



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

October 26, 2005

Public Utility Commission of Oregon
Attn: Filing Center
550 Capitol Street, N.E., Suite 215
Salem, Oregon 97301-2551

RE: AR-500, Rulemaking stemming from UM-1188, Advanced Metering Infrastructure (AMI)

Thank you for the opportunity to respond to the draft amendments to OAR 860-021-0120 and OAR 860-021-0405 that were presented at the September 13, 2005, Public Meeting and which opened the rulemaking docketed as AR-500.

As stated in our comments to Staff on September 2, 2005, we support the proposed changes to OAR 860-021-0120, Meter Readings and Bill Forms but have concerns about the proposed changes to OAR 860-021-0405(7) through (8).

Staff's memo to the Commission dated September 2, 2005, acknowledges our position regarding the requirement for site visits and presents Staff's compromise of requiring site visits when the utility cannot leave a phone message. We appreciate Staff's willingness to offer a compromise in the rule; however, we believe that it would still significantly undermine the cost-effectiveness of AMI without providing commensurate customer benefits.

A meter with remote disconnection/reconnection capability costs more than a standard meter that requires manual disconnection/reconnection. This additional cost is recouped in reduced field labor costs and improved revenue assurance efficiency. Overall cost-effectiveness of AMI is improved with a focused implementation of remote disconnection/reconnection capability. While we understand and appreciate Staff's concerns, their compromise position would frustrate such potential cost savings and severely lengthen the payback period. Although allowing a utility to forego a site visit where telephone contact is made would reduce the number of field visits currently required, the utility would need to administer and track duplicative and separate processes. We contend that remote disconnect/reconnect capacity is only cost effective when processes are uniformly applied where this capability is installed.

In addition, as we read the language as proposed for OAR 860-021-0405(7), it does not allow for automated phone calls. Personal contact is defined in the draft as including a “telephone conversation” which implies person-to-person contact.

At the June 2, 2005 workshop, we described our automated phone calling process, which does not necessarily involve a person-to-person conversation¹. The phone call is inexpensive as it does not require manual labor, so repeated attempts are cost-effective. PGE proposes notifying a nonpaying customer three times by mail (bill, 15-day notice and 5-day notice) and then attempting up to 27 phone contacts (up to 9 times on days 13, 3 and 1 before disconnect). Compared with the site visit which occurs only once, PGE’s proposal vastly increases the odds that the customer will be home when contact is attempted. The automated phone call also provides the customer with additional options to pay that are not available “at the door” such as the opportunity to pay by inputting a bank account number, credit card or debit card number into a touchtone phone. The automated phone call is effective, cost-efficient, convenient and private.

No form of attempted personal contact guarantees a conversation. Just as a percentage of customers may not have phone service, many others are not able to be home to answer the door during scheduled working hours. The rules as currently drafted state the utility must make a “**good faith effort** to personally contact the customer” (emphasis added). As reported, current compliance to this rule results in contact with an adult (but not necessarily the customer) approximately 50% of the time. Our current automated phone call pilot also results in contact approximately 50% of the time².

Regarding Staff’s concerns on eliminating the disconnection site visit, Staff’s September 2, 2005, memo states:

Staff believes PGE’s arguments are reasonable. We agree that reduced costs for site visits and faster and more convenient reconnection service would benefit ratepayers overall. However, we prefer to err on the side of caution where consumer protection is concerned. Site visits for final notification of pending disconnection may identify a situation where it could potentially be unsafe to disconnect service such as a resident with a medical condition (page 5).

PGE acknowledges that customer service is important and multifaceted. However, a site visit for notifying a customer of disconnection is not the most cost-effective or appropriate means for addressing a customer’s medical condition. Disconnect representatives are skilled in electrical work, not in social services.

¹ This process uses more accurate phone records than those maintained by PGE through the use of purchased data by our vendor.

² We currently make contact with an adult 53% of the time we make site visits. Our current automated call pilot makes contact 46% of the time. This percentage should increase when we call customers on Days 13, 3 and 1.)

Customer Service Representatives on the other hand are trained to discuss the many available options such as payment plans, bill payments assistance and medical certificates.

Safety concerns, such as a loose meter base or a low wire, should be addressed outside of disconnection requirements. This is more appropriately addressed with a systematic safety inspection. Such inspections are being discussed under the proposed Division 24 rulemaking that is being initiated by OPUC Safety Staff later this year.

Finally, we believe that the intent of AMI is more dynamic than just a means for enabling remote disconnect/reconnect capability or remote meter reads. It is a communications infrastructure that furthers more advanced applications of demand response programs and increased customer privacy as the utility would not need to access the customer's property with the same frequency.

Utilities investing in AMI believe that a two-way communications system will enable market transforming load control. But if process inertia prevents AMI from becoming a dynamic communications system, then utilities will have made the investment without fully realizing the potential benefits. AMI will require a paradigm shift in determining new processes for the technology to successfully cut costs and providing even more excellent customer service. Over time, we will need to rethink many of our processes and procedures to fully take advantage of AMI. This rulemaking is merely the first of many steps in doing so.

