



Pacific Power
Rocky Mountain Power
825 NE Multnomah Street
Portland, Oregon 97232

Please Reply To:

Michelle R. Mishoe, Legal Counsel
Suite 1800
Direct Dial (503) 813-5977
Fax (503) 813-7252
Email: michelle.mishoe@pacificorp.com

July 16, 2012

VIA ELECTRONIC FILING AND U.S. MAIL

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 2148
Salem, OR 97308-2148

RE: Petition for Waiver of Applicability of OAR 860-021-0326(1), Disconnection of
Gas or Electric Service to Tenants

Enclosed for filing is a Petition for Waiver of Applicability of OAR 860-021-0326(1),
Disconnection of Gas or Electric Service to Tenants.

Sincerely,

Michelle. R. Mishoe

1 took issue with the Company’s procedures and urged the Company to request a waiver of the
2 rule.

3 OAR 860-021-0326(1) provides as follows:

4 (1) When an energy utility’s records show that a residential billing address is
5 different from the service address, the utility must provide a duplicate of the five-
6 day disconnect notice required under OAR 860-021-0405(6) for gas and electric
7 service to the occupants of the premises in the manner described in 860-021-
8 0405(6) unless the utility has reason to believe that the service address is
9 occupied by the customer. This requirement is satisfied by serving a notice
10 addressed to “Tenants” in the same manner provided for in 860-021-0405. The
11 notice to occupants need not include the dollar amount owing.

12 The current rule language was created as result of a rulemaking in 1990.¹ The intent of
13 OAR 860-021-0326(1) was to notify tenants of pending disconnection of service. The order
14 states, “When the utility customer is not the person who occupies the residence, the resident
15 does not receive disconnect notices under the existing rule. Tenants whose rent includes a
16 charge for utilities have no way of knowing whether the lessor paid the utility bill. They have
17 no advance warning of impending disconnection.”² The order further states, “As staff notes,
18 utilities have no way to know which dwellings have tenants or roommates. Requiring utilities
19 to investigate the status of each residence before disconnection adds unacceptable expense and
20 delay to the procedure. Tenants and spouses must find protection under other laws.”³

21 The Company’s current procedures allow the Company to identify situations where
22 tenants may occupy a home scheduled for disconnection and the electric bill is under the
23 landlord’s name. To establish clarity of the current occupant notification process and to provide
24 Commission staff with comfort that the Company is acting consistently with the rule, the

¹ 1990 Docket AR 193, Order No. 90-1105 (July 20, 1990).

² Order No. 90-1105, p. 39.

³ Id. at 40.

1 Company petitions for a waiver of certain requirements in OAR 860-021-0326(1) as described
2 below.

3 **2. Provisions of OAR 860-021-0326(1)**

4 **A. Billing Address Different from Service Address**

5 Based on the statements referenced above and the actual language of OAR 860-021-
6 0326(1), the rule was intended to notify tenants at premises where the billing is sent to a lessor,
7 of pending disconnection, rather than to provide notice to every occupant at a service address
8 regardless of whether that occupant is the owner or a tenant. The Company does not have
9 reason to believe that a mailing address different from the service address automatically
10 constitutes a landlord/tenant relationship. The Company's records indicate that 118,658
11 accounts in Oregon have billing addresses different from the service address. Based on the
12 demographics of the Company's service territory, these accounts are not likely to be
13 landlord/tenant relationships. For example, an Oregonian may have residential service for their
14 primary residence in Portland and second home with residential service in one of Oregon's
15 destination communities such as Bend, Lincoln City, or Cannon Beach. It is not reasonable to
16 assume strictly on the basis of the service address being different than a mailing address a
17 tenant/landlord relationship exists at a destination community. Large portions of Pacific
18 Power's service territory are in rural areas, and customers provide a post office box for their
19 billing address. The use of a post office box does not automatically constitute a situation where
20 service is being provided to a tenant.

