

November 20, 2012

VIA ELECTRONIC FILING

Oregon Public Utility Commission
550 Capitol St. NE, Ste. 215
Salem, OR 97301-2551

Attention: Administrative Law Judge Patrick Power

Re: In the Matter of Rulemaking Regarding Reporting Billing Errors
Docket AR 567
Comments on Staff's Final Proposed Rules

PacifiCorp, d.b.a. Pacific Power ("Pacific Power" or "the Company") appreciates the opportunity to comment on the proposed addition to Division 21 rules, Billing Error Reporting, OAR 860-012-0170. Provided below are Pacific Power's general and specific comments on the proposed rule.

I. General Comments

As specified in Docket AR 567, the purpose of the proposed rule is to "allow Staff to continue to identify systemic problems and trends with utility billings and to work with the companies to reduce the number of incorrect bills sent to utility customers." Pacific Power is supportive of the Commission's desire to have a uniform method for utilities to report billing errors of a certain magnitude to the Commission.

Pacific Power recognizes inaccurate bills negatively impact our customers, potentially causing a financial hardship or at a minimum, inconvenience. Billing errors also create additional work for the Company to correct the errors and respond to customer calls or complaints. All these factors add appropriate emphasis to our already existing goal of providing timely and accurate bills to all customers. To accomplish this, the Company has numerous controls in place within our billing system as well as in processes supporting the billing function. Automatic reviews and audits occur prior to sending out all bills. Protocols with specific controls, audits, and testing are completed prior to implementation of any pricing changes to ensure our customers are correctly billed.

Second only to having electric service, the monthly billing statement is the most prevalent and meaningful interaction between the customer and the Company. We know from the calls we receive and the questions asked of us, that customers do read and scrutinize their bills. Pacific

Power issues approximately 530,000 billing statements each month to our customers. In addition to listening to our customers and what they say about their bills, Pacific Power has internal key metric tracking to monitor our billing accuracy. Externally, the Company asks our customers as part of our customer research to score us on our billing accuracy. Our most recent residential study of Pacific Power customers conducted by Market Strategies International (MSI) ranked Pacific Power 7th out of 81 utilities in the nation for billing accuracy. In our most recent non-residential study of Pacific Power customers conducted by MSI, Pacific Power ranked 1st out of 76 utilities in the nation for billing accuracy.

Pacific Power has reasonable safeguards in place to regularly deliver accurate billing statements to all customers. Pacific Power recognizes Staff's intent with the proposed rulemaking to require utilities to report billing errors of a certain magnitude to the Commission and supports Staff's proposed rule with a few changes as outlined below:

II. Specific Comments:

A. Paragraph (1) as provided in the Commission Notice of Proposed Rulemaking:

- (1) As used in this rule, "billing error" means an error in the calculation of amounts billed to customers of energy utilities that:**
 - (a) Is due to a single, specific event, reason, or condition, and**
 - (b) Resulted in the issuance of a corrected bill.**

The purpose of paragraph (1) is to define what a billing error is for the purpose of reporting to the commission. The current language does not specify clearly enough the billing error is a result of a company error or action. Pacific Power suggests adding clarifying language to the existing rule identifying the billing error must affect tariffed, energy charges caused by the utility.

Pacific Power suggests the following changes to paragraph (1):

- (1) As used in this rule, "billing error" means an error by the utility in the calculation of tariffed amounts billed to customers of energy utilities that:*
 - (a) Is due to a single, specific event, reason, or condition, and*
 - (b) Resulted in the issuance of a corrected energy bill.*

B. Paragraph (2) as provided in the Commission Notice of Proposed Rulemaking:

- (2) Each energy utility must send an electronic mail message notifying the Consumer Services Section of the Commission within 10 business days of the date the energy utility first becomes aware of:**
- (a) A single billing error that the utility estimates affected 1.5 percent or more of customer bills issued in any billing month, and**
 - (b) Any error, in a single billing month, affecting a single customer by \$25.00 or more.**

The intention of paragraphs (2)(a) and (2)(b) is to set the conditions when the energy utility is required to report a billing error and are not meant to be independent of one another. Pacific Power believes the current language in these sub-sections could lead to possible confusion or misinterpretation of the rule by reading subparagraphs (a) and (b) independently. To provide clarity, Pacific Power proposes paragraph (a) and paragraph (b) be combined to require the number of customers and the dollar amount to occur concurrently to qualify as a reportable billing error, as was the desired intent.

In the October 4, 2012, hearing conducted by Administrative Law Judge Patrick Power, Judge Power raised a question regarding the number of events to which the utilities would report errors using the thresholds as proposed; stating a concern the thresholds would result in little to no events being reported. Because Pacific Power does not currently have a billing error report requirement, we have estimated Pacific Power would have reported approximately one billing error over the past five years using the proposed thresholds.

Pacific Power suggests the limits as proposed are reasonable in meeting the intent of the rule as defined in the Notice. The absence of a multitude of billings errors to report is good—meaning the utility is providing accurate bills to their customers, with very few exceptions. Having no billing errors to report is the underlying goal of this rule-making. The threshold as proposed would provide information reflective of what would be a systemic issue rather than an individual human error handled through employee training and coaching.

