

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 10, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE October 11, 2017

DATE: October 2, 2017

TO: Public Utility Commission

FROM: George Compton *GRC*

THROUGH: Jason Eisdorfer, John Crider, and Phil Boyle *JB*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1631) Requests partial waiver of Oregon Administrative Rule (OAR) 860-021-0405(5), to allow the Company to substitute customer-preferred email for first-class mail in the instance of the 15-day notice of disconnection.

STAFF RECOMMENDATION:

Staff recommends that Portland General Electric's (PGE or Company) request for a partial waiver of a specific provision of Oregon Administrative Rule (OAR) 860-021 0405(5) be approved, effective April 1, 2018, with a sunset date of April 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve the Company's request to waive an Oregon Administrative Rule (OAR) requirement so as to allow the Company, for the purpose of serving a 15-day notice of disconnection, to substitute an email notification for a first-class mailing in cases where the customers have informed the Company that emailing is their preferred form of communication. The proposed effective date is April 1, 2018. PGE is not seeking a waiver of the OAR 860-021-0405(8) requirement regarding the 5-day notice of disconnection, which is a first-class mailing.

Applicable Rule or Law

Commission rules governing disconnection of residential electric service apply to this filing. Specifically, OAR 860-021-0405(5) requires that:

The energy utility must serve the 15-day notice of disconnection to customers by first-class mail to the customer's last known address. Service is complete on the date of personal delivery or on the day after the date of the US Postal Service postmark or postage metering.

The Commission may waive any of the Division 21 rules upon receipt of a written request for waiver from a utility and upon good cause shown. PGE requests this waiver pursuant to OAR 860-021-0005.

Analysis

Currently about 250 thousand, or 30 percent of PGE's customers have elected paperless billing via email. Of the 874,150 15-day notices of disconnection that were delivered by first class mail in 2016, 17 percent or 148,350 of those notices went to customers who had elected paperless billing as their preferred method of communication. Had emailing been substituted for first-class mailings, there would have been postage and paper savings of \$63 thousand.

While cost-avoidance is an important objective, equally if not more important is that communication regarding service disconnection not be compromised. Given the sheer volume of email nowadays, it is understandable that even customers who have expressed to their utility an emailing preference may let their in-basket pile up or otherwise disregard what might not appear essential. In that light it is reassuring that there will still be a first-class mailing of a notice of disconnection, albeit ten days after the emailed notification but five days prior to the forewarned event. Hopefully the proposed action will be found to increase the overall cost-effectiveness of the utility's objective of properly notifying customers regarding a potential service disconnection. For some time PGE has been working to replace its Customer Information System (CIS). A desired feature of the CIS would be the ability to email the 15-day notices of disconnection in lieu of the first class mailing in those instances where customers have expressed that preference. Given those customers' expectations regarding the nature of their communications with the Company, emailing should prove to be more effective in making the initial disconnection notification as well as being more efficient and timely.

While the new CIS is not expected to be placed into service before sometime in the second quarter of 2018, approval is sought now so that PGE can proceed with confidence in the programming and testing of the pertinent notification functionalities.

This UM 1631 disconnection docket is generic in nature, having included at least one other waiver application, i.e., from PacifiCorp. It is the PUC's Staff intention to conduct a workshop and associated hearing with a view of developing formal revisions to

Administrative Rule (OAR) 860-021-0405 as a general matter to bring it into conformance with current best industry practices. Success in that endeavor should obviate the need for the various waivers that may ultimately need to be granted pursuant to the generic docket. Including the suggested sunset provision to Staff's recommendation in this instance will help to motivate a timely and successful completion of that workshop and hearing process.

Conclusion

Substituting an emailed 15-day notice of disconnection for a postal mailing—per a customer's requested communication medium—is both more effective and less costly for the utility. Accordingly, Staff concludes that the Company's waiver request to make such a substitution is warranted and should be granted.

PROPOSED COMMISSION MOTION:

Approve effective on April 1, 2018, Portland General Electric's request for a partial waiver of a requirement of Oregon Administrative Rule (OAR) 860-021-0405(5), with a sunset provision of April 1, 2020.