

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 18, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE _____ Upon Commission Approval

DATE: February 3, 2014

TO: Public Utility Commission

FROM: Lisa Gorsuch *LG for LG*
I

THROUGH: Jason Eisdorfer, Maury Galbraith, and Aster Adams *MAG* *AA*

SUBJECT: PACIFIC POWER: (Docket No. UM 1631) Requests waiver of Oregon Administrative Rule (OAR) 860-021-0405(9) and (11), to allow the Company to discontinue collecting payment at the door.

STAFF RECOMMENDATION:

Staff recommends that Pacific Power's (Company) request for waiver of Oregon Administrative Rule (OAR) 860-021-0405(9) and (11) be approved effective on March 1, 2014.

DISCUSSION:

On November 25, 2013, Pacific Power (Company) submitted a request to waive compliance with OAR 860-021-0405(9) and (11), related to a good faith effort being made to personally contact a customer or adult at the service residence, prior to disconnection of service, and collecting payment at the door. The Company states its waiver request is intended to increase safety for its employees. The request is made pursuant to OAR 860-021-0005.

History

Staff participated in informal workshops on September 12, 2013, and on October 10, 2013, with Pacific Power and parties¹ to discuss the safety risks associated with its

¹ Citizens' Utility Board, Community Action Partnership of Oregon, and the Oregon Law Center were all interested parties that participated in the workshops held on September 12, 2013, and on October 10, 2013, along with Pacific Power and Staff.

current practice of knocking on the door while on site for disconnection of service, and allowing payment at the door. Pacific Power explains that the number and severity of threats is increasing every year. The Company reports that it has recorded 13 physical safety incidents in 2012 and 2013. In four of the 13 incidents, the customer pointed a firearm directly at the employee.

Additionally, Pacific Power has been monitoring threats to the safety of utility workers across the United States. An informal survey² that was conducted by the Company revealed, from the responses received across the United States and Canada, more than 50 percent of the utilities do not knock on the door prior to disconnecting service, and approximately 75 percent of the utilities do not collect payment at the door. Pacific Power has discontinued collecting payment in the field in other jurisdictions, including Utah, Wyoming, and California. The Company reports that to date it has not received any escalated customer issues or commission complaints due to the change in practice in these states.

Current Practice

In compliance with (OAR) 860-021-0405(9) and (11), Pacific Power's current practice is to knock on the door while on site for disconnection and allow for customer to make payment at the door. This practice increases the potential for field employees to experience hostile interactions that may lead to injury, becoming the victim of theft or robbery, and the absolute worst case scenario, death.

Currently, a customer's last opportunity to pay Pacific Power to avoid disconnection is at the door. Up to that point, the customer receives multiple notices about the amount due and the pending action of disconnection, including a monthly bill,³ a past due notice,⁴ a final notice,⁵ an outbound courtesy call, and a door hanger.⁶ In addition, Pacific Power offers customer payment methods including, automatic payments,⁷ online payments,⁸

² Results of the informal survey of the National Association of Credit Managers, conducted by Pacific Power, were submitted with its filing as Exhibit B.

³ Monthly bills showing amount due and due date are required according to OAR 860-021-0120 and 860-021-0125.

⁴ Past due notice and the next month's bill showing new charges, clearly indicating the account is past due, the past due amount and the due date of past due amount, are required by OAR 860-021-0405.

⁵ Final notice indicating the past due amount and due date for the past due amount, are required by OAR 860-021-0405.

⁶ Door hanger is left at site 48 hours prior to date of disconnection, as a courtesy.

⁷ Automatic payments through the customer's bank are without fee.

⁸ Online payment through Pacific Power's website is available twenty-four hours a day, seven days a week, and is without fee.

payments via US Mail,⁹ payments at pay stations,¹⁰ payments by telephone,¹¹ and payments at the time of disconnection.¹²

Practice Moving Forward

If the Commission approves its waiver request, Pacific Power new practice will be to attempt an additional outbound phone call following the delivery of the courtesy 48-hour door hanger, in lieu of the knock on the door, at the time of disconnection. This new practice is a result of the workshops held in September and October of 2013, and would allow for one last notice to the customer prior to the scheduled disconnection.

Staff Recommendation

Staff and parties discussed, at length, the safety concerns related to contacting a customer or adult at the service residence, prior to disconnection of service, and collecting payment at the door. Consideration given to changing the current practice has not been taken lightly, due to the impact on customers. However, Staff supports waiving these requirements as the risk to human life outweighs the loss of only one of many opportunities to make payment prior to disconnection.

However, Staff does not recommend that the Commission allow an open ended waiver of OAR 860-021-0405(9) and (11). Staff will be initiating a rulemaking to revise Division 021, Utility Regulation Rules, in approximately 18 months, following the completion of a general rule revision of Division 036, Water Utilities and Associations Rules, which is currently in progress. Staff recommends waiving OAR 860-021-0405(9) and (11) for a period of three years, allowing Staff and parties to permanently address this practice as part of the upcoming Division 021 rulemaking.

Staff acknowledges the fact that changing this customer contact and payment practice will not eliminate all risk for Pacific Power's employees working in the field. However, this is a step that can be taken to significantly reduce serious safety situations for these utility workers. We recommend that Pacific Power make every effort to educate its customers about this change prior to the discontinuance of accepting payment at the door. The Company described its communication plan in Section D of its request for

⁹ Payments via US Mail include the cost of a stamp plus the cost of a check or a money order.

¹⁰ Pacific Power has 49 pay stations available in Oregon (Exhibit A is a list of the pay stations, locations, and hours of business). Payments made at pay stations include a fee of \$1.00.

¹¹ Payments made by telephone can be made 24 hours a day, seven days a week, and include a fee of \$1.95.

¹² Payments at the time of disconnection include a fee of \$20.00. This payment option will be discontinued upon approval of this waiver request.

waiver. This comprehensive communication strategy was used prior to no longer accepting payment at the door in the Company's other jurisdictions.

PROPOSED COMMISSION MOTION:

Pacific Power's request for waiver of OAR 860-021-0405(9) and (11) to eliminate the requirement to make personal contact at the time of disconnection, and the requirement to accept payment in the field, be approved and allowed to go into effect on March 1, 2014, with a sunset provision of March 1, 2017.