UE-131087 Rulemaking
Comment Summary Matrix
August 13, 2013

Commenter	Comments	Staff Response
Linda Gervais, Avista	1. "In 2004, Avista filed a proposal with the Commissions in Washington and Idaho (subsequently approved by the Commissions), which reflected a change in our procedures to collect only checks and money orders at customer premises and to no longer collect cash payments at a customer premise." 2. "Under the current circumstances, the Company does not believe there is a need to change the current rule at this time. 3. "One factor which may influence a revision to the current rule in the future is related to remote disconnection and reconnection."	1. **Clarification**. Avista's tariff (Schedules 70 and 170) contains provisions restricting the collection of cash at the time service is reconnected, not at the time of disconnection. Avista's current tariff and practice complies with Commission rules related to disconnect visits and collection of cash payments. 2. **Staff agrees**. 3. **Staff agrees**. If and when the existing rule is made obsolete by changing technology, staff anticipates changes to the rule to ensure the provision of adequate consumer protections prior to a remote disconnection.
Ken Johnson, Puget Sound Energy	"As specific rule changes were not proposed, PSE does not have any substantive comments but does look forward to participating in the August 15, 2013, workshop. To date, PSE has not experienced any issues while accepting onsite payments and at this time continues to accept onsite payments."	

Commenter	Comments	Staff Response
Onita King, NW Natural Gas	1. "Generally speaking, the Company's current practice of accepting field payments is driven predominately out of compliance with WAC 480-90-128(6)(k)."	1. **Staff believes this comment underscores the importance of the existing rule.** But for the protection afforded by it, paying at the door would not be an option for at least a portion of NW Natural Gas's customers, as described in comments 3 and 4, below.
	2. Accepting payment at the time of a site visit has some benefits (mitigation of customer service expense by not incurring a second field visit to reconnect; reducing bad debt collection expense), but produces two undesirable outcomes: 1) heightens the risk of robbery/assault on the employee and exposes customers to identity theft, 2) sends a message that it is acceptable to use utility employees as personal payment collectors.	2. **Staff agrees that accepting onsite payments benefits the customer and the utility, as well as all ratepayers**. NW Natural gas reported no assaults or robberies in the nearly five-year period. Staff is less concerned about the "message" collecting payment at the door sends than the number of disconnections it prevents.
	3. Each utility should have the discretion to mitigate employee and customer exposure to risk, such as restricting the availability of the field payment option to certain neighborhoods or geographic locations or to documented customer-specific risk situations as needed.	3. **Staff disagrees.** The company's proposal would make the decision to collect payments at the door discretionary on the part of company personnel, which, in practice, would undermine the consumer protection aspect of the rule entirely. Not only would customers potentially be subjected to disparate treatment, Commission oversight would be removed and companies would self-regulate their decisions to accept or not accept payment.
	4. Some customers become accustomed to waiting until the very last minute to pay. These customers are typically not the customer that is in financial hardship because they pay an additional $15 fee for this service, and they have the money to pay the bill when we arrive. At a minimum, the rule should be revised to give the utility discretion to refuse to accept a field payment and give the utility the ability to limit the number of at-the-door payments it will accept, or charge a fee for "repetitive misuse of the disconnect field visit as a payment option."	4. **Staff disagrees.** In a variety of situations, low-income people are unable to take advantage of the lowest-cost option available. Payday loans, for example, have extraordinarily high interest rates. And many customers paying at the door may find themselves in that position more than once; that is not at all surprising to staff. The deterrent available to the companies to "curb" the behavior of paying at the door is already captured in the disconnect visit fee.

