

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 500

In the Matter of a Rulemaking to Amend)	
OAR 860-021-0120, pertaining to Meter)	ORDER
Readings and Bill Forms, and to Amend)	
OAR 860-021-0405, pertaining to Notice)	
of Pending Disconnection of Residential)	
Electric or Gas Utility Service.)	

DISPOSITION: RULES AMENDED

BACKGROUND

This proceeding arose from Docket UM 1188, the Public Utility Commission of Oregon’s (Commission) investigation into policies to facilitate advanced metering infrastructure (AMI). The Commission opened the investigation as a result of Commission Staff’s (Staff) recommendations for improving demand response programs for Oregon electric companies, presented to the Commission at its public meeting on July 1, 2003.

Workshops related to AMI topics and potential rule changes were held on January 6, 2005, April 13, 2005, June 2, 2005, and June 14, 2005. Docket AR 500 was opened on August 23, 2005, to address two specific administrative rules related to AMI: OAR 860-021-0120, pertaining to meter readings and bill forms, and 860-021-0405, pertaining to notice of pending disconnection of residential electric or gas utility service. Workshop participants generally agreed that these rules, as currently written, posed a barrier to AMI development and implementation.

On September 13, 2005, the Commission filed a notice of rulemaking and a statement of need and fiscal impact with the Oregon Secretary of State. The Commission held a rulemaking hearing on October 26, 2005. The Commission received written or oral comments from the following participants: Citizens’ Utility Board of Oregon (CUB), Oregon Energy Coordinators Association (OECA), Community Action Directors of Oregon (CADO), Hunt Technologies, Inc., PacifiCorp, Portland General Electric (PGE), and Staff.¹

¹The Commission earlier adopted rule amendments in this docket at its January 26, 2006, Public Meeting. After that meeting, but prior to filing the amended rules with the Secretary of State, Staff detected that the

DISCUSSION

In this order we amend rules related to meter readings and bill forms (OAR 860-021-0120) and notice of pending disconnection of residential electric or gas utility service (OAR 860-021-0405). We address each rulemaking proposal separately. The proposed rule changes are contained in Appendix A, which is attached to this order.

I. Meter Readings and Bill Forms – OAR 860-021-0120

The proposed rule changes to OAR 860-021-0120 occasioned little or no controversy. The proposed changes update the rule to accommodate utilities adopting advanced metering and communication technologies.

Sections (1), (2), (4), and (5)

Staff recommends these amendments to restate the rule more clearly and simply and to accommodate the technological advances in meter reading and billing made possible by AMI. Section (1) eliminates an unnecessary exemption from the requirement to clearly note on the meter the units of service where an automated meter reading system is in place. Section (2) clarifies what the bill of an energy utility must display, including when consumption is estimated for more than 24 hours in a billing period. Section (4) more clearly states the responsibilities of an energy utility when a meter is read manually. Section (5) does not contain substantive changes.

Comment

The participants support these amendments.

Commission Resolution

We adopt Staff’s recommendation.

Section (3)

Staff recommends this amendment to more clearly require utilities to read service meters at least once a month on the corresponding day of the meter reading period.

Comment

PacifiCorp expresses concern that the proposed amendment, by removing the language “as nearly as possible,” does not allow for circumstances in which it is not

amendment to OAR 860-021-0405(7) resulted in an unintended consequence. Accordingly, Staff extended the comment period in accordance with ORS 183.335(14) and presented the amendments, with a slight modification to OAR 860-021-0405(7), for adoption at the Commission’s February 21, 2006, Public Meeting.

practical for the utility to read a meter “on the corresponding day of each meter reading period.” Such situations might include inclement weather, timing of weekends and holidays, and workforce scheduling.

PacifiCorp also recommends that a different example be provided in section (3)(a) describing how the utility may seek the customer’s cooperation in obtaining meter readings when access to meters is impeded. PacifiCorp suggests that the example provided (customer completing a meter reading form) is no longer current practice used by the utilities. Alternative examples suggested by PacifiCorp include installing radio frequency meters, installing a utility-owned lock, or requesting a customer key to a locked gate.