However, we would consider a change to the threshold in recognition of Judge Power's concerns and in response to changes we propose to paragraph (4) of this rule. As an alternative, Pacific Power would support a change to the threshold to .5 percent or more of customer bills issued in any billing month with an average impact of \$5.00 or more. Although the Company takes great strides to reduce the likelihood for errors, errors can occur. The intent of the threshold in the rule was to report errors with the greatest amount of impact to a significant portion of our customers. Pacific Power believes that either of these thresholds will provide that information while addressing the Commission's intention with the rule to "identify systemic problems and trends with utility billings..."

Pacific Power suggests the following changes to paragraph (2):

- (2) Each energy utility must send an electronic mail message notifying the Consumer Services Section of the Commission within 10 business days of the date the energy utility first becomes aware of:*
- (a) A single billing error that the utility estimates affected ~~1.5~~ .5 percent or more of customer bills issued in any billing month; and*
- (b) Any error, in a single billing month, affecting a single customer by an average of \$25.00 ~~\$5.00~~ or more.*

C. Paragraph (3) as provided in the Commission Notice of Proposed Rulemaking:

- (3) An energy utility must submit a final written report of the billing error to the Consumer Services Section of the Commission no later than 60 calendar days from the date that the billing error was first reported to the Commission or was first discovered by the energy utility, whichever date is earlier. This report must include the following information:**
 - (a) A description and cause, if known, of the billing error;**
 - (b) The number of bills affected by the billing error;**
 - (c) The number of bills adjusted due to the billing error;**
 - (d) The time period in which the billing error affected customer bills;**
 - (e) The actions taken to correct the error; and**
 - (f) The actions taken to prevent the same error from occurring in the future.**

Pacific Power proposes a change to this particular section to clarify the reporting requirement to the Consumer Services Section. As currently written the rule requires “a final written report of the billing error must” be submitted. To avoid confusion, we propose it is specified the submission must be for a billing error previously noticed under section (2). Further, we change the submission from being a written report to electronic mail to match the notification language used in section (2). For ease in reporting and to avoid potential confusion of the reporting timeframe, Pacific Power also suggests changing the proposed rule to require the utility to file the final written report from the initial notice date set forth in section (2). This allows ample time to submit a final report and removes potential confusion over the specific deadline.

Pacific Power suggests the following changes to paragraph (3):

- (3) An energy utility must send an electronic mail to the Consumer Services Section of the Commission submit a final ~~written~~ report of the billing error noticed under section (2) of this rule to the Consumer Services Section of the Commission no later than 60 calendar days from the date ~~that~~ the billing error was first reported to the Commission or was first discovered by the energy utility, whichever date is earlier. This report must include the following information:*
- (a) A description and cause, if known, of the billing error;*
 - (b) The number of bills affected by the billing error;*
 - (c) The number of bills adjusted due to the billing error;*
 - (d) The time period in which the billing error affected customer bills;*
 - (e) The actions taken to correct the error; and*
 - (f) The actions taken to prevent the same error from occurring in the future.*

D. Paragraph (4) as provided in the Commission Notice of Proposed Rulemaking

- (4) Each energy utility must file an annual report to the Commission, through the filing center, summarizing all billing errors that occurred during the prior calendar year. The annual report must be submitted within 60 calendar days following the end of the calendar year.**

Pacific Power believes that paragraph 4 should specific those billing errors to be reported annually are those billing errors as defined within Section 2 of this proposed rule. To broaden the scope of the annual report to include all billing errors would be burdensome and not provide information that is meaningful. Pacific Power believes looking at the specificity of each and every bill adjustment is not a valuable use of resources. Annual reports of bill errors should serve to identify large, systemic billing errors and the actions a utility is undertaking to mitigate the impact to customers and our plans to avoid the problem for future customers. Reporting every billing error does not achieve a result of providing substantially greater accuracy in billing. Pacific Power's proposal to lower the thresholds in section (2) of this rule allows for more reporting of billing errors to help Commission staff identify trends and billing errors affecting a substantial, large number of customers.

Pacific Power suggests the following changes to paragraph (4):

- (4) Each energy utility must file an annual report to the Commission, through the filing center, summarizing all billing errors reported under section (3) above ~~that~~ occurring during the prior calendar year. The annual report must be submitted within 60 calendar days following the end of the calendar year.*

III. Conclusion

Pacific Power supports the implementation of a billing error rule requiring utilities to notify the commission only when systemic billing errors occur with specific thresholds and billing periods. This is captured in our proposed changes to the rule. The lack of recent reportable billing errors does not change the scope and determination of what should constitute a systemic billing problem. Reducing the threshold would capture more isolated errors with smaller impact to our customer base while still identifying billing error trends. Reporting all billing errors, without a threshold, would create unnecessary administrative burdens for both the utilities and the commission.

Thank you for the opportunity to provide comments in this docket.

Sincerely,

A handwritten signature in black ink that reads "Melissa Nottingham". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Melissa Nottingham, Regulatory Specialist
Customer & Regulatory Liaison

Cc: AR 567-Service List

CERTIFICATE OF SERVICE

I hereby certify that on this 20th of November, 2012, I caused to be served, via E-Mail and/or overnight delivery, a true and correct copy of the foregoing document on the following named person(s) at his or her last-known address(es) indicated below.

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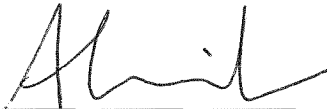
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