

August 1, 2013

***VIA ELECTRONIC FILING***

Steven V. King

Acting Executive Director and Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive SW

P.O. Box 47250

Olympia, WA 98504-7250

**Re: Docket No. U-131087**

**Comments of PacifiCorp**

Dear Mr. King,

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) submits the following comments in accordance with the Notice of Opportunity to File Written Comments dated July 1, 2013 in the above-referenced docket.

It is respectfully requested that all data requests be addressed in the following manner, with copies to the Company’s counsel:

By Email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By Regular Mail: Data Request Response Center

PacifiCorp

825 NE Multnomah Street, Suite 2000

Portland, OR 97232

Please direct any informal inquiries to Barb Coughlin, Director, Customer & Regulatory Liaison, at (503) 331-4306.

Sincerely,

William R. Griffith

Vice President, Regulation

Enclosures

cc: Rayne Pearson

**BEFORE THE WASHINGTON**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| --- | --- |
| In the Matter of  PACIFICORP d/b/a PACIFIC POWER & LIGHT  Inquiry to Consider Whether Changes to WACs 480-100-128(6)(k) and 480-90-128(6)(k) are Warranted | DOCKET U-131087  PACIFICORP’S AUGUST 1, 2013 COMMENTS IN SUPPORT OF REVISIONS TO WACs 480-100-128(6)(k) AND 480-90-128(6)(k) |

*1.* In accordance with WAC 480-07-143 and the Notice of Opportunity to File Written Comments dated July 1, 2013 (Notice), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), provides the following comments to the Washington Utilities and Transportation Commission (Commission) in support of revisions to WACs 480-100-128(6)(k) and 480-90-128(6)(k), which require employees performing disconnection of service accept payment from customers at the service address.

*2.*  PacifiCorp is an electrical company and public service company doing business in the state of Washington under RCW 80.04.010 and is subject to the jurisdiction of the Commission with regard to its public utility operations, retail rates, service, and accounting practices. The Company also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in the states of Utah, Wyoming, and Idaho. PacifiCorp’s principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

*3.* PacifiCorp’s name and address:

|  |  |
| --- | --- |
| PacifiCorp Washington Dockets  825 NE Multnomah Street, Suite 2000  Portland, OR 97232  [Washington.Dockets@PacifiCorp.com](mailto:Washington.Dockets@PacifiCorp.com) | Michelle R. Mishoe  Senior Counsel  825 NE Multnomah Street, Suite 1800  Portland, OR 97232  Phone: (503) 813-5977  [michelle.mishoe@pacificorp.com](mailto:michelle.mishoe@pacificorp.com) |

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred) [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail Data Request Response Center

PacifiCorp

825 NE Multnomah, Suite 2000

Portland, OR 97232

Informal inquiries may be directed to Barb Coughlin, Director, Customer & Regulatory Liaison, at (503) 331-4306.

**GENERAL COMMENTS**

*4.* WAC 480-100-128(6)(k) requires Company employees dispatched to disconnect electric service for nonpayment to accept payment from customers:

(k) *A utility representative dispatched to disconnect service must accept payment of a delinquent account at the service address,* but will not be required to give change for cash paid in excess of the amount due and owing. The utility must credit any over-payment to the customer's account. The utility may charge a fee for the disconnection visit to the service address if provided for in the utility's tariff; (*emphasis added*)

*5.* After reviewing increased documented threats, incidents with other utility workers across the country, workplace violence statistics, payment methods available to customers and current best practices, PacifiCorp concluded field employees who carry money or collect money from customers have the potential to experience a hostile interaction leading to injury, or even worse, death. Field employees who are known to carry money in their vehicle or on their person are inherently at greater risk for being attacked and robbed as they travel their daily route.