Finally, PacifiCorp requests that the actual verification requirement contained in section (3)(a) be increased from every four months to every six months. PacifiCorp suggests that some of the remote areas it serves may be inaccessible for up to six months, making it impossible for PacifiCorp to read a meter within a four month period.

Commission Resolution

We adopt a slight modification to the language proposed by Staff in section (3). It is not our intent to change the meaning of this rule, but simply to make the rule requirements more precise and alleviate the concerns expressed by PacifiCorp. The Commission adopts the following language:

(3) ~~As a matter of general practice, The energy utility will read~~ all service meters ~~at least once a month shall~~, as nearly as possible, ~~be read at monthly intervals~~, on the corresponding day of each meter reading period. Special authority may be granted for reading the meters ~~less frequently than once a month at other than monthly intervals~~, if the circumstances warrant or upon the customer’s request if agreed to by the energy utility and the customer. ~~In such cases, the energy utility shall provide confirmation in a written statement which includes an explanation of the disadvantages of having the meter read and billed less often than monthly:~~

We agree with PacifiCorp that the example provided in section (3)(a) is no longer useful due to changes in technology and utility practice. Rather than provide alternative examples that may unintentionally limit the types of solutions utilities may find to meter reading access problems, we choose to eliminate the example in section (3)(a).

We reject PacifiCorp's recommendation to change the verification requirement from four to six months. PacifiCorp did not provide enough convincing information to warrant such a change in practice.

II. Notice of Pending Disconnection of Residential Electric or Gas Service – OAR 860-021-0405

AMI is a costly investment for utility companies. However, AMI offers many benefits. One of those benefits is making more affordable technology that allows utilities to disconnect and reconnect utility service remotely, making a site visit an unnecessary part of the disconnection/reconnection process. As a result, utility companies may be able to recoup their initial investment in AMI over time more quickly, partly through reduced labor costs where site visits are not required in disconnection and reconnection cases.

Before disconnecting a customer's utility service, current Commission rules require energy utilities to send two written notices and to make a "good faith effort to personally contact the customer or an adult at the residence" by site visit. If an appropriate adult is not home, the utility is required to leave a disconnection notice in a conspicuous place at the residence. Unless payment arrangements are made at the time of that visit, service is disconnected immediately. Under the current rules, personal contact does not include a telephone conversation with the customer or another adult residing at the customer's residence.

In an effort to encourage utilities to adopt AMI, Staff recommends changes to OAR 860-021-0405, reducing but not eliminating the need for site visits in disconnection cases. Staff tried to balance the competing interests of fostering innovative technology that can save customers money with providing as much opportunity as possible for consumers to avoid losing utility service. Staff's proposed rule change for the final notice allows the utility to make personal contact through a telephone conversation with the customer or another adult living at the customer's residence, instead of a site visit. A site visit is required if such personal contact is not made. A voice message on a customer's answering machine would not suffice.

Staff also offered one alternative proposal for the Commission's consideration. A telephone message from the utility could meet the final notification requirement under the following circumstances: (1) remote disconnection/reconnection technology must be in place (otherwise the utility has to manually disconnect at the residence anyway, so no site visit is saved); and (2) the utility must make multiple attempts to contact the customer personally by phone.

Comment

PGE strongly advocates for the elimination of the site visit requirement in disconnection cases and gives two persuasive reasons. First, allowing a utility company

to contact a customer by phone as opposed to requiring a site visit may increase the chance of the utility making contact with the customer, because it is much more feasible for the utility to make repeated contact attempts via the telephone. PGE describes its automated phone calling process where the company attempts to contact the customer approximately 27 times (9 times each on the 13th, third and last day before disconnect). The odds of reaching the customer at home are greatly increased when compared to a single attempt to contact the person via a site visit. For example, in 2004, PGE made 31,505 residential site visits for pending disconnection notice. PGE states that only about half the time was an adult at home to answer the door. In contrast, PGE's automated calling system directed at customers receiving a five-day disconnect notice reached about two-thirds of the customers called.

