

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

REGULAR X 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: PACIFIC POWER: (Docket No. UM 1620) 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 Pacific 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 July 16, 2012, Pacific 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 assistance for those struggling financially to maintain service. An ancillary issue that

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."

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.

Following these meetings, Staff asked utilities to investigate their compliance to OAR 860-021-0326(1), as interpreted by Staff's legal counsel at the Oregon Department of Justice (DOJ). DOJ concluded that the intent of the rule was to make sure the occupants at a service address are provided with notice of the impending disconnection.

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.

Pacific 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 118,658 customers with billing addresses that differ from the service addresses.

Pacific Power requested this waiver citing system enhancements costs, increased mailing costs, and increased administrative costs as the basis. The Company stated that the initial investment would be approximately \$291,000, with ongoing expense of approximately \$128,000 per year. The Company further stated it had not received complaints from tenants, occupants, landlords or the Commission on behalf of an applicant or of a customer of a residence where a landlord failed to make payment and service was pending disconnection of service for non-payment where a separate tenant or occupant resided. Pacific Power stated it would be costly and unnecessary to send duplicate five-day disconnect notices based on differing billing and service addresses alone.

Pacific Power places a courtesy door hanger at any premise to be disconnected at least 48 hours prior to disconnection of service. The Company states that, system-wide,

approximately 71 percent of accounts make payment arrangements following receipt of this door hanger.

Staff Analysis

Staff recommends that Pacific 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 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 on a going-forward basis.

Northwest Natural and Idaho Power have also requested waiver of this rule in Docket Nos. UM 1614 and UM 1612, 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 Pacific Power, Northwest Natural, and Idaho 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:

Pacific 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.