Commenter	Comments	Staff Response
Mike Parvinen, Cascade Natural Gas	1. Proposed change to current rule: (k) A utility representative dispatched to disconnect service may accept payment of a delinquent account at the service address. If cash is accepted the utility will not be required to give change for cash paid in excess of the amount due or owing. The utility must credit any overpayment 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. 2. "Cascade believes it should be at the discretion of the utility on whether or not to collect on a delinquent account at the door during a disconnect visit" with the following points: - Customers have more options to pay bills than ever Before - Currently nothing prevents the utility from disconnecting without an interface either at the premise or remotely. - Having the ability to not collect in the field means the utility has the ability to curb bad behavior. - Customers who wait to pay the service technician are not typically low income customers with financial hardships because they pay an additional $10 for making payment at the time of disconnection. 3. Cascade has not interpreted the current language to mean that cash must be accepted. Cascade requests that either the rule be clarified on the point about the cash or the Commission affirm Cascade's interpretation of the rule.	1. **Staff disagrees.** The company's proposal would make the decision to collect payments at the door discretionary on the part of company personnel, which, in practice, would undermine the consumer protection aspect of the rule entirely. Not only would customers potentially be subjected to disparate treatment, Commission oversight would be removed and companies would self-regulate their decisions to accept or not accept payment. 2. **Staff disagrees.** The data provided by the utilities demonstrates that at least 40 percent of the people who make payments at the door do so in cash and that the overwhelming majority of payments are made by cash or check. Currently very few people are going online or making credit card payments over the phone to stop disconnections at the door. Staff does not believe that payment of the $10 fee supports the conclusion that customers who pay at the door "are not typically low-income customers with financial hardships." 3. **Staff disagrees.** Cascade's interpretation of the current rule is incorrect, and its tariff conflicts with the rule. When the rule was first promulgated in 1976, it read: "payment of a delinquent account at the service address must be accepted if tendered in cash." In 1999, the Commission opened a docket to review gas and electric rules. The current rule was adopted to increase the available methods of payment.

Commenter	Comments	Staff Response
Michelle Mishoe, PacifiCorp	1. Proposed change to current rule: (k) A utility representative dispatched to disconnect service *may* accept payment of a delinquent account at the service address 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).	1. **Staff disagrees.** The company's proposal would make the decision to collect payments at the door discretionary on the part of company personnel, which, in practice, would undermine the consumer protection aspect of the rule entirely. Not only would customers potentially be subjected to disparate treatment, Commission oversight would be removed and companies would self-regulate their decisions to accept or not accept payment.
	2. PacifiCorp's initial interest in revising collection practices was prompted by an incident that occurred in Mississippi in June 2012. The company provided data related to threats received, system-wide, between 2010 and 2013 YTD, and described 13 physical incidents that occurred in 2012 and 2013, one of which occurred in Washington.	2. **Staff response**: The information provided to staff in response to the data request does not support the company's claim that collecting payments in the field presents an employee safety issue. While staff understands there are inherent safety risks that company field employees face, staff does not believe that a causal connection can be established between those risks and whether or not employees collect customer payments. In fact, not one company reported a threat specifically related to taking money held by an employee; instead, threats were made because service was being disconnected or reconnected, or because employees were reading customer meters. This is true for all 13 examples offered by PacifiCorp.
	3. "Eliminating the requirement to accept payment at the service address eliminates the opportunity for tense face-to-face interaction … Eliminating payment in the field reduces the risk that a member of the general public will commit theft."	3. **Staff disagrees.** Staff believes, on the contrary, that eliminating the current requirement will actually *increase* the potential for violence, not reduce it. Staff does not see any connection between eliminating payment in the field and a corresponding reduction in risk that a member of the general public will commit theft.
	4. PacifiCorp offers numerous ways to pay bills. Paying at the door is the most expensive option (the field visit charge is $15). The 856 payments at the door were made by 674 customers; 21% were repeat customers "using the field collector as a payment method." Of those customers, 20% were identified as low-income. The company disconnects an average of 25 customers per month who are identified as low-income. In 2012, the average reconnection time was 22.73 hours. "This does	4. **Staff response:** The data provided by the utilities demonstrates that at least 40 percent of the people who make payments at the door do so in cash and that the overwhelming majority of payments are made by cash or check. The reality is that very few people are going online or making credit card payments over the phone to stop disconnections at the door. Like individuals who find themselves