Second, PGE believes that site visits create an expense for the utility company (and as a result, ratepayers) but offer little or no value to the affected customer. For customers who cannot pay their utility bills, the site visit offers no value to these customers. The site visit does not halt their pending disconnection. For those customers who can pay their utility bills but choose not to make payment until a utility representative is at the door, site visits are an expensive bill collection mechanism. In addition, a small number of customers both are at home when the site visit is made and make payment at the time of the visit to avoid disconnection (approximately 25 percent). Given the expense associated with site visits as a bill collection mechanism and the relatively low percentage of site visits that result in stopping disconnection, PGE believes that site visits benefit only those who can pay, while harming other ratepayers by driving up utility costs.

PacifiCorp advocates for expansion of the definition of "contact" to include a voice message left by the utility on a customer's answering machine. PacifiCorp notes that leaving a voice message for a customer who is not at home during the day provides the customer with notice that their service is in danger of being disconnected. PacifiCorp believes that requiring an actual telephone conversation is too strict of a requirement because if a customer is not at home to answer the phone, there is no reason to assume the customer would be at home when the utility made a site visit to disconnect the service. PacifiCorp states that by allowing "contact" to include a voice message, site visits will be eliminated for more customers, reducing collection costs and improving the cost effectiveness of remote disconnection/reconnection service.

CUB, OECA and CADO oppose expanding the definition of "contact" to include a voice mail message. CUB, OECA and CADO believe that in most cases utilities will be able to make personal contact by phone, utilize remote disconnect/reconnect technologies, and thus realize significant cost savings. The groups argue that in the small number of cases where a utility cannot have an actual telephone conversation with the customer or another adult residing at the residence, a site visit is warranted. CUB, OECA and CADO emphasize their concern that low-income customers may lose phone service at the same time they face utility disconnection. In addition, many low-income customers facing disconnection may not have telephone service at all.

Lastly, the groups point out that a final site visit may identify a situation where it could be potentially unsafe to disconnect service, such as a medical problem.

Commission Resolution

We want to foster innovative technology that can save ratepayers money and provide improved service. We agree with PGE and PacifiCorp that a site visit does not offer great value to a majority of customers facing disconnection when the customer can be contacted via the telephone. First, utilities have a better chance of reaching the customer by telephone because telephone contact will be attempted multiple times, versus the one-shot site visit. Second, the Commission acknowledges that site visits do not help those customers who cannot pay their utility bills. Disconnection still occurs. For those customers who can pay their utility bills, a site visit is an expensive and cumbersome form of debt collection.

We favor Staff's alternative proposal to modify the rules relating to notice of pending disconnection of residential electric or gas service – allowing attempted phone contact to serve as final notification for disconnection of service if certain conditions are met. However, we modify Staff's alternative proposal by removing the requirement for a site visit if the customer does not have a working messaging service. The rule is modified to read:

(7) ~~On the day that~~ **The energy 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 **on the day the energy utility expects to disconnect service or, where the service address has remote disconnection capability installed, at least three (3) business days prior to the day the energy utility expects to disconnect service:**

(a) If ~~the~~ contact is made, **either in person or via the telephone,** the energy utility ~~shall~~**must** advise the customer **or an adult at the residence** of the proposed disconnection; or

(b) If contact is not made, the energy utility must:

(A) Leave a notice in a conspicuous place at the residence informing the customer that service has been, or is about to be, disconnected or;

(B) Attempt to contact the customer at a service address where remote disconnect capability is installed via the telephone at least twice a day for the three consecutive days prior to the proposed disconnection, and at least one call must be placed

during the morning or afternoon (8:00 am to 5:00 pm) and another call placed during early evening (6:00 pm to 8:00 pm). Where an answering machine or service is available, the utility must leave a message at the end of each calling day informing the customer of the proposed disconnection. Initial implementation of section (7)(b)(B) may not occur during the winter heating season (November 1 through April 30).

(8) When an energy utility ~~makes personal contact~~**has an in-person or telephone conversation with the customer or an adult at the residence** under this rule, and the circumstances are such that a reasonable person would conclude the customer **or an adult at the residence** does not understand the **possible** consequences of disconnection, the utility must:

(a) Notify the Department of Human Services and the Commission; and

(b) Delay the proposed disconnection date for five additional business days.