6. PacifiCorp supports the opening of a rulemaking to change WACs 480-90-128(6)(k) and 480-100-128(6)(k) to allow utilities to reduce risk of harm to employees carrying money throughout their workday, eliminate a way for customers’ personal banking information to be stolen and used fraudulently, and eliminate an opportunity for theft of cash. A simple change of the word “must” to “may” in WACs 480-90-128(6)(k) and 480-100-128(6)(k) would *allow* rather than *require* a utility to collect payment of delinquent accounts at the service address:

(k) A utility representative dispatched to disconnect service *~~must~~ may* accept payment of a delinquent account at the service address,but will not be required to give change for cash paid in excess of the amount due and owing. The utility must credit any over-payment to the customer's account. The utility may charge a fee for the disconnection visit to the service address if provided for in the utility's tariff; (*emphasis added*)

**EMPLOYEE SAFETY**

*7.* PacifiCorp’s initial interest in revising practices for collecting payments in the field was prompted by a disturbing incident that took place on June 26, 2012, in Mississippi. Mr. Nathan Baker, a collector with East Mississippi Electric Power Association went to a customer’s premise to disconnect service. Mr. Baker was later found dead, having been beaten by a shovel and shot in the back.

*8*. As a result of this particular incident PacifiCorp re-evaluated existing Company safety policies for its field collections personnel. Safety is a top priority for the Company and business practices allowing for the risk of injury or death to an employee as a result of workplace violence must be revised to provide a safer working environment.

*9.* PacifiCorp has a responsibility and a duty to provide a safe working environment for its employees. The Occupational Safety and Health Administration (OSHA) requires employers to furnish each employee a place of employment free from recognized hazards that can be considered harmful to an employee[[1]](#footnote-1). OSHA also recognizes workplace violence as a hazard having the potential to disrupt the safety of a workplace and offers guidance on mitigating the potential for workplace violence.[[2]](#footnote-2) Additionally, multiple governmental agencies have researched workplace violence and provided useful information and statistics regarding workplace violence, including identification of factors leading to higher risk of violence to occur. Additional information from government sources regarding workplace violence is provided in Exhibit A attached.

*10.* The Bureau of Labor Statistics (BLS) reported a total of 458 fatal work injuries as a result of homicide in 2011. Of that number, BLS reported that “robbers” were the assailants in 22 percent of female worker homicides and over one third of male worker homicides[[3]](#footnote-3).

*11.* Fortunately, PacifiCorp has not experienced a tragic incident such as the one in Mississippi. However, the Company has been monitoring these types of incidents across the nation as well as the threats and incidents reporting by its personnel. The number of threats or incidents has increased from year to year. PacifiCorp has collected the following information regarding physical incidents and threats made against Company employees:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | Physical Incidents | Specific Type of Verbal Threat | | | | Total Incidents  & Threats  Reported |
| Guns, Knives, other Weapons | Letting Loose Dogs | Damaging Company Facilities | General |
| 2010 | 1 | 4 | 0 | 0 | 6 | 11 |
| 2011 | 0 | 10 | 2 | 1 | 8 | 21 |
| 2012 | 5 | 11 | 3 | 3 | 8 | 30 |
| 2013YTD | 8 | 6 | 1 | 1 | 8 | 24 |

*12.* PacifiCorp has thirteen recorded physical incidents in 2012 and 2013. Of the thirteen physical incidents, one involved a customer spitting on an employee and then slamming the Company truck door on the employee’s leg, one involved a pit-bull attack, one involved a customer attempting to engage the employee in a fist fight, one was an unspecified physical attack on a meter reader, one involved an employee being sprayed by a water hose while driving then being spit on and eight involved a customer brandishing a firearm. **Four incidents in particular noted the customer pointed the firearm directly at the employee.** Details of reported threats or incidents are attached at Exhibit B.