21 Pacific Power's historic practice has been to work with occupants of a service address
22 who contact the Company, giving the occupant an opportunity to resolve the issue with their
23 landlord prior to disconnection of service. This practice has been successful, as Pacific Power

1 has received no complaints from tenants, occupants, landlords or the Commission on behalf of
2 an applicant or occupant of a residence where a landlord failed to make payment and service
3 was pending disconnection. It was not until recently that Pacific Power was advised by
4 Commission Staff they took issue with Pacific Power's interpretation of OAR 860-021-0326(1).
5 Staff further advised its interpretation of the rule gives the utility the burden to identify all
6 situations where a tenant occupies a residence and the landlord pays the bill.

7 Pacific Power does not necessarily agree with Staff's interpretation of OAR 860-021-
8 0326(1) that the utility has the burden to identify all situations where a tenant at the residence is
9 not the account holder. However, in the spirit of cooperation, the Company implemented
10 immediate changes to its existing disconnection notification process to provide notice to
11 occupants at a residence where a disconnection order is pending regardless of who was
12 receiving the bill. This revised process was developed taking into consideration the low
13 probability a differing service address and billing address translates into a landlord/tenant
14 relationship, the current limitations of recording a tenant/landlord relationship in the Company's
15 customer service system, the costs of potential solutions to remedy Staff's concerns, and the
16 time required to make changes to the customer service system. The following is a description
17 of the process that occurs when a monthly bill remains unpaid:

- 18 1. Pacific Power reads meters and sends billing statements to customers on a monthly
19 basis.⁴
- 20 2. When a customer does not pay the monthly bill and the following month's billing
21 statement is generated, the customer will receive a past due notice giving 15 days to
22 submit payment or face potential disconnection of service.⁵

⁴ OAR 860-021-0120.

1 3. Five days prior to the due date on the past due notice, Pacific Power issues a final
2 notice advising the customer of the past due balance and the due date for payment to
3 avoid disconnection of service.⁶

4 As noted above, steps 1-3 are provided for in the Oregon Administrative Rules. Pacific
5 Power for the past several years has conducted additional courtesy payment reminders:

6 4. An automated outbound call is placed to the customer of record approximately three
7 days prior to the pending disconnection of service. (System-wide, approximately
8 41% of customers contacted make payment arrangements following this call.)

9 5. A courtesy door hanger is left at any premise that remains subject to disconnection
10 following the outbound call in paragraph 4 above. The door hanger is left at the site
11 to be disconnected at least 48 hours prior to disconnection of service. (System-wide,
12 approximately 71% of accounts make payment arrangements following receipt of
13 this door hanger) It appears the notices are being received by the responsible party
14 for the electric bill.

15 In response to the issues raised by Staff, Pacific Power made changes to the door hanger
16 by adding language addressed to tenants whose landlords are scheduled to have the power
17 turned off. This courtesy notice now includes text advising the occupant if their landlord is
18 responsible for the electric bill that they should contact the landlord (or property owner) in an
19 attempt to resolve the pending disconnection of electric service or contact Pacific Power.
20 Providing notice to differing service and billing addresses at this point in time limits notices to
21 being provided to only those households where service disconnection orders are currently

⁵ OAR 860-021-405(5).

⁶ OAR 860-021-405(6).

1 scheduled to be completed and does not unduly alert or worry tenants whose landlords wait to
2 pay their the electric bill once they receive their final five-day disconnection notice.

3 Additionally in response to Staff’s concerns, a new step has been included in the
4 notification process:

5 6. When a tenant contacts Pacific Power after receiving the notice from either the field
6 personnel delivering the notice or by calling after finding the courtesy door hanger
7 notice, the disconnection of service is immediately stopped to allow the tenant to
8 either contact the landlord or to apply for service. The Company tracks these
9 customers, and if the bill remains unpaid for the following billing cycle, a modified
10 five-day notice of disconnection (without confidential customer information and
11 customer rights information) is mailed to the now-known tenant or occupant of the
12 residence at the same time the five-day notice of disconnection is mailed to the
13 customer/landlord. This allows the tenant adequate time to either make arrangements
14 with the landlord or to apply for electric service from the Company.⁷

15 By providing a courtesy door hanger prior to disconnection for non-payment at
16 residential service addresses, Pacific Power will effectively notice all tenants, not just those that
17 have a mailing address different from the billing address as some landlords opt to have their
18 bills sent to the rental property address.