We agree with CUB, OECA and CADO that many low-income families may not be reached by telephone because of a lack of telephone service. These consumers will be protected under this revised rule. If a customer does not have phone service the utility will not have the option of contacting the customer by telephone and, consequently, will be required to make a site visit and leave a notice of pending disconnection.

CUB, OECA and CADO also emphasize that a site visit may identify a situation where it is unsafe to disconnect service. We acknowledge that situations may exist where it is unsafe to disconnect utility service. Again, we agree with PGE and PacifiCorp that a site visit is no more likely to uncover these circumstances than contact by telephone. Even when a site visit is made, the person facing disconnection may not be home or may not answer the door when the utility representative makes the site visit.

We emphasize the importance of utility companies making a good-faith effort to have a person-to-person conversation or a telephone conversation with the customer prior to disconnecting service. Under section (7)(a), a utility's automated phone calling system may only be used as a tool to facilitate having an actual telephone conversation with the customer or another adult residing at the customer's residence. An automated call alone would not meet the requirement – the customer would have to connect to a call center representative.

Further, under section (7)(b)(B), the notice requirement is met only if (1) the utility is able to disconnect the customer's utility remotely, (2) the customer has working phone service, and (3) the utility has attempted to reach the customer at least

twice a day for three consecutive days, calling during the morning or afternoon (8:00 am to 5:00 pm) and early evening (6:00 pm and 8:00 pm). In addition, if an answering machine or service is available, the utility must leave a message informing the customer of the proposed disconnection.

We removed Staff's requirement that a utility must make a site visit if an answering machine or service is not available. If a customer has a working phone number, attempted phone contact is enough. The reason for removing the messaging requirement is twofold. First, more site visits would be required if the rule included a messaging requirement as opposed to an attempted messaging requirement, reducing the economic benefit of remote disconnect/reconnect technology. Second, as PGE and PacifiCorp emphasized, a real potential exists for "gaming" where customers become aware of the notice requirements and purposefully disconnect their messaging service to avoid being noticed in this manner.

We acknowledge PGE's suggestion to modify OAR 860-021-0009(3) to require customers to notify utilities if their phone numbers change, so utilities are able to maintain a more accurate database of working phone numbers. While we think this suggested rule change makes sense, we are not able to address the rule change in this order as proper notice has not been given. We will consider revising OAR 860-021-0009(3) at a later date under a separate docket.

We agree with Staff that a high standard is required for making contact by telephone to help ensure a sufficient level of effort and communication with the customer or another appropriate individual. This rule significantly reduces the number of site visits that utility companies will be required to make in disconnection cases, but also ensures a high level of contact between the utilities and customers prior to disconnection of service.

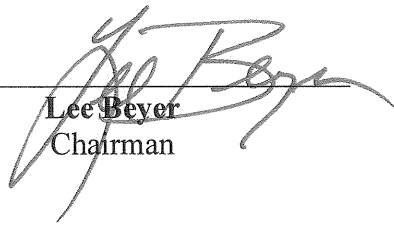
It is our understanding from Staff that no utility company currently has purchased remote disconnect/reconnect technology and that such investments are over one year away. Utilities are encouraged to work with Staff over the next year in educating the public about the benefits of AMI and the changes encompassed in this rule. As suggested by PacifiCorp, this education campaign should also stress the importance to the customer of opening and reviewing mailed notices in an effort to improve contact with customers via the mail regarding pending disconnection of service. Further, we emphasize that the rule prohibits utilities from implementing Section (7)(b)(B) (attempted contact via the telephone) during the winter heating season (November 1 through April 30) the first year the utility utilizes remote disconnect/reconnect equipment. We believe the public will be better served if the initiation of this rule change occurs during a warmer season so that the Commission can monitor if any unanticipated problems are occurring.

ORDER

IT IS ORDERED that:

1. The amendments to Oregon Administrative Rules 860-021-0120 and 860-021-0405, as set forth in Appendix A and made part of this order, are adopted.
2. The amended rules will be effective upon filing with the Secretary of State.

Made, entered, and effective FEB 22 2006.



Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



A person may petition the Commission for the amendment or repeal of a rule pursuant to ORS 183.390. A person may petition the Court of Appeals to determine the validity of a rule pursuant to ORS 183.400.

860-021-0120

Meter Readings and Bill Forms

(1) Every energy utility providing metered service ~~shall indicate~~will clearly indicate on the meter the units of service for which the charge is made to the customer, ~~except when automatic meter reading systems preclude such facilities.~~ The energy utility will clearly and plainly mark on the meter the proper constant to be applied ~~When~~ when the dial reading on an electric meter must be multiplied by a constant to obtain the units consumed, ~~the proper constant to be applied shall be clearly and plainly marked on the meter.~~

(2) All bills ~~shall~~must display

(a) the total consumption for the billing period;

(b) the beginning and ending ~~show the~~ meter readings ~~at the beginning and end of~~ for the billing period, where available;

(c) the beginning and ending dates of the billing period; meter readings,

(d) the number of units of service supplied;

(e) the schedule number under which the bill was computed; and

(f) any other information needed to compute the bill. Each bill ~~shall bear on its face~~will specify the delinquent date of the bill. When there is good reason for so doing, the energy utility may submit ~~estimated bills may be submitted.~~ Any estimated reading shall be The energy utility will clearly noted note on the bill when total consumption is estimated for more than twenty-four hours in one billing period.

(3) ~~As a matter of general practice,~~The energy utility will read all service meters at least once a month~~shall~~, as nearly as possible, ~~be read at monthly intervals,~~ on the corresponding day of each meter reading period. Special authority may be granted for reading the meters less frequently than once a month~~at other than monthly intervals,~~ if the circumstances warrant or upon the customer's request if agreed to by the energy utility and the customer. ~~In such cases, the energy utility shall provide confirmation in a written statement which includes an explanation of the disadvantages of having the meter read and billed less often than monthly:~~

(a) When access to a meter is difficult due to the meter's location or other circumstance, the energy utility ~~shall~~may seek the customer's cooperation in obtaining monthly meter readings. ~~(for example, having the customer complete and return a meter reading form).~~ ~~Any customer reading shall will be subject to actual verification by the energy utility~~The energy utility will verify the actual meter reading not less than once every four months.

(b) A customer ~~shall~~must provide the energy utility with regular access to a meter on the customer's property. Failure to permit access at reasonable times and after reasonable notice is grounds for disconnection.

(4) On written customer request, an energy utility that manually obtains monthly meter reads must, at the time of such reading, leave at the premises, information containing the date and time of the meter read and the meter read data. ~~On written request by a customer, the energy utility shall cause the meter reader, when the customer's meter is read, to leave on such meter, or with such customer, a card showing the date and time such reading was made, and the reading of the meter.~~

(5) An energy utility will ~~Energy utilities shall~~ make a reasonable ~~effort~~efforts to prepare opening and closing bills from actual meter readings.

Stat. Auth.: ORS Ch. 183, 756 & 757

Stats. Implemented: ORS 756.040 & 757.250

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 5-1983, f. 5-31-83, ef. 6-1-83 (Order No. 83-284); Renumbered from 860-021-0020; PUC 16-1990, f. 9-28-90, cert. ef. 10-1-90 (Order No. 90-1105); PUC 11-1995, f. & ef. 11-27-95 (Order No. 95-1217); PUC 11-1998, f. & ef. 5-7-98 (Order No. 98-188)

860-021-0405**Notice of Pending Disconnection of Residential Electric or Gas Service**

(1) When a written notice is given under these rules:

(a) The notice **shall** conform to the requirements of OAR 860-021-0010 concerning multilingual requirements and service on any designated representative; and

(b) The notice **shall** conform to the requirements of OAR 860-021-0326 if the energy utility's records show the billing address is different than the service address or the residence is a master-metered multi-family dwelling. The notice may be addressed to "tenant" or "occupant." The envelope **shall** bear a bold notice stating, "Important notice regarding disconnection of utility service," or words to that effect.

