Agenda Date:	May 30, 2013
Item Number:	A2
Docket:	UE-130545
Company Name:	PacifiCorp dba Pacific Power & Light Company
Staff:	Rayne Pearson, Consumer Protection Manager

Recommendation

Deny the company's petition for exemption from WAC 480-100-128(6)(k).

Background

On April 15, 2013, PacifiCorp filed with the Utilities and Transportation Commission a petition for exemption from WAC 480-100-128(6)(k), which states that company employees dispatched to disconnect service must accept payments at the service address to prevent disconnection. The company cited alleged safety concerns for its employees who carry customer payments in the field.

Discussion

Staff opposes PacifiCorp's petition, and will address each of the company's arguments in turn.

1. **PacifiCorp claims that "field employees who are known to carry money in their vehicle are inherently at risk for being attacked or robbed as they travel their daily route."**

It is unclear how field employees are "known to carry money." If the company is concerned about a widespread belief that power company employees carry cash, it could install lock boxes inside its vehicles for employees to deposit payments and have "Drivers Do Not Carry Cash" printed on the side.

Regarding the events that transpired when Mississippi employee Nathan Baker was murdered: There were no witnesses to the crime, and sheriffs were only able to deduce Baker's last known whereabouts by tracking his company vehicle.[1] According to news articles, Baker's body was found four miles from the customer's home more than 24 hours later. The company's claim that "After Nathan fell to the ground, the owner shot Nathan in the head. The owner then took the cash/customer payments Nathan had collected before the fateful visit to this residence" is contrived to create an unsubstantiated inference that the customer's motive was to rob Baker, not to prevent him from disconnecting service. No one actually knows who took the money or when it was taken; the case has yet to go to trial.

PacifiCorp's claim that safety is its "top priority" is contradicted by the company's continued practice of sending employees unaccompanied onto customer property to disconnect service**.** If

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[1] "Utility Worker Found Dead," News Center 11 www.wtok.com, last accessed on May 15, 2013.

safety were truly the company's utmost concern, it could invest in two-way meters to enable remote disconnection, thereby eliminating the need to put their employees in harm's way.

2. **PacifiCorp argues that because "online payment and pay-by-telephone provide almost immediate account updating and may take place inside a customer's home … it is no longer necessary for employees to accept payments in the field."**

PacifiCorp's argument that online payments and pay-by-phone options eliminate the need for employees to accept payments in the field ignores the realities of the "unbanked" segment of the population, which is largely low-income. According to FDIC data, more than 40 percent of low-income households are without bank accounts.[2] Allowing the company to become exempt from this rule would result in a disparate impact on low-income customers.

The top reason cited for not having a bank account is cost. Monthly fees and minimum balance requirements often preclude low-income people from opening or maintaining a bank account. Without a bank account, consumers cannot obtain credit or debit cards. The company's position that customers who are being disconnected can pay online or by telephone assumes that every customer has those options. In reality, many do not. Staff is concerned about those consumers who cannot afford bank accounts, and who may not have transportation on the day of a scheduled disconnection.

A scenario where a company employee refuses to accept cash from a customer and proceeds to disconnect service despite the customer's effort to make payment is unconscionable. That customer, who is already strapped for money, is then subject to a reconnection fee and possible loss of refrigerated foods and/or medications until service is restored, in addition to any other consequences that arise from an arguably avoidable inconvenience. Staff does not support a practice that targets the most vulnerable demographic of consumers.

PacifiCorp's public interest argument as it relates to the safety of its employees is outweighed by the public interest argument as it relates to consumers because there are alternative means available to address the perceived safety issue that have less impact on consumers.

The company has failed to exhaust, let alone address, other avenues for dealing with its safety concerns while upholding its duty to comply with commission rules.

3. **The Company recently implemented a similar change in Utah that has not resulted in any escalated calls or commission complaints.**

PacifiCorp states that it has not received "any … commission complaints due to the change in business practice in Utah." The Utah Public Services Commission would be unable to accept a complaint from a consumer protesting the change, however, because Utah law contains no similar consumer protections.

[2] 2011 FDIC National Survey of Unbanked and Underbanked Households, September 2012 at 16.

Conclusion

PacifiCorp is not required to disconnect service while customers are home, or even knock on the door prior to disconnecting service. But in the event a customer is able and willing to make an on-site payment to stop the disconnection from occurring, refusing payment and proceeding with the disconnection is decidedly contrary to the public interest, particularly when alternative means of addressing alleged safety issues are available.

Accordingly, staff respectfully recommends that the commission deny PacifiCorp's petition in Docket UE-130545.