19 **B. Duplicate of the five-day disconnect notice**

20 OAR 860-021-0326(1) requires a “duplicate” of the five-day disconnect notice required
21 under OAR 860-021-0405(6) (which requires a utility to provide written notice to the customer

⁷ Service will be granted to applicants meeting the requirements set forth in the Oregon Administrative Rules. Applicants are not required to pay the debt incurred by the landlord at the tenant’s site when the landlord does not reside at the service location.

1 at least five business days before disconnection), be sent to tenants. By providing a tenant with
2 a true “duplicate” of the customer’s five-day notice, the Company would be providing the
3 tenant with confidential customer information such as amount of bill and customer account
4 number. Additionally, a true “duplicate” of the customer’s five-day notice could also lead to
5 confusion for the tenant because of certain information that must be included, such as the
6 explanations of customer rights to time payment agreements and medical certificates, which are
7 required to be included in disconnection notices.⁸ Pacific Power believes a five-day notice of
8 disconnection to tenants as described in step 6 above meets the intent of the rule as outlined in
9 Order No. 90-1105.

10 **3. Cost**

11 As stated previously, Pacific Power’s practice is to work with a tenant/occupant that
12 contacts the Company to resolve the issue. Following recent discussion with Staff concerning
13 the utility’s burden to identify tenant/landlord relationships, Pacific Power began scoping
14 customer service system enhancements that would provide functionality to capture and retain a
15 landlord/tenant relationship at the time an applicant applies for electric service at an address
16 different than the applicant’s billing address.

17 Pacific Power’s scoping of the enhancement was designed to avoid mass mailing of
18 notices to service addresses that do not match the mailing address for the customer. When
19 considering the design, development, testing, logic changes, correspondence updates and vendor
20 interface changes that would be required to make the system enhancement, Pacific Power
21 estimates the total cost to be approximately \$291,000. If a system enhancement was completed
22 and Pacific Power could track tenant-occupied residences where the bill is not sent to the

⁸ OAR 860-021-405(2).

1 service address, the Company and ratepayers would still incur the ongoing costs to send notices
2 to the service address. In addition to the upfront development and implementation costs and the
3 ongoing costs to send notices, the increase in notices would create additional administrative
4 costs associated with handling returned mail and incoming calls from customers and tenants.

5 In 2011, a total of 216,448 final notices (five-day notices) were mailed to Oregon
6 customers with a mailing address differing from the service address. The cost to send
7 additional/ duplicate notices to the service addresses in these instances would be approximately
8 \$128,217 annually. There is no reason to believe there a tenant/landlord relationship exists in
9 these instances.

10 Pacific Power does not consider these costs to be minimal nor has it been demonstrated
11 the cost to implement such a change is warranted. Pacific Power has received no complaints
12 from tenants, occupants, landlords or the Commission on behalf of an applicant or customer of a
13 residence where a landlord failed to make payment and service was pending disconnection of
14 service for non-payment where a separate tenant or occupant resided.

15 **4. Request for Waiver**

16 For the reasons set forth above, and pursuant to ORS 756.040 and OAR 860-021-0005,
17 Pacific Power respectfully seeks waiver of the specific provisions of OAR 860-021-0326(1)
18 requiring five-day disconnect notices be sent to all premises when the residential billing address
19 is different from the service address; and the requirement to provide a “duplicate” five-day
20 disconnect notice. Based on the information provided in this Petition, good cause exists to grant
21 such waiver.

22 //

23 //

1 Dated this 16th day of July, 2012.

2

Respectfully submitted,

3

4

5

6

7

8

9

10

11

By 

Barbara A. Coughlin, Director

Customer & Regulatory Liaison

PacifiCorp

825 NE Multnomah, Suite 800

Portland, OR 97232

Tel. (503) 331-4306

Fax. (503) 331-4442