Commenter	Comments	Staff Response
Michelle Mishoe, PacifiCorp (continued)	not support the contention that low-income customers have no means to make payment other than at the door.”	caught in the payday loan cycle, many customers paying at the door may find themselves in that position more than once. That is not at all surprising to staff. PacifiCorp’s statistics overlook those households who may not qualify as “low-income” because their income is slightly above the maximum threshold. As a point of clarification, staff has not claimed that low-income customers “have no means to make payment other than at the door.” Staff agrees with the Energy Project’s comment, below, that “for many of these customers, money is in such short supply that a bill gets paid when it is the next bill that absolutely has to be paid.” With respect to the average time for reconnection: PacifiCorp has not supplied any data to indicate whether people were home at the time of disconnection (and therefore had no opportunity to pay), and would have no way of knowing whether the disconnected customers were just one or two days away from getting a paycheck at the time of disconnection.
	5. The company provided statistics about “unbanked” populations in Washington, noting that Washington has the 11th lowest unbanked population at 4.5%, and discussing alternatives to bank accounts. “Based on this information, eliminating the requirement to collect payment in the field at the time of disconnect would not harm customers.” The company also provided statistics about internet access. PacifiCorp believes that online payment is the best option for customers. The 2012 Annual Report on Broadband in Washington found that 83.6% of Washington residents live in a home with internet access. Households with income of less than $30,000 per year have a 74% broadband rate, and a 50% cell phone rate.	5. **Staff disagrees.** While PacifiCorp offers up a wealth of additional data and statistics related to unbanked populations in Washington and the availability of internet connections, the fact remains that the data provided by the utilities, as a whole, demonstrates that at least 40 percent of the people who make payments at the door do so in cash and that the overwhelming majority of payments are made by cash or check. The reality is that very few people are going online or making credit card payments over the phone to stop disconnections at the door.
	6. PacifiCorp has stopped collecting payment in the field in Utah, Wyoming, and California. PacifiCorp received information from 52 utilities in the US and Canada; more than half do not knock on the door prior to disconnecting service, and 75% do	6. **Staff response:** PacifiCorp has not experienced any decrease in the number of threats it has received in those states where it no longer accepts payment at the door. In fact, PacifiCorp has experienced

Commenter	Comments	Staff Response
Michelle Mishoe, PacifiCorp (continued)	not collect payment. Clark County PUD accepts payment at the time of disconnection; City of Yakima knocks but does not accept payment; Seattle City Light, City of Walla Walla, and Benton County REA neither knock nor accept payment at the time of disconnect. 7. Cascade and Avista have both filed tariff changes to stop accepting cash, which were approved by the Commission. 8. PacifiCorp has not had any escalated customer issues or commission complaints in Utah, Wyoming, and California due to no longer accepting payment at the door.	more threats in 2013 to date, system wide, than it has in any of the past five years. Staff recognizes that the Commission provides numerous consumer protections not afforded to customers of PUDs and municipalities. 7. **Clarification**. Avista's tariff (Schedules 70 and 170) contains provisions related to collecting cash <u>for the reconnection fee when service is restored, not at the time of disconnection.</u> Avista's current tariff and practice complies with Commission rules related to disconnect visits and collection of cash payments. 8. **Staff response:** Consumer rules in Utah, Wyoming, and California do not contain similar protections for consumers. Commissions in those states would have no jurisdiction to accept a complaint about the company's practice of no longer accepting payment at the door.
Marcy Grail, IBEW Local 125	IBEW represents nearly 1,100 members in Washington. Due to the economic downturn, "pressure on field employees to manage volatile situations with angry or often desperate customers has increased dramatically. Many of Pacific Power's employees work in remote areas where assistance is not readily available. The potential for violence exists because the public knows they are carrying cash and work for a utility … Customers regularly confront our members about their bills, service issues, and numerous other issues which are often well beyond their control. They are already targets as utility employees; money – often cash—increases their exposure."	**Staff response:** The data provided by the companies does not support Ms. Grail's conclusion. In a nearly five-year period, one robbery, one theft, and one assault were reported across all five companies. None were committed by a customer in the course of a disconnection or payment transaction. The details are as follows: • In 2011, a PSE employee was robbed by an assailant who laid in wait near the employee's vehicle. When the assailant displayed a handgun, the employee surrendered the money in his possession and was not injured. • On an unspecified date, PacifiCorp stated there was "one reported account of a metering employee's purse being stolen out of a company truck. No further documentation is available on that incident." • In 2011, an Avista employee was reading a meter when a neighbor's dog attacked him. The dog's owner then approached the employee,

