

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 24, 2014

REGULAR CONSENT EFFECTIVE DATE _____ Upon Commission Approval _____

DATE: June 16, 2014

TO: Public Utility Commission

FROM:  Lisa Gorsuch

THROUGH:  Jason Eisdorfer,  Maury Galbraith, and  Aster Adams

SUBJECT: IDAHO POWER: (Docket No. UM 1612) Requests waiver of Oregon Administrative Rule (OAR) 860-021-0326(1), duplicate disconnect notice requirement when the billing address differs from the service address.

STAFF RECOMMENDATION:

Staff recommends that Idaho Power's (Company) request for waiver of OAR 860-021-0326(1), duplicate disconnect notice requirement when the billing address differs from the service address, be approved with the conditions set forth in this memorandum.

DISCUSSION:

On June 28, 2012, Idaho Power submitted a request to waive compliance with OAR 860-021-0326(1).¹ The request was made pursuant to OAR 860-021-0005.

History

Workshops were held on November 28, 2011, and on January 24, 2012, for the purpose of discussing a number of issues, specific to low-income customers, focused on

¹ OAR 860-021-0326(1) provides: "When an energy utility's records show that a residential billing address is different from the service address, the utility must provide a duplicate of the five-day disconnect notice required under OAR 860-021-0405(6) for gas and electric service to the occupants of the premises in the manner described in OAR 860-021-0405(6) unless the utility has reason to believe that the service address is occupied by the customer. This requirement is satisfied by serving a notice addressed to "Tenants" in the same manner provided for in OAR 860-021-0405. The notice to occupants need not include the dollar amount owing."

assistance for those struggling financially to maintain service. An ancillary issue that resulted from these workshops was related to duplicate five-day disconnect notice requirements when a customer has a billing address that differs from the service address. The Low-Income Workshops were attended by Avista Utilities, Cascade Natural Gas, Idaho Power, Northwest Natural Gas, Pacific Power, Portland General Electric, Citizens' Utility Board, Community Action Partnership of Oregon, Oregon Heat, Oregon Housing and Community Services, Oregon Law Center, and Staff.

DOJ interprets OAR 860-021-0326(1) to say that the burden is on the utility to know whether its customer is occupying the service address and, absent such information, the utility needs to send notice to both the account holder and the service address. This rule requires utilities to send duplicate five-day disconnection notices to the occupants residing at a service address when the customer of record lives elsewhere as evidenced by having a separate billing address.

Idaho Power has not had a practice in place to verify with customers, at the time service is established, whether the service address is occupied by the customer or a tenant when the billing address and the service address are different. Also, the Company has not tracked this information in its customer information system. As a result, the Company is not in compliance with OAR 860-021-0326(1) per DOJ's interpretation, described above. The Company stated, at the time its request for waiver was filed, that it had 3500 customers² with billing addresses that differ from the service addresses.

Idaho Power requested this waiver on the basis of excessive costs. The Company stated that these increased costs would be due to postage and handling, system upgrades, manual processing of mail, and hand delivery of some disconnect notices. The Company did not provide an overall estimate of these additional costs. The Company stated that it had not received complaints from tenants, occupants, landlords or the Commission, related to this rule looking back five years. Idaho Power stated that it would be costly and unnecessary to send duplicate five-day disconnect notices based on differing billing and service addresses alone.

Staff Analysis

Staff recommends that Idaho Power's request for waiver of OAR 860-021-0326(1) be granted for a period of three years from the date of this recommendation, June 24, 2017, or until the rule is amended, whichever comes first. In this regard, Staff will separately request that a rulemaking proceeding be opened to consider amending

² Idaho Power, at the time of this filing, reported having 13,310 customers. The 3500 customers with billing addresses that differ from the service addresses make up approximately 26 percent of the Company's Oregon customers.

this rule to address the issue of adequate notice of disconnection to tenants when the landlord is responsible for the utility bill.

Staff understands that billing addresses may differ from service addresses for reasons other than landlord tenant situations. A utility's customer of record may receive mail at a PO Box versus the service address. It is also possible that a utility's customer of record has service at a primary residence and has service at a vacation home. Staff agrees that it would be costly and unnecessary to send duplicate five-day disconnect notices based on differing billing and service addresses alone, and concurs with the Company that the Commission has received no complaints related to this matter. However, Staff believes that OAR 860-021-0326(1) should be reviewed, and possibly revised, to address tenant notification concerns moving forward.

Northwest Natural and Pacific Power have also requested waiver of this rule in Docket Nos. UM 1614 and UM 1620, and Staff memo addressing these requests will also be considered at this public meeting. Staff recommends approval of each of the three waiver requests, for Idaho Power, Northwest Natural, and Pacific Power, through June 24, 2017.

During this waiver period, Staff will work with energy utilities and interested parties to address amending OAR 860-021-0326(1) to establish requirements for energy utilities to verify with customers, and track in their customer information systems, on an ongoing basis whether tenants occupy homes that have a billing address that differs from the service address.

In the next few months, Staff will set-up informal workshops with energy utilities and interested parties to discuss proposed modifications to OAR 860-021-0326(1).

PROPOSED COMMISSION MOTION:

Idaho Power's request for waiver of OAR 860-021-0326(1)'s duplicate disconnect notice requirement when the billing address differs from the service address be approved and remain in effect until June 24, 2017, or until OAR 860-021-0326(1) is amended, whichever first occurs.