

# HOUSE BILL REPORT

## HB 1009

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**As Reported by House Committee On:**  
Technology, Energy & Communications

**Title:** An act relating to paying utility bills electronically.

**Brief Description:** Allowing electronic payment of utility bills.

**Sponsors:** Representatives Morris, Upthegrove and Conway.

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 1/11/05, 1/27/05 [DPS].

**Brief Summary of Substitute Bill**

- Requires utility providers to offer an electronic payment option that customers may use for payment of bills for service provided.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Morris, Chair; Kilmer, Vice Chair; Ericks, Hudgins, P. Sullivan, Takko and Wallace.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Crouse, Ranking Minority Member; Haler, Nixon and Sump.

**Staff:** Sarah Dylag (786-7109).

**Background:**

Current law does not require or prohibit electronic payment options that electric, natural gas, water, sewer or telecommunications customers may use for payment of bills for services provided. The rules of the Washington Utilities and Transportation Commission in the Washington Administrative Code do provide authorization for telephone companies to provide electronic bills if the bills meet certain content requirements. These rules do not address electronic payment options.

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**Summary of Substitute Bill:**

By July 1, 2008, utilities must offer an electronic payment option that a retail customer may use for payment of bills for service provided. Electronic payment option means an Internet-based method of payment that allows a customer, at the time of payment, to access an Internet web page and transmit text or data controlling the amount of the payment, the date of payment, and the account from which the payment will be made.

Additional fees or costs charged to the customer may not exceed the actual cost of providing an electronic payment option.

Utilities that have less than 5,000 retail customer accounts are exempt from the requirement.

**Substitute Bill Compared to Original Bill:**

The original bill required utilities to provide an electronic payment option by July 1, 2006. The substitute bill changes the date by which utilities must provide an electronic payment option to July 1, 2008.

The substitute bill adds a definition of electronic payment option and an exemption for utilities with less than 5,000 retail customer accounts.

The substitute bill provides that utilities may charge customers for providing an electronic payment option, but that charge may not exceed the actual cost of providing an electronic payment option.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** (In support) The intent of the bill is for utilities to provide at least one electronic payment option that customers can use to control payment of bills. This is a convenient option for customers to make payments. Electronic payment is a modern, convenient, economic and affordable way to conduct business. Some utilities already provide some form of electronic payment and there are a variety of electronic payment options that exist. Providing a form of electronic payment is important for customer satisfaction.

Using certain electronic payment options do not cost the customer paying the bill. Those receiving payment through certain electronic payment options may pay a fee. It can be more affordable to use certain electronic payment service than to use a bank card.

The requirement to offer an electronic payment option should be sensitive to small districts. Among utilities, there is an array of levels of preparedness for the requirement and the effective date is too soon. Even for larger utilities, it can take time to implement electronic payment options.

For utilities regulated by the Utilities and Transportation Commission, the mandate should be to the Utilities and Transportation Commission to promulgate rules.

(In support with amendments) The bill should provide that utilities are required to provide at least one electronic payment option at no additional cost to customers. This would account for utilities that provide more than one electronic payment option and charge for some of the electronic payment options.

**Testimony Against:** (Opposed) There are several forms of electronic payment and it is unclear which electronic payment option is required.

Even with this requirement, not every customer will choose to pay by electronic means. The requirement will not supplant traditional means of payment and costs associated with traditional types of payment will still exist.

Implementing electronic payment options can be a multi-year project and implementation by July 1, 2006 is too soon.

(With concerns) There is concern about cost, especially in small counties and cities. There may be charges associated with electronic payment options and costs associated with implementation of an electronic payment option can vary. There is concern about not imposing costs on an individual ratepayer. The individual ratepayer will also have to pay some portion of the cost for providing electronic payment options.

**Persons Testifying:** (In support) Representative Morris, prime sponsor; Scott Hazelgrove, Ebay; Collins Sprague, Avista Corporation; and Mike Tracey, Puget Sound Energy.

(In support with amendments) Kathleen Collins, PacifiCorp.

(With concerns) Steve Lindstrom, Sno-King Water District Coalition; Dave Warren, Washington Public Utility Districts Association; Dave Arbaugh, City of Richland, Kitsap Public Utility District and Chelan Public Utility District; and Charlie Brown, Cascade Natural Gas.

(Opposed) Rose Bowman, Washington State Association of County Treasurers; Victoria Lincoln, Association of Washington Cities; and Bob Mack, City of Bellevue.

**Persons Signed In To Testify But Not Testifying:** None.