

October 3, 2022

VIA ELECTRONIC FILINGPublic Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398**Re: Advice Filing 22-010
Schedule 7 – Low-Income Discount**

In accordance with Oregon Revised Statute (ORS) 757.205, ORS 757.210, and Oregon Administrative Rule (OAR) 860-022-0025 and -0030, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits for filing its proposed tariff sheet associated with Tariff P.U.C. OR No. 36 which sets forth all rates, tolls, charges, rules, and regulations applicable to electric service in Oregon. PacifiCorp respectfully requests an effective date of December 1, 2022.

Sheet No.	Tariff	Title
First Revision of Sheet No. 7.1	Schedule 7	Low-Income Discount
First Revision of Sheet No. 7.2	Schedule 7	Low-Income Discount
Original Sheet No. 7.3	Schedule 7	Low-Income Discount

Purpose

This advice letter filing requests authorization to extend PacifiCorp’s interim low-income bill discount to qualified master-metered residential buildings as outlined in the proposed changes to Schedule 7, Low-Income Discount (Schedule 7).

Background

On April 27, 2022, PacifiCorp filed Advice No. 22-005 / docket UE 411 to add an exemption for individual metering of services in Rule 8, Metering, to allow for master metering of apartments if certain conditions are met. On August 11, 2022, the Oregon Public Utility Commission (Commission) issued Order No. 22-298 approving the changes to Rule 8 but requested the Company “use good-faith efforts to discuss and propose any viable solution for allowing qualifying tenants residing in any unit that is subject to this exemption access to the proposed Schedule 7 energy prices” within 60 days.

Program Development

PacifiCorp met with stakeholders on August 29, 2022, to collaborate on ways the low-income discount could be provided to tenants of master-metered apartment buildings. The Company initially shared a concept to provide a discount to the electric service for qualified master-metered buildings which could then be passed on to low-income tenants. However, amongst the stakeholders and the Company, it was unclear what parameters for qualification would be

appropriate for a master-metered building. Monitoring individual tenants would not be possible since tenants are not directly PacifiCorp customers. PacifiCorp has no relationship with tenants who do not have an electric utility account with the Company and those tenants do not pay PacifiCorp for their electricity usage. To apply a discount to the master-metered customer bill, the Company would need some criteria by which to qualify a building for receiving a discount without compromising the privacy of non-customer tenants or creating unnecessarily burdensome work for the utility and landlords. In its initial meeting, none of the stakeholders had insight into how a designated affordable multi-family building could be identified for the program. Following this first initial discussion, the Company committed to research this issue further and return to stakeholders with a proposal.

PacifiCorp met with a representative from Oregon Housing and Community Services (OHCS) who has insight into the qualifications for affordable low-income housing programs statewide. The representative from OHCS provided feedback to the Company on program design and designated affordable housing qualifications. It was also determined that OHCS would be able to provide PacifiCorp with a publicly available list of buildings which have qualified as affordable housing for OHCS programs and, more granularly, buildings where 50 percent or greater of units are dedicated to occupants whose income is at 60 percent or less of area median income. This criterion is generally consistent with PacifiCorp's residential low-income bill discount. PacifiCorp would then be able to cross reference the OHCS list with its own customer data to verify that a master-metered building meets these criteria.

PacifiCorp met again with stakeholders on September 15, 2022, to examine a proposal which would provide a low-income discount to the general service bill for a qualifying master-metered residential building. The Company's initial proposal at this meeting was to provide a 20 percent discount on the bill to participating master-metered buildings meeting the criteria identified above with a commitment from the master-metered customer to pass that discount back to its low-income occupants. Using publicly available OHCS data to qualify master-metered buildings in this way would allow PacifiCorp to confirm the eligibility of affordable housing master-metered buildings simply and accurately. Furthermore, the landlord or building owner who is responsible for the building's electric service and has a direct relationship with the tenants is the best entity to ensure that the discount is fairly distributed to low-income tenants.

The OHCS representative was available at the meeting to discuss the proposal and share experience with stakeholders about other low-income housing programs. Stakeholders expressed a concern that the 20 percent discount matched the lowest tier of the residential discount and did not take into account the higher-tier residential discount for which some tenants might otherwise qualify. The Company explained it has no access to income information for specific tenants and, under this approach, having a single discount applicable to every qualifying building was necessary. As a compromise, the Company agreed with stakeholders to set the master-metered general service low-income discount in-between the tiered discount levels at 30 percent.

Proposal

The Company proposes changes to the applicability of its recently approved Schedule 7 to allow a 30 percent discount to master-metered residential buildings served under a general service rate

schedule which meet the criteria set forth in the special conditions of the tariff. Namely, the conditions are:

- 50 percent or greater of the dwelling units in the building must be dedicated to occupants whose income is 60 percent or less of area median income;
- The building must qualify as affordable housing with OHCS as defined in OAR 330-240-0070(1); and
- The master-metered customer must commit to passing the discount back to low-income occupants on a proportional basis.

The Company will work with OHCS to confirm the qualification of any applicants for the master-metered general service low-income discount.

