

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Re. Request of PacifiCorp :
for General Rate Increase in : Docket No. UE-991832
Electric Rates :
:
:

**THE ENERGY PROJECT'S
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS
TO PACIFICORP: SET NO. I**

The Energy Project (TEP) hereby submits its first set of Interrogatories and Requests for Production of Documents to These Interrogatories and Requests for Production of Documents.

INSTRUCTIONS AND DEFINITIONS

- 1- All answers shall be in writing and each answer shall identify the name and position of the person(s) who provided the answer. Each interrogatory or request for production of documents shall be answered separately, fully and under oath.
- 2- Each answer shall first restate the interrogatory or request for production of documents which is being answered. All answers to interrogatories and documents produced shall be served upon The Energy Project at the following offices:
 1. Charles Eberdt
The Energy Project
314 E. Holly
Bellingham, WA 98225
 2. Roger D. Colton
Fisher, Sheehan and Colton
Public Finance and General Economics
34 Warwick Road, Belmont, MA 02478-2841

If answers are available electronically, please send the answers by e-mail to:

chuck_eberdt@oppco.org with a copy to: roger@fsconline.com in addition to a hard copy to the above addresses.

These interrogatories and requests for production of documents are continuing and you are obliged to change, supplement and correct all answers given to conform to new or changing information.

If PacifiCorp objects to providing any documents requested, identify such document by describing it as set forth in Instruction 8 and state the basis of your objection.

To "identify" a natural person means to state that person's full name, title or position, affiliation or employing organization and last known address and telephone number.

To "identify" a business entity means to state the full name of such business, the form of the business and its location or address.

To "identify" a "document" means to provide the following information irrespective of whether the document is deemed privileged or subject to any claim of privilege:

- (a) the title or other means of identification of each such document;
- (b) the date of each such document;
- (c) the author, preparer and/or signer of each such document;
- (d) a sufficient description of the subject matter of such document to permit an understanding of its contents, the present or last known location of the document and the specific nature of the document (e.g., letter, business record, memorandum, computer print-out, etc.).

7. In lieu of "identifying" any document, it shall be deemed a sufficient compliance with these interrogatories and requests for production of documents to attach a copy of each such document to the answers hereto and reference said document to the particular interrogatory or request for production of documents to which the document is responsive.
8. As used herein, PacifiCorp refers to the PacifiCorp Corporation, its officers, employees, attorneys, consultants and expert witnesses.
9. As used herein, "Commission" refers to the Washington Utilities and Transportation Commission, including all of its employees, offices and bureaus.
10. Where an objection is interposed to any interrogatory or part thereof, answer the interrogatory or all parts thereof to the extent not objected to.
11. Whenever the word "document" or "communication" is used in these interrogatories and requests for production of documents it includes, but is not limited to, all printed, typewritten, computer generated or readable, handwritten, graphic or recorded matter, however produced or reproduced, and however formal or informal. For purposes of these interrogatories, the following terms shall be included within the definition of "document" or "communication": all writings of whatever kind, communications, records of whatever kind, letters, reports, memoranda, books, manuals, instructions, directives, forms, notes of meetings, telephone messages, notices, telegrams, diaries, agreements, written analyses or studies of whatever kind, handwritten notes of conversations, correspondence of whatever kind, summaries, surveys, calculation sheets, contracts, orders or invoices. "Documents" and "communication" shall include matter stored on computerized memory, magnetic or other media.

**INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

- 1-1. Please explain the criteria the Company uses to assess, on an ongoing basis, the effectiveness of its current credit and collection activities.
- 1-2. Please explain the criteria the Company uses to assess, on an ongoing basis, the cost-effectiveness of its current credit and collection activities.
- 1-3. Please provide any written assessment, evaluation, report or other written document of any nature that discusses the effectiveness of the Company's current credit and collection activities.
- 1-4. Please provide any written assessment, evaluation, report or other written document of any nature that discusses the cost-effectiveness of the Company's current credit and collection activities.
- 1-5. Identify the current organizational structure which provides all credit and collection services, including in-house and outside individuals, departments, and organizations with current staffing and funding levels.
- 1-6. State the total collection costs for the test year associated with handling residential customer accounts, including administrative and overhead expenses, associated with service termination activity (including pre-termination notice by mail, pre-termination personal contact, actual termination of service, post termination and restoration costs, negotiating payment arrangement requests, budget counseling, handling formal and informal complaints, securing and maintaining deposits, tracking delinquent accounts, collection agency expenses, litigation expenses, dunning expenses, and winter survey expenses.
- 1-7. Of the total collection costs identified immediately above, state the total costs associated with low-income accounts.
- 1-8. Please provide the per unit cost of each of the following residential activities:
 - a. Disconnection of service for nonpayment;
 - b. The negotiation of a deferred payment arrangement;
 - c. Issuance of a written disconnect notice;
 - d. The reconnection of service;
 - e. A field collection visit;
 - f. A field visit to deliver a personal or written disconnect notice;
 - g. A telephone reminder of nonpayment.
- 1-9. For each year since 1995, please provide the number of each of the following:
 - a. Disconnection of service for nonpayment;
 - b. The negotiation of a deferred payment arrangement;
 - c. Issuance of a written disconnect notice;
 - d. The reconnection of service;
 - e. A field collection visit;
 - f. A field visit to deliver a personal or written disconnect notice;
 - g. A telephone reminder of nonpayment.
- 1-10. For each year since 1995, please provide the following:
 - a. The amount of money the Company spent on the disconnection of services
 - b. The amount of money the Company did collect as a result of disconnection that you

otherwise would not have collected.

The amount of money the Company spent negotiating payment plans.

The amount of money the Company did collect as a result of negotiating payment plans.

The amount of money the Company spent on field collection calls.

The amount of money the Company did collect as a result of field collection services.

The amount of money the Company spent on issuing of written disconnect notices and/or telephonic reminders of non-payment.

The amount of money the Company did collect as a result of issuing written disconnect notices and/or telephonic reminders of non-payment.

The amount of money the Company spent on outside (i.e., non-Company) collection services.

The amount of money the Company did collect as a result of using outside collection services.

- 1-11. Identify all criteria used to categorize customers as low income customers. Separately describe each specific company procedure in which these criteria are used to identify and categorize low income customers. Please provide a copy of each such procedure, including a copy of any staff training or operations manual in which the procedure is set forth or otherwise discussed.
- 1-12. Please provide a single copy of any and all program manuals and other written program descriptions detailing the operation of the company's LIHEAP outreach program or other program directed toward providing assistance to low-income households.
- 1-13. Please provide a copy of any written document in the possession or control of the Company, whether or not prepared for the Company, assessing, estimating or otherwise discussing the number of low-income customers served by the Company. To the extent that such document has been prepared by or for the Company, include all source documents underlying the estimate of the number of low-income customers.
- 1-14. Please provide a detailed description of each different type of deferred payment plan offered by the company to residential customers. Separately indicate to whom (or under what circumstances) each type of deferred payment plan is offered.
- 1-15. Please provide for each year for the past three years:
The total number of customers on each type of payment plan.
The total number of low-income customers on each type of payment plan.
The total number of low-income customers who have failed to maintain one or more payment plans for each type of payment plan.
- 1-16. Please provide:
the working capital expense associated with low-income arrears;
the total bad debt expense associated with low-income customers;
the total number of disconnects for nonpayment of low-income customers;
The total number of deferred payment arrangements with low-income customers;
The total number of written disconnect notices to low-income customers;
The total number of service reconnections for low-income customers;
The total number of field collection visits to low-income customers;

