

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-230172
(Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

DOCKET UE-210852
(Consolidated)

RESPONSE TESTIMONY OF

SHAYLEE N. STOKES

DIRECTOR OF THE ENERGY PROJECT

EXHIBIT SNS-1T

Low-Income and Equity

September 14, 2023

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| I. INTRODUCTION | 1 |
| II. PURPOSE AND SUMMARY OF TESTIMONY | 3 |
| III. BILL ASSISTANCE PROGRAMS | 3 |
| A. There is a pressing need for additional energy assistance in PacifiCorp’s service territory. | 3 |
| B. PacifiCorp’s existing bill assistance program does not address known barriers to accessing energy assistance. | 8 |
| C. PacifiCorp should work with its Low-Income Advisory Group to enhance bill assistance. | 11 |
| IV. CREDIT AND COLLECTIONS | 13 |
| A. Existing disconnection practices are inequitable. | 13 |
| B. The Commission should order PacifiCorp to adopt more equitable disconnection practices. | 17 |
| C. The Commission should prohibit the reporting of customer information to credit bureaus. | 19 |
| V. OTHER ISSUES CONCERNING EQUITY AND PACIFICORP’S LOW INCOME CUSTOMERS..... | 21 |
| A. PacifiCorp should develop a language access plan..... | 21 |
| B. LIBA outreach should include community-based organizations..... | 24 |
| C. PacifiCorp should enhance its low-income weatherization program. | 28 |
| D. The Commission should not increase the residential basic charge..... | 29 |
| VI. CONCLUSION..... | 30 |

EXHIBIT LIST

- SNS-2 Qualifications of Shaylee N. Stokes
- SNS-3 Empower Dataworks, PacifiCorp Washington Energy Burden Assessment (June 2022), provided in response to WUTC Data Request 57.
- SNS-4 Empower Dataworks, PacifiCorp 2022 Energy Burden Assessment (WA): Findings and Recommendations (June 15, 2022), provided in response to WUTC Data Request 57.
- SNS-5 Empower Dataworks, Energy burden definitions for the Clean Energy Implementation Plan (CEIP) vs. CETA Section 120 (July 25, 2022), provided in response to WUTC Data Request 57.
- SNS-6 PacifiCorp Response to The Energy Project Data Request 001: Credit and Collections
- SNS-7 PacifiCorp Response to The Energy Project Data Request 002: Credit and Collections
- SNS-8 PacifiCorp Response to The Energy Project Data Request 024: Credit and Collections
- SNS-9 PacifiCorp Response to The Energy Project Data Request 028: Credit and Collections
- SNS-10 PacifiCorp Response to The Energy Project Data Request 005: Credit and Collections
- SNS-11 PacifiCorp Response to The Energy Project Data Request 004: Credit and Collections
- SNS-12 PacifiCorp Response to The Energy Project Data Request 012: Low Income
- SNS-13 PacifiCorp Response to The Energy Project Data Request 014: Low Income
- SNS-14 PacifiCorp Response to The Energy Project Data Request 009: Low Income
- SNS-15 PacifiCorp Response to The Energy Project Data Request 008: Low Income
- SNS-16 PacifiCorp First Revised Response to The Energy Project Data Request 013: Low Income
- SNS-17 PacifiCorp Response to The Energy Project Data Request 023: Low Income
- SNS-18 PacifiCorp Response to The Energy Project Data Request 010: Low Income

I. INTRODUCTION

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Q: Please state your name and business address.

A: My name is Shaylee Nicole Stokes. My business address is PO Box 7130, Olympia, WA 98507.

Q: By whom are you employed and in what capacity?

A: I am employed by the Washington State Community Action Partnership as the Director of The Energy Project (TEP). TEP was previously a program of the Opportunity Council, and is now housed at Washington State Community Action Partnership.

Q: How long have you been employed by the Washington State Community Action Partnership ?

A: I became The Energy Project’s Director on September 5, 2023. Prior to this, I was the Senior Manager of Energy Programs at Hopelink, a Community Action Agency that serves low-income families, children, seniors, and people with disabilities in King county

Q: Would you please summarize your professional background as it relates to low-income programs?

A: I have been involved in the administration and design of low-income programs for more than a decade. Hopelink hired me in 2010 to screen customers for energy assistance, review customers’ energy assistance applications, and award energy assistance grants to low-income customers. Over time I moved into a management role, training front-line staff in the administration of energy assistance procedures, and approving payments. Most recently, I was the Senior Manager of Energy Programs leading a staff of more than 30 in the day-to-day administration of energy assistance programs. I hold a Bachelor of Arts from the University of Washington in Seattle, WA. Exhibit SNS-2, included with

1 this testimony, provides additional information on my qualifications and professional
2 experience.

3 **Q: On whose behalf are you testifying?**

4 A: I am testifying on behalf of The Energy Project (TEP), an intervenor in this proceeding
5 that represents the interests of low-income customers and vulnerable populations. TEP
6 works with Community Action Agencies (CAAs or Agencies) that provide low-income
7 weatherization and bill payment assistance for customers in PacifiCorp's territory,
8 including Blue Mountain Action Council, Northwest Community Action Center, and the
9 Opportunities Industrialization Center of Washington.