(2) The notice **shall** be printed in boldface type and **shall** state in easy to understand language:

(a) The reason for the proposed disconnection;

(b) The amount to be paid to avoid disconnection;

(c) The earliest date for disconnection;

(d) An explanation of the time-payment agreement provisions of OAR 860-021-0415;

(e) An explanation of the medical certificate provisions of OAR 860-021-0410;

(f) The name and telephone number of the appropriate unit of the Department of Human Services or other agencies which may be able to provide financial aid; and

(g) An explanation of the Commission's complaint process and toll-free number.

(3) At least 15 days before an energy utility may disconnect a residential customer for nonpayment for services rendered, the energy utility must provide written notice to the customer. A 15-day notice is not required when disconnection is for failure to establish credit or theft of service.

(4) The energy utility may not send a notice of disconnection before the due date for payment of a bill.

(5) The energy utility may serve the 15-day notice of disconnection in person or send it by first-class mail to the customer's last known address. Service is complete on the date of personal delivery or, if the notice is delivered by U S Mail, service is complete on the day after the date of the U S Postal Service postmark or on the day after the date of postage metering.

(6) At least five business days before the proposed disconnection date, the energy utility must mail or deliver a written disconnection notice to the customer. Service is complete on the date of personal delivery or, if the notice is delivered by U S Mail, service is complete on the day after the date of the U S Postal Service postmark or on the day after the date of postage metering.

(a) The disconnection notice **shall** inform the customer that service will be disconnected on or after a specific date and **shall** explain the alternatives and assistance that might be available as required in section (2) of this rule; or

(b) If notification is delivered to the residence, the energy utility **shall** attempt personal contact. If personal contact cannot be made with the customer or an adult resident, the energy utility **shall** leave the notice in a conspicuous place at the residence.

(7) ~~On the day~~ The energy 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 on the day the energy utility

expects to disconnect service or, where the service address has remote disconnection capability installed, at least three (3) business days prior to the day the energy utility expects to disconnect service:

(a) If ~~the~~ contact is made, either in person or via the telephone, the energy utility ~~shall~~must advise the customer or an adult at the residence of the proposed disconnection; or

(b) If contact is not made, the energy utility must:

(A) Leave a notice in a conspicuous place at the residence informing the customer that service has been, or is about to be, disconnected or -

(B) Attempt to contact the customer at a service address where remote disconnect capability is installed via the telephone at least twice a day for the three consecutive days prior to the proposed disconnection, and at least one call must be placed during the morning or afternoon (8:00 am to 5:00 pm) and another call placed during early evening (6:00 pm to 8:00 pm). Where an answering machine or service is available, the utility must leave a message at the end of each calling day informing the customer of the proposed disconnection. Initial implementation of section 7(b)(B) may not occur during the winter heating season (November 1 through April 30).

(8) When an energy utility ~~makes personal contact~~has an in-person or telephone conversation with the customer or an adult at the residence under this rule, and the circumstances are such that a reasonable person would conclude the customer or an adult at the residence does not understand the possible consequences of disconnection, the utility must:

(a) Notify the Department of Human Services and the Commission; and

(b) Delay the proposed disconnection date for five additional business days.

(9) When the energy utility makes personal contact under this rule, the utility's representative making contact ~~shall be~~is empowered to accept reasonable partial payment of the overdue balance under the time-payment provisions of OAR 860-021-0415.

(10) An energy utility must document its efforts to provide notice under this rule and ~~shall~~make that documentation available to the customer and the Commission upon request.

Stat. Auth.: ORS Ch. 183, 756 & 757

Stats. Implemented: ORS 756.040 & 757.760

Hist.: PUC 6-1979, f. & ef. 10-6-79 (Order No. 79-680); PUC 5-1983, f. 5-31-83, ef. 6-1-83 (Order No. 83-284); Renumbered from 860-021-0085; PUC 16-1990, f. 9-28-90, cert. ef. 10-1-90 (Order No. 90-1105); PUC 11-1998, f. & ef. 5-7-98 (Order No. 98-188); PUC 4-1999, f. & ef. 8-16-99 (Order No. 99-488); PUC 16-2001, f. & ef. 6-21-01 (Order No. 01-488); PUC 7-2005, f. & ef. 11-30-05 (Order No. 05-1229)