notice by bill insert, bill message, printing on the billing envelope, a separate mailing to all affected customers, or, if authorized by the customer, e-mail. This notice requirement does not apply if the company lowers a customer's rate.

Furthermore, competitive companies and services must provide access to all such rates, terms, and conditions via the Internet using a standard browser. Companies must also make available, upon request, copies of its price list bill and notice it sends to customers. Since some phone companies lower rates by offering new calling plans that customers

must proactively sign up for, this rule will make it easier for existing customers to stay abreast of any lower cost plans that their company offers.

Thank you for your participation in this process. If you have any questions about the Customer Notice Rules, please call Kim Dobyms of the Commission Staff at 360-664-1242 or email her at [kdobyms@wutc.wa.gov](mailto:kdobyms@wutc.wa.gov). If you would like to keep in touch with other developments at the Commission, you can subscribe to our consumer newsletter which is delivered by listserv (send an email to [tsweeney@wutc.wa.gov](mailto:tsweeney@wutc.wa.gov)) or by postal service (1-800-562-6150, press 2 and leave your mailing address).

Sincerely,

CAROLE J. WASHBURN  
Secretary