

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 27, 2018

REGULAR  X  CONSENT \_\_\_\_\_ EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

DATE: February 5, 2018

TO: Public Utility Commission

FROM: Phil Boyle *BB*

THROUGH: Michael Dougherty *M*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. AR 602) In the matter of rulemaking regarding service disconnection reports for energy utilities.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve issuance of a notice of proposed rulemaking on reporting requirements for energy utilities to file periodic reports on the number of non-payment disconnections performed.

**DISCUSSION:**

Issue

Whether to approve issuance of a notice of proposed rulemaking on reporting requirements for energy utilities for data on service disconnections for nonpayment and reconnections.

Applicable Rule or Law

The Commission has general authority per ORS 756.040 to protect the customers of a public utility "and the public generally, from unjust and unreasonable exactions and practices and to obtain for them adequate service at fair and reasonable rates." Per ORS 756.070, in performing its duties, the Commission has the right to obtain all necessary information from any public utility. Additionally, under ORS 756.060, the Commission may adopt reasonable and proper rules relative to all statutes administered by the Commission.

With Order No. 16-254, the Commission memorialized its decision at the July 5, 2016, public meeting to open a rulemaking docket (AR 602) to consider rules requiring energy utilities to file reports on residential service disconnections for failure to pay a bill.

## Analysis and Discussion

### *Background*

In its report to the Commission on July 5, 2016, Staff supported developing disconnection reporting rules that could include the following:<sup>1</sup>

1. Number of involuntary disconnections, sorted by community (based on one or more ZIP codes).
2. Number of reconnections, sorted by the number of days following disconnection.
3. Number of disconnections to service for an account on which the customer had a deposit.
4. Number of customers over sixty days in arrears and the dollar amount due, sorted by community.

### *Summary of Informal Process*

Initiation of work in AR 602 was delayed until the AR 601 rulemaking on establishing a severe weather moratorium (approved by the Commission at the same time) was completed. After initial research about the disconnect reporting requirements of other states and seeking preliminary input from stakeholders, an informal workshop was held July 12, 2017, which included representatives of the six investor-owned energy utilities, Oregon Citizens' Utility Board (CUB), Community Action Partnership of Oregon (CAPO), and Staff. The workshop explored several issues which had to be considered in drafting a rule that would not be overly burdensome, yet provide enough data to make the report useful.

Based on discussions at the workshop and two rounds of subsequent additional stakeholder comments, Staff developed the draft rule attached to this memorandum as Attachment 1. The proposed rule will require energy utilities to report certain service disconnection and reconnection data to the Commission on a periodic basis. This report will inform the Commission and Staff about the numbers of residential customers being disconnected for non-payment, and provide data on reconnection timeframes. The data will be useful to Staff and consumer organizations in monitoring utility programs to reduce involuntary disconnections.

### *Purpose*

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<sup>1</sup> Order No. 16-254, Appendix A at 6.

All parties were interested in discussing the purpose to be served by a disconnection reporting rule. After considering all stakeholder comments, Staff identified the following primary purposes that would be served by a reporting requirement (the utility stakeholders did not necessarily agree with these points):

1. Access to better disconnection data will provide interested parties with a better understanding of customer behavior, leading to better utility service and, hopefully, more precise affordability programs.
2. Without consistent and continuous reporting, CAPO and other organizations may not have the best available resources to know if program changes are effective.
3. CUB sees significant value in understanding the extent to which a disparity exists among demographic groups (low-income, etc.) with regard to involuntary disconnections.
4. Commissioners and Staff should have at least a general idea of how many non-payment disconnects occur annually to have a sense of whether utility efforts to reduce disconnections are adequate, and whether low-income energy assistance programs are making a difference.
5. The data may reveal information that the Commission and Staff are currently unaware of, i.e., we don't yet know what the data may reveal.

The following points highlight specific provisions discussed and how Staff proposes to address them in the proposed rules:

#### *Reporting Frequency*

While some utilities expressed a preference for an annual or biennial report, most had no issue providing a quarterly report with a monthly data breakdown. Staff proposes quarterly reporting with monthly data.

#### *No Sunset Date*

Implementing a sunset date for the report was considered, with the utility stakeholders generally favoring a sunset date. CUB, CAPO, and Staff were opposed to one. The proposed rules do not include a sunset date, but Staff will conduct a review after the third full year of reporting, as with any new rule, to see if the report continues to provide valuable information or needs adjustments.

#### *Data Points for Report*

The utility stakeholders generally preferred fewer data points than what Staff had initially suggested, and they still express a desire that the numbers of disconnections for energy assistance recipients and medical certificate holders not be included. However, Staff feels this is important data to have in order to better understand the impact of utility policies on low-income and medically at-risk customers. Except for these two data points, all stakeholders generally agreed on the data points required in the proposed rule.