*13.* While a rule change and change in Company policy will not eliminate all risk to employees, eliminating the requirement for employees to accept payment at a service address will significantly reduce the possibility of workplace violence, period. Eliminating the requirement to accept payment at the service address eliminates the opportunity for tense face-to-face interaction. Further, eliminating this requirement will mean that employees do not carry payments with them throughout the workday. For practical reasons, employees who collect payments in the field generally deliver those to a pay station periodically throughout the day or at the end of the day. Eliminating payment in the field reduces the risk that a member of the general public will commit theft.

*14.* PacifiCorp is constantly reviewing its policies for ways to improve safety for its employees. An illustration of another policy introduced by the Company to reduce risk to employees is the use of cell phones while driving. PacifiCorp implemented a “zero tolerance” policy when it comes to employees using cell phones while operating a vehicle. Employees must not use cell phones while driving during work hours or while driving a work vehicle. While this policy is widely supported and is proven to help minimize the risk of an accident and ensure better safety for employees, it will not prevent all vehicle accidents from occurring. The Company’s intention to stop collecting payment at the door during a disconnection visit will not remove all risk, but is a pro-active approach towards minimizing the risk and providing a safer workplace. Injuries or death to employees should not be an accepted cost of doing business, nor should it be the inevitable result of one’s chosen occupation.

**CUSTOMERS WILL NOT BE HARMED BY A CHANGE IN THE RULE**

**Noticing Prior to Disconnection**

*15.* Disconnecting electric service for non-payment is always a utility’s last resort. PacifiCorp provides customer with multiple notifications of account balances and potential disconnection of service. Specifically, the Company provides the following before a site visit to disconnect service:

1. Monthly bill showing amount due and due date,
2. Past due notice and the next month’s bill showing new charges, clearly indicating the account is past due, the past due amount and the due date of the past due amount,
3. Final notice indicating the past due amount and due date for the past due amount,
4. Courtesy outbound call, and
5. Courtesy door hanger left at the service address 48 hours prior to date of disconnection.

Currently, if payment is not received or a payment arrangement is not made following the notifications outlined above, a field collector visits the service address. The field collector knocks on the door prior to the disconnection. If the customer responds to the knock on the door, the customer may make payment, make payment arrangements if eligible, or is advised of the disconnection. If no payment is made, service is disconnected. If the customer does not respond to the knock on the door, a door hanger is left and the field collector proceeds with the disconnection. If payment is received from a customer, it is kept with the field collector until he or she is able to visit a pay station, which is often at the end of the work day.

*16.* This billing and collection process provides customers with numerous notifications using various communications methods prior to the disconnection visit, giving ample time to arrange for a payment to be made prior to the Company visiting the site.

**Pacific Power Offers Numerous Ways to Pay Electric Bills**

*17.* Customers choosing to pay at the door during the site visit for disconnection of service use the most expensive payment option available. PacifiCorp offers a number of no-cost or low-cost payment methods for customers. Over the past decade technological advances have allowed customers to utilize newer, more convenient payment methods. Currently, PacifiCorp receives 37 percent of payments via the postal service, while 63 percent are received through other means. PacifiCorp offers the following payment methods:

1. Automatic payments through the customer’s bank – no fee.

2. Online payment through the Company’s website, available 24 hours a day, seven days a week – no fee.

3. U. S. Mail – cost of a stamp plus the cost of a check or money order.

4. Pay stations: The Company has 20 available pay stations in Washington (see Exhibit C for a list of pay stations, locations, and hours of business). Of the 20 pay stations, 15 are open seven days a week, four are open six days a week, and one pay station is open Monday through Friday (from 8:00 a.m. until 7:00 p.m.). Of the 20 pay stations, fifteen pay stations – $1.00 fee; five pay stations – no fee.

5. Pay-by-telephone available 24 hours a day, seven days a week – $2.95 fee.

6. Pay at time of disconnection visit – $15 fee.

Online and pay-by-telephone payment options allow customers to make payment from their own residence or through their mobile phones (including smartphones), and provide almost immediate account updating.

