

ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 21, 2017

REGULAR CONSENT EFFECTIVE DATE December 1, 2017

DATE: November 11, 2017

TO: Public Utility Commission

FROM: Mitchell Moore *mpm*

THROUGH: *J* Jason Eisdorfer and *JC* John Crider

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 637/Advice No. 17-08)
Update to Rule F, Service connection and Discontinuance to implement a
Winter Protection Program.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Idaho Power Company's (Idaho Power) filing Advice No. 17-08 and allow it to take effect December 1, 2017.

DISCUSSION:

Issue

Whether the Commission should allow Idaho Power's proposed update to Rule F, Conditions Governing Customer Attachment to Facilities, to implement a Winter Protection Program (WPP) in its Oregon service territory.

Applicable Rule or Law

Under ORS 757.040:

In addition to the powers and duties now or hereafter transferred to or vested in the Public Utility Commission, the commission shall represent the customers of any utility and the public generally in all controversies respecting rates, valuations, service and all matters of which the commission has jurisdiction. In respect thereof the commission shall make use of the jurisdiction and powers of the office to protect such customers, and the public generally, from unjust and

unreasonable exactions and practices and to obtain for them adequate service at fair and reasonable rates.

OAR 860-021-0407 establishes a moratorium on disconnection of service during severe weather when certain temperature thresholds are met. The rule also includes a provision that allows for exemption from the temperature threshold if an energy utility offers a Commission-approved winter protection program. Specifically, sections (1) and (8) of the rule state:

(1) Except as set forth in section (8) of this rule, an energy utility must put into effect a moratorium on the disconnection of residential service for nonpayment on any day a high temperature of less than 32 degrees Fahrenheit is forecast by the applicable weather reporting service.

...

(8) The temperature threshold specified in section (1) of this rule does not apply if an energy utility offers a Commission-approved winter protection program.

The Commission may approve tariff changes if they are deemed to be fair, just and reasonable per ORS 757.210. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

Background

On October 13, 2017, Idaho Power filed this advice filing requesting Commission approval to implement a WPP in its Oregon service territory.

The WPP, proposed to be in effect from December 1 through the last day of February, would establish a moratorium period on service disconnections for residential customers that declare they are unable to pay their bill and whose household includes children, elderly or infirm residents. Customers qualifying for the WPP are not required to make a payment during the moratorium period, however any unpaid balance would accrue interest at 12 percent annually. Idaho Power provides several different options for repayment of the unpaid balance once the moratorium period ends.

To ensure its residential customers are aware of the WPP, the Company will include a notice about the program in an annual brochure. Additionally an insert will also be included with initial disconnection notifications and final disconnection notices.

In its initial filing, the Company proposed that customers not eligible for the WPP be protected from service disconnection if the forecasted daytime highs do not exceed 25 degrees Fahrenheit for three consecutive weekdays or if the forecasted nighttime low falls below 10 degrees Fahrenheit on any weekday.

Analysis

Staff reviewed the filing in light of the record in the recent rulemaking in Docket AR 601, that led to adoption of OAR 860-021-0407. At the request of Staff, Idaho Power submitted a modified filing on November 7, 2017. The supplemental filing aligns the proposed temperature threshold for customers not eligible for the moratorium period with the language in OAR 860-021-0407, so that the WPP now states a moratorium on any day (rather than three consecutive days) the forecasted daytime highs do not exceed 25 degrees or if the forecasted nighttime low falls below 10 degrees on any day. Staff believes that the intent of the rule is to protect all customers from service disconnection during severe weather, and aligning the disconnection language in Idaho Power's tariff better accomplishes that intent.

Staff supports Idaho Power's proposed temperature threshold of 25 degrees in its WPP, rather than the 32 degrees Fahrenheit specified in the rule, in light of the provisions establishing a winter moratorium period for more vulnerable customers. In its comments in the rulemaking Docket AR 601, Idaho Power explained that certain cities within its service territory in Oregon experience prolonged severe weather conditions.

As an example, the average temperature in Vale, Oregon during winter is 30.3 degrees. Thus, a severe weather moratorium with a temperature threshold of 32 degrees could result in a mandatory moratorium for all its customers during all winter months. This could result in large outstanding balances owed on accounts after the moratorium period.

Conclusion

Staff supports Idaho Power's proposed update to its Rule F, and the implementation of its Weather Protection Plan. Staff believes that Idaho Power's WPP, with the filed modification, strikes an appropriate balance between the health and safety of its customers and utility operations and customer account balance collections, and is consistent with the intent of the Commission's rule.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Advice No.17-08 and allow it to go into effect with service on and after December 1, 2017.