#### *Geographic Reporting Area*

Most stakeholders felt reporting by ZIP code was feasible, but a couple of utility stakeholders that serve a large number of ZIP codes felt this could potentially make the report unwieldy. Staff believes reporting by ZIP code is the best way to understand and use the data, but has proposed allowing reporting utilities to consolidate ZIP code data into geographic areas such as by community, or alternately by utility operations area with the caveat that Staff may request a report broken down to the ZIP code level for any consolidated geographic reporting location.

#### *Late or Missing Reports*

The utility stakeholders requested that they be allowed an exception to the filing of any report due to computer system operational errors or required system upgrades or updates, which may affect their ability to file a report. After consideration, Staff finds that a process already exists whereby a utility who is unable to file a required report may petition the Commission and request a waiver of the filing date or report requirement in this rule for any given reporting period, for good cause shown. As such, a specific exception in this rule is not necessary.

#### *Proposed dates for rulemaking*

Staff will coordinate issuing a notice of proposed rulemaking in February 2018 with the Commission's rules coordinator. Staff does not anticipate scheduling a rulemaking hearing at this time, given the prior discussions with stakeholders. Under this schedule, the rule will be before the Commission for adoption later in the spring of 2018.

#### Conclusion

Staff proposes that the utilities be required to submit a quarterly report on residential service disconnections for non-payment, and certain reconnection data, in order to inform the Commission and staff about the frequency of disconnections and to determine if utility efforts to reduce disconnections are effective and to identify potential problem areas. Staff requests that the Commission approve issuance of a notice of proposed rulemaking to accomplish this.

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**PROPOSED COMMISSION MOTION:**

Approve issuance of a notice of proposed rulemaking on reporting requirements by energy utilities regarding service disconnections for nonpayment.

AR 602 Rulemaking (Disconnect reporting)



**860-021-0408**

**Disconnect Reporting Rule**

(1) As used in this rule:

(a) “Energy assistance recipient” means a residential customer who has received bill payment assistance with an energy bill from any federal, state, ratepayer-funded, or utility-supported bill payment assistance fund or program at least once within the past 12 months.

(b) “Companywide” means the geographic area served by a particular energy utility within the state of Oregon.

(c) “Local service area” means a smaller geographic unit within an energy utility’s companywide service area, such as zip code, city, county, or other similar unit.

(2) Each energy utility must file a quarterly report with the Commission detailing the number of residential disconnections for non-payment and subsequent reconnections as prescribed in this rule. An electronic report must be filed in a text-searchable Microsoft Word, Microsoft Excel, or .pdf (Adobe Acrobat) format.

(a) For quarterly reporting purposes, the following four time periods apply: February 1 to April 30, May 1 to July 31, August 1 to October 31, and November 1 to January 31.

(b) Each energy utility must file its initial quarterly report following the first full quarter after the effective date of this rule, unless an alternative initial reporting date is set for the utility by the Commission’s Consumer Services Section.

(c) The energy utility must file a quarterly report as required under this rule within 20 days of the end of each reporting period.

(3) The quarterly report must provide the following information for each month within the quarter for an energy utility’s residential accounts:

(a) On a companywide basis:

(A) Number of active residential accounts;

(B) Number of service disconnections for non-payment;

(C) Percentage of accounts with service disconnections for non-payment;

(D) Number of service disconnections for non-payment on energy assistance recipient accounts;

(E) Number of service disconnections for non-payment on medical certificate holder accounts;

(F) Number of service disconnections reported under both paragraph (D) and paragraph (E) above, i.e. disconnections for non-payment on medical certificate holder accounts that are also energy assistance recipient accounts;

(G) Number of service reconnections following a disconnection for non-payment on the same day or next calendar day following disconnection (Days 0-1); and

(H) Number of service reconnections following a disconnection for non-payment that occur more than one day and within 7 calendar days following disconnection (Days 2-7).

(b) For each local service area within the companywide area used for reporting:

(A) Number of active residential accounts;

(B) Number of service disconnections for non-payment;

(C) Number of service disconnections for non-payment on energy assistance recipient accounts;

(D) Number of service disconnections for non-payment on emergency medical certificate holder accounts;

(E) Number of service disconnections reported under both paragraph (C) and paragraph (D) above, i.e. disconnections for non-payment on medical certificate holder accounts that are also energy assistance recipient accounts; and

(F) Number of days on which the energy utility was required to impose a moratorium on service disconnection for severe weather per OAR 860-021-0407.

(c) Zip codes must be used to identify a local service area unless a different unit is pre-approved by the Commission's Consumer Services Section for a utility's use in its reporting under this rule.

(4) Upon request of the Commission's Consumer Services Section, when made within one year of the date a quarterly report is filed with the Commission, the energy utility must provide a breakdown by zip code of the of service disconnection data reported under section (3) of this rule.