- The total number of field visits to deliver a personal or written disconnect notices to low-income customers;
- The total number of telephone reminders of nonpayment to low-income customers.
- 1-17. Please provide any report, evaluation, memo or other written document of any nature, whether or not prepared for your company, that presents the acquisition cost in a competitive electric industry for:
- a. Residential customers;
 - b. Low-income residential customers.
- 1-18. Please provide any report, evaluation, memo or other written document of any nature, whether or not prepared for your company, that presents the churn in the electric industry for:
- Residential customers;
- Low-income residential customers.
- 1-19. Please provide a single copy of all analyses that your company has generated to predict churn amongst your customers for:
- Residential customers;
- Low-income residential customers.
- 1-20. Please provide a single copy of all analyses that your company has generated to predict per customer profit amongst your customers for:
- Residential customers;
- Low-income residential customers.
- 1-21. Please provide a single copy of all analyses that your company has generated to predict the lifetime value amongst your customers for:
- Residential customers;
- Low-income residential customers.
- 1-22. Separately provide a detailed description of the calculations which underlie your estimate of lifetime value for:
- Residential customers;
- Low-income residential customers.
- 1-23. Please provide a single copy of any report in the possession or control of the Company titled "Collections Picture 19xx" for the most recent four years available.
- 1-24. For the most recent three years available, please provide on a month-by-month basis, the following data:
- The number of residential disconnections of service for nonpayment;
 - The number of residential customers who entered into deferred payment arrangements;
 - The number of residential customers who defaulted on deferred payment arrangements;
 - The number of residential customers in arrears;
 - The average arrears of residential customers in arrears;
 - The average monthly residential bill.
- 1-25. Please provide any and all price elasticity studies in the possession or control of the company, whether or not done for the Company, regarding long- and/or short-term price elasticities for the following:
- Residential customers as a whole;

- Low-income residential customers.
- 1-26. For each agency that assists Company residential customers with bill payments, please provide a detailed description of how the benefits paid by those agencies are matched with, and posted to, a specific customer account.
- 1-27. Please provide complete residential tariff sheets, if any, for each and every one of the following:
Late fees;
Deposits;
Bad check fees;
Reconnect fees;
Any and all other charges for residential customers.
- 1-28. Please describe the basic administrative process a customer must "walk-through" in order to obtain a deferred payment arrangement. A response to this Data Request should contain a description of the process from the point of initial contact with the Company to the point where the Company and the customer document the agreement.
- 1-29. Please provide any written manual, operating procedures, staff training materials, or other written document of any nature that describes or implements the Company's deferred payment plans.
- 1-30. Please provide all studies, analyses, memos workpapers, or written documents of any nature that disaggregate the source of bad debt to the Company by the following:
By customer class;
By geography (*e.g.*, zip code, census block, etc.) (for residential bad debt);
By socio-economic status of the customer (for residential bad debt);
By LIHEAP vs. non-LIHEAP customer (for residential bad debt).
- 1-31. Please provide all studies, analyses, memos workpapers, or written documents of any nature that disaggregate the source of arrears to the Company by the following:
By customer class;
By geography (*e.g.*, zip code, census block, etc.) (for residential arrears);
By socio-economic status of the customer (for residential arrears);
By LIHEAP vs. non-LIHEAP customer (for residential arrears).
- 1-32. Please provide all studies, analyses, memos, workpapers, or written documents of any nature examining the extent of accounts receivable associated with LIHEAP recipients who are Company customers.
- 1-33. Please provide all "collectability studies" performed by the Company within the past three years. For purposes of this request, a "collectability study" is a study which disaggregates customers into sub-classes and predicts or projects based on an empirical review the amount of percent of billed revenue that will be collected from each sub-class. Such studies are often used for revenue projection purposes. Please provide such studies whether or not the Company happens to call them "collectability studies."
If no such "collectability studies" exist, please provide the methodology for assessing allowances for doubtful accounts and describe in detail how each age group of residential utility service accounts receivable are evaluated to calculate the allowance.
- 1-34. Please provide a detailed description of how the Company calculates its uncollectible

allowance. Separately provide the most recent calculation of the uncollectible allowance, including sufficient underlying workpapers and analysis to permit the duplication of the calculation.