Attached are our proposed rule modifications, (Attachment 1). We have also attached our informal comments to Staff dated September 2, 2005, (Attachment 2) as our comments about the cost, safety and frequency of customer contact for a disconnection site visit continue to be relevant to this docket.

Again, we appreciate the opportunity to comment.

Sincerely,

/s/ Randall J. Dahlgren
Director, Regulatory Policy and Affairs

C: Lisa Schwartz, OPUC

Attachment 1
Proposed Rule Modifications

860-021-0405

Notice of Pending Disconnection of Residential Electric or Gas Utility Service

7) On the day of or the day before the electric or gas utility expects to disconnect service and before disconnection, the utility must make a good-faith effort to personally contact the customer or an adult at the residence to be disconnected. Personal contact includes a person-to-person conversation or a telephone call with the customer or another adult associated with the residence:

- (a) If the contact is made, the electric or gas utility shall advise the customer or an another adult at the residence of the proposed disconnection; or
- (b) When a utility representative is dispatched to the customer's dwelling to disconnect service and person-to-person If contact is not made, the electric or gas utility must leave a notice in a conspicuous place at the residence informing the customer that service has been, or is about to be, disconnected.

(8) When an electric or gas utility has a person-to-person conversation ~~makes personal contact~~ under this rule, and the circumstances are such that a reasonable person would conclude the customer does not understand the consequences of disconnection, the utility must:

Attachment 2
Comments to Staff dated
September 2, 2005



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

September 2, 2005

Lisa Schwartz
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RE: AR-500, a rulemaking stemming from UM-1188, Advanced Metering

Thank you for the opportunity to respond to your email of August 26, 2005, wherein you presented Staff's proposed changes to OAR 860-021-0120 and OAR 860-021-0405.

PGE has no comments on Staff's changes to OAR 860-021-0120, Meter Readings and Bill Forms. The proposed language aptly allows for differing meter technologies.

PGE, however, does have concerns about the proposed changes to OAR 860-021-0405(7) through (8). As stated in your email, Staff's language requires a physical site visitation prior to service disconnection where a telephone contact with the customer is not made. As drafted, a telephone message would not suffice as personal contact.

PGE objects to these changes as a required site visit is not consistent with the intent of UM-1188 which is to acknowledge and accommodate new technologies with a variety of benefits for both customers and utilities.

Required site visits reduce the cost-effectiveness of remote disconnection and reconnection. As stated in previous workshops, a meter with remote disconnection and reconnection capability costs more than a standard meter that requires manual disconnection and reconnection. This additional cost is significantly offset in reduced field labor costs where site visits are not required. Staff's proposed language would negatively impact such savings.

The disconnection notification process proposed by PGE at the June 2, 2005, UM-1188 workshop included automated telephone calls with no follow-up site visit. An automated telephone call is an inexpensive way to call a customer and simultaneously offer telephone based payment options. Such calls can be made repeatedly with nominal additional cost. As we pointed out, this final contact is one of multiple attempts to elicit a response from the customer. The customer receives a bill that states the past due amount, a 15-day letter, a 5-day letter, and, as proposed by PGE, up to 27 phone calls through its automated calling system. Under this proposed process, a customer should not be surprised by service disconnection. Visiting the customer's site is an additional cost of approximately \$35 per customer. As stated in response to OPUC's Data Request No. 004, dated May 17, 2005, an adult is only present at the door

approximately 53% of the time. As such, nearly half of all site visits result in costs incurred by customers with no additional service benefit.

Generally, customers who receive site visits for service disconnection can be divided into two groups: those who do not have the means to pay and those that do have the means but choose not to pay. For those that cannot pay, the site visit creates an expense but no value to the customer. These customers have received prior notification and the site visit does not halt their pending disconnection. The site visit is largely of value to customers who can pay but choose to delay payment until the utility representative is at their door. Sending a field service representative to a customer's door is an expensive payment channel. Given the percentage of customers who are actually present at the time of the site visit and have the means to pay, the rules as drafted appear to overvalue the site visit as a useful customer service when, in fact, unnecessary site visits benefit those who can pay to the harm of all other customers by driving up costs.

As stated at previous workshops, requiring site visits also potentially exposes utility employees to unsafe circumstances such as theft and assault. As technology allows for sufficient communication with customers, the risk to employees associated with site visits is unnecessary.

PGE also wishes to point out that while Staff's language defines *personal contact* as including "a telephone conversation with the customer or another adult *residing* at the customer's residence" (emphasis added), a utility cannot always be certain that an adult who is present actually resides at the dwelling, and thus, we propose removing the word 'residing'.

In conclusion, PGE recommends the rulemaking be opened with the attached draft language that allows a utility to cost-effectively implement the remote disconnection and reconnection feature as a part of an advanced meter infrastructure. This feature offers customers the benefit of cost effective disconnections that also should ultimately improve the uncollectible amount that is included in rates for all customers. Also, remote disconnection and reconnection capability allows customers' to benefit from more convenient and immediate reconnection. On balance, the benefits that will be experienced by utilities and customers justify the elimination of the required site visits.

Again, we appreciate the opportunity to comment.

Sincerely,

/s/ Randy Dahlgren
Director, Regulatory Policy and Affairs