Commenter	Comments	Staff Response
Marcy Grail, IBEW Local 125 (continued)		who was using a "dog stick" to push the dog away, and assaulted him. The companies supporting a rule change argue that field employees are "targeted" by criminals in the community because they are "known to carry cash," but rely on unrelated data about threats made to employees during disconnections and reconnections to support that argument.
Public Counsel	1. Public Counsel recommends the Commission retain the existing rule because it provides a critical consumer protection. "We do not see any compelling evidence to support any modification or weakening of this requirement."	1. **Staff agrees.** The comments provided by the three companies that support a rule change underscore the importance of retaining the rule. But for the rule, each stated it would exercise its discretion to choose to accept payments from some customers, but not others.
	2. A significant portion of customers facing disconnection are able to avoid it because of this payment opportunity. In 2012, nearly as many disconnections were prevented as completed because of the opportunity to pay at the door (approximately 63,000 each). In 2011, the number of prevented disconnections exceeded the number of completed disconnections.	2. **Staff agrees.** The statistics demonstrate that this payment opportunity provides an important consumer protection.
	3. Collecting payment at the door benefits the utility: it minimizes bad debt and avoids expenses related to disconnection and subsequent reconnection.	3. **Staff agrees.** It is far more costly to disconnected customers, the company, and ratepayers to reconnect service rather than prevent disconnection from occurring.
	4. Companies that accept cash are much more successful at preventing disconnections. Cascade, however, disconnected 10 customers for every one customer who paid at the door to stop a disconnection in 2012.	4. **Staff agrees.** Half of all disconnections are prevented by payment at the door for PSE and NW Natural Gas customers; and one-third and one-fourth are prevented for Avista and PacifiCorp customers, respectively. Notably, only 10 percent of Cascade's customers utilize the option to pay at the door at the time of disconnection. This significant reduction is likely due to the company's practice of not accepting cash.
	5. The current rule supports the public interest by helping consumers maintain vital	5. **Staff agrees.** Between the five regulated energy utilities, more than

Commenter	Comments	Staff Response
Public Counsel (continued)	services. Public Counsel respects the companies' concerns about employee safety; however, documented threats, robberies, or assaults to utility employees are extremely rare.	17.5 million potential customer interactions occurred in the field between 2009 and 2013; of those, only 114— less than 0.000007 percent— resulted in threats made to company employees. During a four and half year period, one robbery, one theft, and one assault were reported for all companies, representing less than 0.0000002 percent of all possible customer interactions
	6. Alternative Payment locations are not comparable to making payment at the door. PacifiCorp's pay stations are automated, and are not necessarily widespread or easily accessible. PacifiCorp has five pay stations where customers can make payments without a fee. All five locations are described as "automated pay stations." PacifiCorp has fewer pay stations than any other company, and is the only utility that charges a fee to use its pay stations. Payments made at both pay stations and drop boxes are delayed by one to five business days, and may not prevent a disconnection.	6. **Staff agrees.** Four of the five energy companies maintain more than 30 pay stations for customers, all of which are available to customers free of charge. PacifiCorp, however, maintains just 20 pay stations, only five of which are available to customers to make payments with no additional fee. Data provided by Avista shows that, on average since 2010, 6.7 percent of customers threatened with disconnection use pay stations to stop pending disconnections. No other company reported pay stations as an available means to stop a disconnection at the door; however, NW Natural Gas reported that over a five year period, 9.6 percent of customers who received a disconnection notice made payments at pay stations prior to a disconnect visit occurring.
	7. The history of WAC 480-100-128(6)(k) has been largely uncontroversial. First appearing in 1976, it originally required "payment of a delinquent account at the service address if tendered in cash." The Commission made no changes to the rule between 1976 and 2001 even though the rule was revised five times during that period. In 1999, the Commission opened a docket to review gas and electric rules. The current rule was adopted to allow additional methods of payment, not just cash. The stakeholders in the 1999 rulemaking commented only once, and none proposed substantive changes.	7. **Staff agrees.** The intent of the rule has always been to require company representatives dispatched to disconnect service to accept cash payment if offered at the service address.
	8. New Hampshire and Michigan have rules similar to Washington that provide the opportunity for customers to pay at the door. In Maine, New York, Ohio, Illinois, Massachusetts, Maryland, and Washington, DC, premise visits are required prior to a remote disconnection.	8. **Staff response:** If and when the existing rule is made obsolete by changing technology, staff anticipates changes to the rule to ensure the provision of adequate consumer protections prior to a remote disconnection.