**Customers Who Pay at the Door**

*18.* During 2012, there were 298,919 payments processed by the Company’s pay station network in Washington. This compares to 856 payments being collected in the field at the time of disconnect. While the majority of PacifiCorp customers choose no- and low- cost options described above, other customers have chosen to utilize the *most expensive payment option*, paying the collector at the door at the time of disconnection. Those customers making payment at the time of disconnection pay a field visit charge of $15.00.

*19.*  The 856 payments taken during a disconnect visit represented 674 customers. This means 182 payments, or 21 percent, were repeat customers using the field collector as a payment method. Of the 674 unique customers, 656 (or 97 percent) had a phone number listed on their account as a means to contact them, and this phone number would be used to place the courtesy outbound phone call.

*20*. Further, the Company reviewed records for the 674 customers to determine if they had received energy assistance in the last year or were on the Company’s low income rate, Schedule 17, the Low Income Bill Assistance Program—Residential Service—Optional for Qualifying Customers. The total number of customers identified as low income who made payment at the door at the time of disconnection is 138. This represents approximately 20 percent of the customers who paid at the door in 2012 and these customers would have been subject to the $15 field visit fee.

*21*. Further, on average, the Company performs 25 disconnects per month in Washington for customers who have been identified as low-income. For 2012, the average time between the disconnection of service and the reconnection of service for low-income customers was 22.73 hours. This does not support the contention that low-income customers have no means to make payment other than at the door. We do not believe low-income customers will be unduly burdened by eliminating the option of paying a field collector at the time of disconnection.

**Accessibility to Bank Options**

*22.* In response to comments provided by Staff, Public Counsel, and the Energy Project and questions raised by the Commissioners in PacifiCorp’s Docket UE-130545 during the May 30, 2013 open meeting, PacifiCorp gathered data specific to banking options and internet access for consumers, with particular focus on the low-income population served by the Company.

*23.* Staff suggests in Docket UE-130545, that Pacific Power “ignores the realities of the ‘unbanked’ segment of the population, which is largely low-income” and “more than 40 percent of low-income households are without bank accounts”,[[4]](#footnote-4) citing a 2011 FDIC National Survey of Unbanked and Underbanked Households. The Company reviewed the 2011 FDIC National Survey and offers the following in response:

* The 40 percent “unbanked” population represents those with an income of $0 to $30,000 per year, nationwide. This number is not specific to Washington residents.[[5]](#footnote-5)
* Washington is in the lowest, first Quintile (1.89 percent to 4.48 percent).[[6]](#footnote-6)
* Distribution of Unbanked Households by Income and Demographic Characteristics:[[7]](#footnote-7)

Income less than $15,000

South 47.2%

Midwest 21.4%

West 16.5%

Northeast 14.9%

Income between $15,000 and $30,000

South 44.0%

West 22.6%

Midwest 16.9%

Northeast 16.5%

* Washington has the eleventh lowest unbanked population at 4.5 percent. The national average is 8.2 percent.[[8]](#footnote-8) The following is a list of states with the lowest percentages of unbanked population:

All US Households 8.2%

Washington 4.5%

Iowa 4.4%

South Dakota 4.4%

Oregon 4.3%

Minnesota 4.1%

Hawaii 3.8%

Nebraska 3.7%

Maine 3.7%

Vermont 3.4%

Utah 2.8%

New Hampshire 1.9%

*24.* Staff notes the most common reason households report they do not have a bank account is cost associated with bank account minimum requirements and bank fees.[[9]](#footnote-9) The following information is taken from the 2011 FDIC National Survey, Table A-25, Reason Household is unbanked by Household Income:[[10]](#footnote-10)

Income less than $15,000

Do not have enough money 38.5%

Do not need or want one 20.1%

Other/None of the Above 13.0%

Income between $15,000 and $30,000

Do not have enough money 27.7%

Do not need or want one 22.6%

Other/None of the Above 12.6%

Bank account fees or minimum balance requirements being too high received 4 percent and 7 percent in the respective categories listed above.

