

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  IOWA ASSOCIATION OF ELECTRIC COOPERATIVES	DOCKET NO. DRU-01-2
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**DECLARATORY RULING**

(Issued June 22, 2001)

On May 24, 2001, the Iowa Association of Electric Cooperatives (IAEC) filed with the Utilities Board (Board) a petition for declaratory ruling concerning the impact of Iowa Code chapter 554D (Uniform Electronic Transaction Act) upon certain provisions of 199 IAC 19.4 and 20.4. The IAEC is a trade association representing 38 distribution cooperatives providing electric service at retail in Iowa and five generation and transmission cooperatives that provide wholesale electric service to the distribution cooperatives. In summary, the IAEC asks that the Board determine that energy bills, payment agreements, and disconnection notices can be provided by electronic means.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) intervened and responded to the petition on June 7, 2001. Consumer Advocate asked the Board to allow electronic delivery of energy bills, with the consent of the customer, but not allow electronic delivery of payment agreements and disconnect notices. Consumer Advocate noted that billing and payment transactions are regular and anticipated occurrences, while payment

arrangement/disconnection notices are infrequent and failure to respond can result in serious consequences.

On October 12, 2000, the Board issued an order in Docket Nos. WRU-00-74-978, WRU-00-75-156, WRU-00-78-151, and WRU-00-79-150, granting various waiver requests relative to 199 IAC 19.4(11) and 20.4(12). These two rules deal with the date a bill is considered to be rendered to the customer. The order, which applied only to those utilities requesting a waiver, allowed those customers who elect an optional electronic service to have their bill considered rendered at the time the billing is sent by the utility to a valid electronic mail address. The Board said granting the waivers would allow another payment option for customers who prefer the electronic option but would not have an impact on customers who do not choose electronic billing. The Board noted the bill rendering date is not mandated by statute or other provision of law.

Payment agreements (199 IAC 19.4(10) and 20.4(11)) and disconnection notices (199 IAC 19.4(15) and 20.4(15)) specifically contemplate that there be a written communication or notice. Rules 19.4(11) and 20.4(12), on the other hand, appear to contemplate that bills may be delivered by other than U.S. mail. Allowing bills to be rendered electronically, with the customer's consent, facilitates electronic communications consistent with Chapter 554D.

The Board is concerned that allowing payment agreements and disconnect notices to be transmitted only by electronic means could cause substantial harm to customers. Particularly for disconnect notices, the consequences of ignoring the

notice are substantial and a notice by mail is appropriate and contemplated by the Board's rules.

The Board believes this position, which is consistent with the waivers previously granted, facilitates electronic commerce while at the same time protecting substantive rights of customers. The Board will allow utilities, for customers who have elected electronic billing service, to consider the bills rendered at the time the bills are sent to a valid electronic mail address, provided that the electronic bills comply with 199 IAC 19.4(8)"a" through "i" and 20.4(9)"a" through "i," which list all items required to be provided on a bill. Copies of other notices may not be transmitted exclusively by electronic means.

**IT IS THEREFORE ORDERED:**

The petition for declaratory ruling filed by the Iowa Association of Electric Cooperatives on May 24, 2001, is granted only to the extent discussed in this ruling and denied in all other respects.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper  
Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22<sup>nd</sup> day of June, 2001.