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Arizona Corporation Commission
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Docket Control
Arizona Corporation Commission
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RE: Arizona Public Service Company (APS or Company) Reply Comments
Docket No. RU-00000A-14-0014
Handling of Private Customer Information by Utilities

On June 24, 2014, Staff filed its Draft Rules on the Handling of Private Customer Information by Utilities (Draft Rules) in the above mentioned Arizona Corporation Commission (Commission) docket. APS submitted its initial comments to the Draft Rules, along with its recommendations for revisions in redline format, on July 7, 2014. The following comments address additional recommended clarifications to the Draft Rules to reduce the administrative burden of compliance and provide the Company's response to several issues raised by stakeholders in initial comments to this docket.

APS agrees with the general consensus among stakeholders that the Draft Rules require careful thought and the rulemaking process should allow ample feedback from affected utilities to ensure the rules are clear and reflect the intent of the Commission. Clear and consistent interpretation of the rules is critical; as the Company noted in its initial comments, compliance requires clarity.

The Company also agrees with the Grand Canyon State Electric Cooperatives that the definition of "customer" in the Draft Rules at R14-2-2201(5) should be the same as the definition of "customer" set forth in A.A.C. R14-2-201(9).¹ This definition has been used by APS and other electric utilities for over three decades to determine who is the customer at a particular service location, and has been approved by the Commission many times. As the Draft Rules are currently written, the definition of "customer" is too broad because - as the Commission has recognized for many years - it is simply impractical and unworkable to allow more than one individual to make decisions regarding a single electric service account (for example, allowing a renter to make decisions regarding service issues for an account in the landlord's name, as suggested by the Sedona Smart Meter Awareness Group).

¹ R14-2-201(9) defines "Customer" as "the person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service." This definition is often referred to as "customer of record."

However, APS cannot agree with the Global Water Utilities who suggest that, if the Commission chooses to move quickly to adopt the Draft Rules they should apply only to electric utilities, and a separate set of rules should be developed for small water utilities after workshops are held. Presumably, water, wastewater, and gas utilities collect the same type of private customer information as an electric utility does in order to effectively serve its customers; information collected by all utilities within the state should be subject to the same protections as that collected by an electric utility. If certain sections of the Draft Rules need to change or be augmented to apply to the specific needs of smaller companies, those revisions should be discussed with stakeholders and incorporated into the Draft Rules.

Several commenters suggest that the Draft Rules do not go far enough because they do not include restrictions on the type of meter a utility is allowed to install on a customer's property. APS believes that the intent of the Commission with the Draft Rules as they are written is to focus on the privacy of the customer information collected by the utility – not to debate the appropriateness of installed meters of any type. The Commission has a separate proceeding underway in which the Arizona Department of Health Services is conducting a study of automated meters at the Commission's request. The concerns of these commenters will be discussed in that proceeding.

In the Company's initial comments, APS noted that it receives hundreds of requests for customer specific information from law enforcement and social service agencies each month. In fact, similar to Tucson Electric Power, APS provides customer information in response to at least 2,000 requests from city, state, and federal agencies each month. These include requests from entities such as the Department of Housing and Urban Development (HUD), the various police departments and Sheriff's offices throughout the Company's service territory, and the City of Phoenix Human Services Department for the Low Income Home Energy Assistance Program (LIHEAP).² Providing notice of each of these disclosures under the opt-in approval exception provisions of the Draft Rules would be a significant administrative burden for both the Company and the Commission. And, requiring APS to determine whether such disclosure would compromise an ongoing police or other government investigation would impose yet another problematic burden on the Company. APS recommends that notice be provided only upon request:

R14-2-2209(C):

A utility shall, within 10 days ~~after each disclosure made under the Section of~~ written request from the Commission or the affected customer, send notice of the disclosure to the Commission ~~and to each or to the~~ affected customer as applicable, with the notice to include, at a minimum the information listed in subsection (B). Notwithstanding, a notice of disclosure need not be provided to the customer when it would disclose a legitimate law enforcement or other government investigation ~~interfere with a legitimate law enforcement purpose~~.

² The Company receives many more requests for which it declines to provide information. For example, APS only provides customer information to law enforcement personnel if a formal investigation is underway and the requestor provides a signed statement to that effect.

Additionally, the Company currently administers several programs under which customers have already "opted-in" to receive services and information (such as Paperless Billing, the Prepay program, and e-mail receipt of APS newsletters). APS would recommend that the Draft Rules grandfather these customer opt-in programs so utilities are not required to return to these customers to request an additional opt-in approval. These customers would still receive the proposed annual notification; but should not be imposed upon to execute another approval, which would create an administrative burden and increase further the cost of compliance with the Draft Rules. This recommendation would require a new paragraph:

R14-2-2205(G).

A customer who, as of the effective date of these Rules, is already participating in a utility service or program which required the customer to opt-in in order to participate is not required to execute an additional opt-in notice for that service.

APS appreciates the opportunity to participate in this process and looks forward to discussing the Draft Rules with Staff, the Commission, and stakeholders.

Sincerely,



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TLM/bgs

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