* Additionally, approximately 64.9 percent of unbanked households use alternative financial services (AFS) such as money orders, check cashing, and remittances. “Unbanked and underbanked households value the convenience of transaction AFS and perceive AFS credit to be easier to obtain than bank credit. The most common reason households use transaction AFS is convenience.” The survey also notes the increase in prepaid debit card use with one in ten households reporting use of a prepaid debit card, climbing from 12.2 percent to 17.8 percent in unbanked households in 2011. [[11]](#footnote-11)

*25*. As of May 2011, new Social Security beneficiaries were required to choose an electronic payment option.[[12]](#footnote-12) On March 1, 2013, the United States Treasury department stopped mailing paper checks to Social Security recipients. Retirees are required to choose to have their Social Security payments either directly deposited into a bank or credit union account, into an electronic transfer account or loaded onto a prepaid Direct Express Debit MasterCard. In 2012, prior to the implementation of the new electronic requirement, 83 percent of recipient payments were already being made electronically to a bank or credit union account, electronic transfer account or prepaid debit card. The Social Security Program Annual Report expanded on the expectation for social security recipients to receive payment electronically rather than by check, “Electronic receipt of benefits increased significantly in 2012 and is expected to continue to increase significantly in the next year as most SSI recipients must receive their benefit payments by direct deposit, the DirectExpress debit card, or an electronic transfer account, effective March 2013.”[[13]](#footnote-13)

*26.*  Based on this information, eliminating the requirement to collect payment in the field at the time of disconnect would not harm customers.

**Accessibility to Internet Access**

*27.* The Company also researched internet access for customers with focus on broadband use in the state, access to internet outside of the residence and internet access via smartphone, with additional focus on the low-income population. The Company considers the online payment option the best option for customers, as there is no charge to the customer to pay online, the payment is quickly updated to the customer’s account and the customer can make use of the option from their home, a mobile device or anywhere internet access may be available, such as a public library.

*28.* Based on a report from the Washington State Broadband Office, *2012 Annual Report on Broadband in Washington*, 83.6 percent of the population in Washington lives in households with internet access. Washington ranks third in the nation for internet access in the home. Additionally, the report indicates 45 percent of residents over three years old have access to the internet outside the home. Although household customers with an income of less than $30,000 per year have a lower adoption of broadband (75 percent), households with an income of less than $30,000 per year have seen a significant increase in cell phone use, increasing from 25 percent in 2009 to 50 percent in 2012.[[14]](#footnote-14)

*29.* PacifiCorp performed further research regarding internet use and the rising use of mobile devices, see Exhibit D. Internet use for adults with a household income of less than $30,000 per year increased from 28 percent in June 2000 to 62 percent in August 2011. The Company also saw a rise in mobile technology help people access the internet, with 50 percent of households with incomes less than $30,000 per year go online wirelessly. Smartphone ownership for low-income adults less than $30,000 increased 12 percent from 2011 to 2012.

**WHAT OTHER UTILITIES ARE DOING**

*30.* PacifiCorp has stopped collecting payment in the field in Utah, Wyoming, and California. Prior to changing the Company’s policy regarding field personnel collecting payments, the Company conducted an informal survey of utilities across the nation from members of the National Association of Credit Managers. PacifiCorp received 52 responses from various utilities across the United States and Canada. Based on the information gathered from the responses, more than half of the utilities did not knock on the door prior to disconnecting service and near 75 percent of the utilities did not collect payment. See Exhibit E for these responses.