Commenter	Comments	Staff Response
Public Counsel (continued)	9. In Washington, the state average of households living below the poverty level is 12.5%. In Walla Walla and Yakima Counties, PacifiCorp's service area, the percentage is 18.2 and 21.4, respectively. In Washington for 2011, 23.9% of households were unbanked or under banked.	9. **Staff response:** Poverty rates in PacifiCorp's service areas are among the highest in the state.
	10. PacifiCorp collects an average of 44% of its payments at the door in cash. Those companies that accept cash have a substantially higher rate of customers who avoid disconnection.	10. **Staff agrees.** For Cascade customers, only 10 percent of disconnections are prevented by payment at the door. The statistics are much higher for companies that accept cash: 50 percent for PSE and NW Natural; 33 percent for Avista; and 25percent for PacifiCorp.
	11. The information provided in this rulemaking indicates that the Commission's current rule is a good policy that should be retained, and utilities are not experiencing significant negative effects from the rule.	11. **Staff agrees.** Staff strongly believes that the ability to pay at the door to prevent a disconnection is a vital consumer protection that must be preserved, particularly in light of the data showing that between one-third and one-half of all disconnections are prevented because this rule exists. Electricity and gas are essential services, the continuity of which is not to be taken lightly.
Chuck Eberdt, The Energy Project	1. "If utilities are not required to accept payment [at the point of disconnection], disconnections will skyrocket and customers will have to divert more of their limited funds to penalties or charges that do not actually pay for the much needed therms or kWh of service. Furthermore, the data and comments submitted by the utilities in response to your Industry Data request of July 1, 2013, only serve to illustrate this."	1. **Staff agrees.** In 2012, more than 72,000 disconnections were prevented by payments made at the door.
	2. The Energy Project does not mean to minimize the concerns voiced about subjecting workers to potentially violent situations. "Nevertheless, we believe the violence in these situations stems from the occurrence of the disconnection, not from the opportunity to pay the bill or to pay the bill with cash. Furthermore, not accepting payment at this point is more likely to escalate the potential for a violent result during what is already a stressful situation for people who are already quite strained, financially and otherwise."	2. **Staff agrees.** The information provided to staff in response to the data request does not support the companies' claims that collecting payments in the field presents an employee safety issue. While staff understands there are inherent safety risks that company field employees face, staff does not believe that a causal connection can be established between those risks and whether or not employees collect customer payments. In fact, not one company reported a threat specifically related to taking money held by an employee; instead,

Commenter	Comments	Staff Response
Chuck Eberdt, The Energy Project (continued)		threats were made because service was being disconnected or reconnected, or because employees were reading customer meters.
	3. The reason why so many disconnections are prevented by payment at the door is because "for many of these customers, money is in such short supply that a bill gets paid when it is the next bill that absolutely has to be paid <u>and</u> the fact that utilities use the threat of disconnection as the only way to address nonpayment."	3. **Staff agrees.** All three companies claim that because customers who pay at the door pay an extra $10-$15 disconnection visit fee, they must not be low-income. But in a variety of situations, low-income people are unable to take advantage of the lowest-cost option available. Payday loans, for example, are far from the lowest-cost option for obtaining a short-term loan. And, like individuals who find themselves caught in the payday loan cycle, many customers paying at the door may find themselves in that position more than once. That is not at all surprising to staff.
	4. "To generalize that all of these customers are taking advantage or abusing the system minimizes or ignores the stressful conditions many, probably most, of these households are coping with. It is not practical or effective to change the rule such that so many are further disadvantaged in order to thwart the abuse of those who can, but don't, pay. Similarly, the data does not support the argument that acceptance of payment or even cash payment, is a substantial source of endangerment. Rather than deprive so many customers of a final, albeit desperate, opportunity to pay, it would be better to equip the vehicles with secure means to carry the payments.	4. **Staff agrees.** The deterrent available to the companies to "curb" the behavior of paying at the door is already captured in the disconnect visit fee.
	5. If all of the utilities concur with NW Natural Gas's sentiment that "the company's current practice is driven predominantly out of compliance with [the rule]," it is essential that the WACs continue to require acceptance of field payments, and cash should be an option.	5. **Staff agrees.** The three companies that wish to modify the rule are requesting the ability to <u>stop accepting payments in the field altogether</u>, not just cash payments. The proposed rule changes would make the decision to collect payments at the door discretionary on the part of company personnel, which, in practice, would undermine the consumer protection aspect of the rule entirely. Not only would customers potentially be subjected to disparate treatment, Commission oversight would be removed and companies would self-regulate their decisions to accept or not accept payment. NW Natural Gas, for example, proposes to "limit the number of payments per

Commenter	Comments	Staff Response
		customer per year that it will accept at the door" or "restrict the availability of the field payment option to certain neighborhoods."