

HOUSE BILL REPORT

HB 1034

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

Title: An act relating to paying utility bills electronically.

Brief Description: Allowing the electronic payment of utility bills.

Sponsors: Representatives Morris, Hudgins, Wallace, Moeller, Linville, B. Sullivan, Chase and Ormsby.

Brief History:

Committee Activity:

Technology, Energy & Communications: 1/16/07, 1/30/07 [DPS].

Brief Summary of Substitute Bill

- Requires a city, town, county, public utility district, district, or company providing or operating electric, natural gas, water, sewer or telecommunication services when upgrading or replacing their billing system, to provide for electronic payments from residential customers.

HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; Hankins, Hudgins, Hurst, Takko and VanDeWege.

Minority Report: Do not pass. Signed by 2 members: Representatives McCune, Assistant Ranking Minority Member and Eddy.

Staff: Scott Richards (786-7156).

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

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electronic bills if the bills meet certain content requirements. These rules do not address electronic payment options.

Summary of Substitute Bill:

Electronic Bill Payment

When a city, town, county, public utility district, district, or company providing or operating electric, natural gas, water, sewer or telecommunication services substantially upgrades or replaces their billing system, the resulting system must be capable of accepting electronic payment from residential customers. Additional fees or costs charged to the customer may not exceed the actual cost of providing an electronic payment option. The terms and conditions of service are not affected by allowing residential customers to make electronic payment.

Substantially means a redesign or upgrade of more than 25 percent of the code or database structures of the billing system.

Electronic payment 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 the payment, and the account from which the payment will be made.

Substitute Bill Compared to Original Bill:

- Specifies when a city, town, county, public utility district, district, or company providing or operating electric, natural gas, water, sewer or telecommunication services substantially upgrades or replaces their billing system, the resulting system must be capable of accepting electronic payment from residential customers.
- Provides a definition for substantially, meaning a redesign or upgrade of more than 25 percent of the code or database structures of the billing system.
- Eliminates the electronic payment exemption for a city, town, county, public utility district, district, or company providing or operating electric, natural gas, water, sewer or telecommunication services to less than 5,000 retail customers.
- Specifies that the terms and conditions of service are not affected by allowing residential customers to make electronic payment.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is a "Welcome to the 21st Century" bill. Many utilities are not allowing for the electronic payment of bills. The private sector has been moving toward electronic processing for years. However, many local government entities are not providing for electronic payment systems when they plan for billing system upgrades and purchases. Last session, a similar bill passed out of the House of Representatives that mandated electronic payment systems. This bill requires that when upgrades or purchases are made, the utility would provide electronic billing services.

The Washington Independent Telephone Association appreciates the exemption for service providers serving less than 5,000 retail customer exemption. Each company which develops these billing systems often accept debit or credit cards. With these billing systems, there is no way to post-date electronic payments which could be interpreted from how the bill is currently written.

(With concerns) There is confusion about the term electronic payment. If the intent is that a customer goes to their own bank website account and sets up an electronic payment, then that does not pose a problem and meets the intent of the bill. However, there is some ambiguity in the definition of electronic payment that makes it unclear whether the utility must set up all these options on their own web sites.

(Opposed) None.

Persons Testifying: (In support) Representative Morris, prime sponsor; and Terrence Stapleton, Washington Independent Telephone Association.

(With concerns) Dave Arbaugh, Chelan and Snohomish Public Utility Districts.

Persons Signed In To Testify But Not Testifying: None.