Additionally, the Company proposes to make a housekeeping filing to remove a reference to a specific extended residential income eligibility level and replace that with language describing the comparison in terms of current state median income and Portland minimum wages. This change will avoid frequent updates to the tariff required by external changes in the Oregon State Median Income or Portland minimum wage. The specific income level listed in the tariff has already become outdated since the initial filing of this tariff just a few months ago. This change will not affect the intended applicability of the tariff.

Cost Recovery

PacifiCorp estimates that the implementation of this additional form of low-income discount will not significantly increase the costs of the program at this time, therefore no rate increase will be required at this time. Future reviews of the surcharge to recover costs of the low-income discount program will take into account any master-metered customer discounts when setting rates.

The Company requests that all formal information requests regarding this advice filing be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

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Informal questions regarding this advice filing may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

A handwritten signature in blue ink that reads "Shelley McCoy". The signature is written in a cursive style.

Shelley McCoy
Director, Regulation

Enclosures

Proposed Tariff

LOW-INCOME DISCOUNT

Purpose

The purpose of this Schedule is to implement the Low-Income Discount for income qualified Residential Customers and General Service customers who qualify under Special Condition 10 of this tariff. (N)
(N)

This discount is enabled by House Bill 2475 (2021 regular sessions), which modified ORS 757.230 to allow for differentiated rates for “low-income customers and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers.”

Available

To Residential Customers and General Service Customers who qualify under Special Condition 10 of this tariff and are served by the Company within its service territory. (N)
(N)

Applicable

To income-qualified Residential Customers with gross household income at or below 60% of Oregon State Median Income (SMI) adjusted for household size. For Customers in single-person households, eligibility is extended to those with gross household incomes up to the greater of 60% SMI or full-time wages at Portland minimum wage. Also applicable to General Service Customers who qualify under Special Condition 10 of this tariff. (C)(N)
(N)
(N)

Monthly Billing

Income-qualified Residential Customers will receive a monthly bill discount at one of two levels based on the Customer’s household income as a percentage of SMI for the Residential Service Schedule charges for that Customers (Schedule 4, 5, or 6). Customers with household incomes up to 20% of SMI will receive a 40% discount on their electricity bill and customers with household incomes between 21% and 60% will receive a 20% discount on their electricity bill. The monthly bill discount will be applied prior to taxes and will not apply to Schedule 300 charges.

General Service Customers who qualify under Special Condition 10 of this tariff will receive a 30% discount on their electricity bill. The monthly bill discount will be applied prior to taxes and will not apply to Schedule 300 charges. General Service Customers receiving this discount must meet and comply with the terms of Special Condition 10 of this tariff. (N)
(N)
(N)
(N)

(continued)

Special Conditions

1. Customers receiving Low Income Home Energy Assistance Program (LIHEAP) or Oregon Energy Assistance Program (OEAP) funds automatically qualify for the bill discount. Low-income customers automatically enrolled for the discount whose household size and income are unknown to the Company will be placed in the 21-60% SMI tier and receive the 20% discount. The Customer may provide income information to be moved to the 0-20% SMI tier and receive the 40% discount. Customers may also qualify for the bill discount by submitting an application self-declaring household size and income.
2. Household size reflects all permanent residents in the home, including adults and children.
3. Qualifying income refers to total gross annual income from all sources based on the number of persons in the household. Total gross income shall include income from all sources, both taxable and nontaxable.
4. The discount applies only to bills associated with the Customer's permanent primary residence and only to new charges billed after enrollment. Eligible Customers will receive the bill discount within one billing cycle of the receipt of application or receipt of LIHEAP/OEAP funds.
5. Re-enrollment will be required every two years. Customers receiving LIHEAP/OEAP will automatically be re-enrolled for two years following receipt of LIHEAP/OEAP funds.
6. The Company will randomly select 3% of enrolled Customers to provide post-enrollment verification to continue receiving this discount.
7. The Company may require post-enrollment verification from customers with excessive usage (greater than four times average residential customer usage) for them to continue receiving the discount.
8. It is the Customer's responsibility to notify the utility if there is a change in eligibility status.
9. If the Customer is removed from the program the Company will not seek to recover any benefits already provided to the Customer.

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Special Conditions (cont)

10. A master-metered building consisting of individual residential units that is served under a General Service rate schedule may receive the General Service discount shown in the Monthly Billing section of this tariff if it meets the following criteria:

(N)

- a. Master-metered customer must have 50% or greater of its dwelling units dedicated to occupants whose income is at 60% or less of area median income.
- b. Master-metered customer must qualify as affordable housing with Oregon Housing and Community Services as defined in OAR 330-240-0070(1).
- c. Master-metered customer must commit to pass its monthly bill discount back to its low-income occupants on a proportional basis.

(N)

Reporting

The Company will track and report information regarding the low-income discount with the Commission on a quarterly basis for the first calendar year and annually thereafter. The report will include, at a minimum, the total number of Customers enrolled in the program, total dollars provided to customers, and dollars spent on administrative costs.

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Rates and Regulations

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part and to those prescribed by regulatory authorities.

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