- 1-35. Has the Company made any significant changes in its customer service procedures, including (but not limited to) outsourcing, downsizing, or combining service centers or services, in the last ten years:
- a. with the intention of reducing the Company's expenditures on those services?
 - b. with the intention of reducing uncollectibles, arrearages, or bad debt?
 - c. If the answer is "yes", please describe:
 - i. Separately provide the level of uncollectibles before and after implementation of the change in customer service procedures.
 - ii. If the change in customer service procedures did not result in a reduction in uncollectibles, separately provide a detailed explanation of why the anticipated result was not accomplished.
- 1-36. Please provide the number of residential accounts with each vintage of arrears on the first day of each month for each month since January 1998 inclusive. Provide the following vintages if available: (a) 30-60 days; (b) 61-90 days; (c) 91+ days. If not available, provide what vintages are available.
- 1-37. Please provide the dollars of residential arrears on the first day of each month for each month since January 1998 inclusive. Provide the following vintages if available: (a) 30-60 days; (b) 61-90 days; (c) 91+ days. If not available, provide what vintages are available.
- 1-38. Please provide the total number of customers receiving LIHEAP grants for service provided by the Company in the:
1997 - 1998 program year;
1998 - 1999 program year.
- 1-39. Please provide the total number of funds receiving in LIHEAP grants for eligible customers in the:
1997 - 1998 program year;
1998 - 1999 program year.
- 1-40. Please provide the total number of residential customers, by month, for each month January 1, 1998 to present, broken down by tariff class.
- 1-41. Please provide the average residential bill by month for each month January 1, 1998 to present. Separately provide the average residential bill broken down by tariff class.
- 1-42. Please provide a single copy of any study within the possession or control of the Company, performed using Company customers, that distinguishes between residential customers generally and low-income residential customers in particular. Factors that might distinguish the two classes might include, but not be limited to: (a) usage levels and patterns; (b) history of payment troubles; (c) consumption of energy efficiency services; (d) credit and collection history; (e) consumption of Company resources such as staff time; and the like.
- 1-43. Please provide a single copy of any study within the possession or control of the Company that considers or calculates the load profile for a typical low-income residential customer. Separately provide natural gas and electric studies if available.
- 1-44. Please provide a single copy of any study within the possession or control of the

Company that considers or calculates:
the cost to the Company of nonpayment by residential customers;
the cost to the Company of nonpayment imposed by low-income residential customers;
the cost to the Company of credit and collection activities engaged in by the Company.

- 1-45. Please provide a list of all special contracts for the sale of energy or capacity to an industrial customer in the Company service territory, which contract has been entered into since January 1, 1995. Separately provide:
a. Any filing with the Commission seeking regulatory approval of such contract; and
b. The final Commission order approving or disapproving such filing or contract.
- 1-46. Please provide any study, report, memo or other written document of any nature in the possession or control of the Company, whether or not of Company customers, that considers, evaluates or discusses the relationship between residential payment-troubles and low-income status. Separately provide any such study, memo, report or other written document that examines these relationships for Company customers.
- 1-47. Please provide any study, memo or written document of any nature in the custody or control of the Company, whether or not performed for the Company, that considers, evaluates or otherwise discusses the relationship between payment troubles and:
Level of customer consumption;
Income of customer's household.
- 1-48. Please provide all customer service center quality of service standards. Separately provide by each service center if different standards apply. Such standards might include, but not be limited to, to have no more than a one minute wait; to have busy signals no more than 10% of the time; and so forth.
- 1-49. Please provide all studies, reports, or other written documents of any nature that present the degree of compliance by each service center with the service quality standards provided in response to the data request immediately above.
- 1-50. Please provide a single copy of any study, report, or other written document of any nature within the custody or control of the Company, whether or not performed for the Company, of the results of any electric low-income rate affordability project, rate discount, or other low-income rate assistance initiative, whether or not the Company was involved with the program or project.
- 1-51. Please provide a single copy of any study, report, or other written document of any nature within the custody or control of the Company, whether or not performed for the Company, assessing the cost-effectiveness or potential cost-effectiveness of any electric utility low-income rate affordability project, rate discount, or other rate assistance initiative, whether or not the Company was involved with the program or project.
- 1-52. Please provide a list of all accounts with the federal government which result in an annual combined natural gas and electric bill exceeding \$25,000.
Separately indicate whether the cumulative combined electric and natural gas bill to accounts with the federal government exceeded \$500,000 in any year 1996 to present.
Please provide a single copy of all contracts with the federal General Services

Administration for the provision of electric and/or natural gas distribution or supply service in the PacifiCorp service territory pursuant to the Federal Property and Administrative Services Act of 1949.

Please provide a single copy of any and all subcontracting plans filed with the federal government, pursuant to the Small Business Act, during the years 1996 to present, which plans provide for the maximum practical opportunity for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals.

Respectfully submitted,

Charles M. Eberdt
The Energy Project
314 E. Holly St.
Bellingham, WA 98225

Dated: March 22, 2000