*31.* PacifiCorp contacted several municipalities, public utility districts and rural electric associations providing service in Washington to inquire about whether they accept payment in the field prior to disconnection. The following table summarizes the responses:

|  |  |  |
| --- | --- | --- |
| **Utility** | **Knock** | **Collect Payment** |
| Clark PUD | Yes | Yes |
| Seattle City Light | No | No |
| City of Walla Walla | No | No |
| Benton REA | No | No |
| City of Yakima | Yes | No |

*32.* The Commission has addressed through other tariff filings the particular matter of utility employees being required to accept payment at the time of disconnection. Avista has implemented remote disconnection capabilities which would inherently stop the disconnection visit and payment of the past due bill at the door. Further, both Avista and Cascade Natural Gas have filed tariff changes that were approved, giving each utility the ability to no longer accept cash payment at the door.

**PACIFICORP EXPERIENCE IN UTAH, WYOMING, AND CALIFORNIA**

*33.*PacifiCorp has stopped accepting payment at the time of disconnection in its Utah and Wyoming service territories and is currently rolling out the same change in its California service territory. PacifiCorp has found, through first-hand experience in Utah and Wyoming, customers are very accepting of the concerns the Company has for the safety of its field personnel and have been very understanding of this policy change. To date, the Company has not received any escalated customer issues or commission complaints due to the change in business practice from these states.

*34.* In preparation for the change, the Company conducted a two-month communications campaign to inform customers with past due balances of this new practice. A combination of bill messages on bills with past due account balances, door hanger messaging, and individual handouts given to customers by collectors and managers communicating this change to its customers with past due balances were used (see Exhibit F). Call center representatives communicated the information to customers calling the Company regarding past due balances. The Company will be able to draw from this experience and launch a similar communications campaign in Washington when the rule is changed or the Company’s waiver petition is approved.

**CLOSING COMMENTS**

*35.*  PacifiCorp encourages the Commission to initiate a rulemaking proceeding to make revisions to WACs 480-100-128(6)(k) and 480-90-128(6)(k), to eliminate the requirement for utilities to accept payment at the time of disconnection of service. Eliminating this payment method will increase safety for employees without sacrificing customer service. Further, the requirement to collect payment in the field prior to disconnect is not contained in statute. The Commission implemented the requirement as a policy decision and has the flexibility to update its policies as experience shows it to be necessary.

DATED: this 1st day of August, 2013.

Respectfully submitted,

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Michelle R. Mishoe

Senior Counsel

825 NE Multnomah Street, Ste 1800

Portland, OR 97232

1. OSHA General Duty Clause, 5(a)(1) [↑](#footnote-ref-1)
2. https://www.osha.gov/SLTC/workplaceviolence/. [↑](#footnote-ref-2)
3. Bureau of Labor and Statistics, Census of Fatal Occupational Injuries Summary, 2011 [↑](#footnote-ref-3)
4. Staff Response to Pacific Power Petition, Page 2, Section 2, Paragraph 1. [↑](#footnote-ref-4)
5. 2011 FDIC National Survey of Unbanked and Underbanked Households, at 16. [↑](#footnote-ref-5)
6. Figure 3.4A, 2011 FDIC National Survey of Unbanked and Underbanked Households, at 13. [↑](#footnote-ref-6)
7. Table B-5, 2011 FDIC National Survey of Unbanked and Underbanked Households, at 112. [↑](#footnote-ref-7)
8. Table C-1, 2011 FDIC National Survey of Unbanked and Underbanked Households, at 126. [↑](#footnote-ref-8)
9. Staff Response to Pacific Power Petition, Page 2, Section 2, Paragraph 2. [↑](#footnote-ref-9)
10. 2011 FDIC National Survey of Unbanked and Underbanked Households, at 71. [↑](#footnote-ref-10)
11. 2011 FDIC National Survey of Unbanked and Underbanked Households, at 6. [↑](#footnote-ref-11)
12. 31 CFR Part 208, Management of Federal Agency Disbursements [↑](#footnote-ref-12)
13. 2013 Annual Report of the SSI Program, II. Highlights. [↑](#footnote-ref-13)
14. Washington State Broadband Office, Broadband in Washington, 2012 Annual Report. [↑](#footnote-ref-14)