

U-999/CI-89-943INITIATING INVESTIGATION AND ESTABLISHING STUDY GROUP

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of an Investigation into the Customer Data Collection Practices of Minnesota Utilities, Including Telephone Companies

ISSUE DATE: November 8, 1989

DOCKET NO. U-999/CI-89-943

ORDER INITIATING INVESTIGATION  
AND ESTABLISHING STUDY GROUP

PROCEDURAL HISTORY

On November 6, 1989 the Commission issued its ORDER INITIATING INVESTIGATION AND REQUIRING REPORT in a docket captioned In the Matter of an Investigation into Northern States Power Company's Customer Data Collection Practices, docket number E-002/M-89-818. In that Order the Commission initiated an investigation into Northern States Power Company's policies and practices regarding collecting information on individual customers. That investigation was to include examination of Company policies regarding access to individual customer information.

The above investigation resulted from the discovery of several inappropriate notations on individual customer records, including a racial designation on one customer's account record. The Company offered its full cooperation in the investigation, which is not yet completed. One of the preliminary recommendations of Commission investigatory staff, however, was to convene a study group to examine customer data collection practices among Minnesota utilities generally, including telephone companies.

FINDINGS AND CONCLUSIONS

**Investigation Initiated**

The Commission will adopt the recommendation of staff and initiate an investigation to determine whether rulemaking or other action on customer data collection is necessary. Since the Commission has no rules in place governing customer data collection, and since at least one major utility has had problems in this regard, an investigation is warranted. The Commission will appoint a study group

to examine the issues surrounding customer data collection and to report back to the Commission.

### **Scope of Investigation**

The Commission recognizes that public utilities have special needs for information regarding their customers and special responsibilities regarding the solicitation, retention, and disclosure of such information.

In many respects, utilities' needs for information on their customers exceed those of ordinary businesses. For example, utility field personnel must enter customers' homes to read meters, to disconnect service in emergencies, and to disconnect service for nonpayment. This creates a need to record any information suggesting such entry might endanger field personnel. Utilities must cooperate with agencies administering the Fuel Assistance Program, the Telephone Assistance Plan, and similar programs. This obligates the utilities to record information, such as receipt of payments from these sources, which discloses the income levels of participating customers. Utilities must serve everyone who requests service, regardless of creditworthiness. This creates an incentive, if not a need, to request or record information which may aid in future collection efforts, even if such information is not immediately relevant.

Utilities also have unique advantages in obtaining information from customers. Since they provide essential services, generally on a monopoly basis, they have unusual leverage when requesting information. Since they provide services to households as well as individuals, they often receive information on individual customers from third-party sources, such as landlords, present and former roommates, and ex-spouses.

These facts raise privacy concerns which are not present in ordinary business transactions. They create situations in which the privacy rights of customers and the information needs of utilities conflict. They create significant potential for compromising the reliability and relevance of recorded information.

The Commission will ask the study group to examine the issues surrounding the collection of data on individual customers, including, but not necessarily limited to, the following: whether current utility practices should change; what, if any, access and disclosure restrictions should be imposed on customer account information; what, if any, validation requirements should apply to information recorded in customers' records; what information utilities may require as a condition of providing service; what information utilities should be prohibited from requesting or recording.

### **Composition of Study Group**

The study group will be chaired by Commission staff and will include representatives from community organizations, ratepayers in general, interested state agencies, utility customer operations personnel, and utility field personnel. The diverse interests, perspectives, and expertise of such a group should ensure adequate and thoughtful development of the issues outlined above.

## ORDER

1. The Commission hereby establishes a study group to examine the issues surrounding utilities', including telephone companies', acquisition and retention of information regarding individual customers. Issues addressed by the study group should include, but need not be limited to, the following:
  - a. whether current utility data collection practices should be changed;
  - b. what, if any, access and disclosure restrictions should apply to customer account information, both within and outside the company;
  - c. what, if any, validation requirements should apply to information provided by third parties;
  - d. what information utilities may require as a condition of providing service;
  - e. what information utilities should be prohibited from requesting or recording;
  - f. whether the Commission should initiate rulemaking on customer data collection practices.
2. The study group shall be made up of representatives from community organizations, ratepayers in general, interested state agencies, utility customer operations personnel, and utility field personnel.

3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson  
Acting Executive Secretary

(S E A L)