10 **Q: Have you previously testified before the Washington Utilities and Transportation
11 Commission (UTC)?**

12 A: No. This is my first time providing written testimony to the Commission. I have
13 previously provided public comments at UTC workshops and have worked closely with
14 Commission staff on numerous occasions, including as a member of Puget Sound
15 Energy's low-income advisory group.

16 **Q: Did you author this testimony or was it prepared under your supervision?**

17 A: Yes.

18 **Q: Are you sponsoring any exhibits?**

19 A: Yes, as described in the Exhibit List, I am sponsoring exhibits SNS-2 through SNS-18.

1 **II. PURPOSE AND SUMMARY OF TESTIMONY**

2 **Q: What is the scope of your testimony?**

3 A: My testimony is primarily concerned with PacifiCorp’s Low Income Bill Assistance
4 (LIBA) program and its credit and collections practices, as well as select other issues in
5 this docket that impact low-income customers and other vulnerable populations.

6 **Q: Could you please summarize your testimony?**

7 A: My testimony identifies concerns regarding PacifiCorp’s existing Bill Discount Rate
8 (BDR) program, and proposes improvements to the BDR program along with the
9 development of an Arrearage Management Plan (AMP) as an additional form of bill
10 assistance for customers struggling with past-due balances. In addition to these areas, my
11 testimony will also discuss issues related to PacifiCorp’s policies and procedures for
12 disconnecting customers for nonpayment, reporting of customer information to credit
13 bureaus, language access, residential rate design, and low-income weatherization
14 programs.

15 **III. BILL ASSISTANCE PROGRAMS**

16 **A. There is a pressing need for additional energy assistance in PacifiCorp’s service**
17 **territory.**

18 **Q: What is the need for energy assistance in PacifiCorp’s Washington service**
19 **territory?**

20 A: There is a significant need for expanded energy assistance among PacifiCorp’s
21 customers. According to PacifiCorp’s June 2022 Washington Energy Burden Assessment
22 (Energy Burden Assessment), PacifiCorp serves approximately 107,000 residential

1 households in Washington.¹ The Energy Burden Assessment estimates that 23,400 of
2 these households currently experience a high energy burden, defined as spending more
3 than 6% of household income on electricity bills (for electrically-heated homes) or more
4 than 3% of household income on electricity bills (for gas-heated homes).²

5 High energy burdens pose acute risks to the health, safety, and well-being of low
6 and moderate-income households. High energy burdens often force individuals to forego
7 other basic necessities, such as food and medicine, in order to stay current on utility
8 bills.³ The daily challenge of managing high energy costs can cause customers to fall
9 behind on other financial obligations—such as car payments, mortgages, or rental
10 payments—leading to loss of employment, evictions, and increased rates of
11 homelessness. And high energy burdens place customers at significant risks of being
12 disconnected for nonpayment, which can have cascading negative impacts on a
13 household’s health, safety and financial security.⁴ The 23,400 customers that PacifiCorp

¹ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 17.

² Stokes, Exh. SNS-3 (Energy Burden Assessment) at 11, 17; Stokes, Exh. SNS-5 (Memorandum on Energy Burden Definitions), at 1.

³ See generally Sanya Carley et al., *Behavioral and financial coping strategies among energy-insecure households* (Coping Strategies), Proceedings of the National Academy of Sciences, Vol. 119, No. 36 (2022) (describing harmful impacts and coping strategies for dealing with chronic energy burdens).

⁴ See, e.g., Franklin, M. & Kurtz, C., *Lights Out in the Cold: Reforming Utility Shut-off Policies as if Human Rights Matter*, National Association for the Advancement of Colored People, at 9-11 (2017), <https://naacp.org/resources/lights-out-cold> (describing the mental, physical, and at times fatal consequences of disconnections, and documenting the inequitable impacts of disconnections on people of color and low-income customers); Coping Strategies at 2 (noting the safety risks that arise following disconnections when households pursue makeshift heating arrangements).

1 estimates experience high energy burdens represent a large number of customers
2 struggling with these challenges.

3 PacifiCorp's Energy Burden Assessment underscores both the overall need for
4 energy assistance, and the inequitable distribution of energy burdens. The Energy Burden
5 Assessment shows that census tracts containing a higher proportion of people of color
6 have greater energy assistance needs than other areas, thus energy justice requires
7 enhancing PacifiCorp's energy assistance programs to correct these inequities.⁵

8 **Q: Do existing energy assistance programs provide sufficient aid to customers in need?**

9 A: No. There are significant gaps between the overall need for energy assistance and the
10 amount of assistance that PacifiCorp's customers actually receive under existing
11 programs. PacifiCorp's Energy Burden Assessment estimates that the overall energy
12 assistance need for residential customers is \$15 million, but current energy assistance
13 spending (inclusive of the federally-funded Low-Income Home Energy Assistance
14 Program known as LIHEAP) amounts to only \$6.3 million.⁶ That gap represents
15 significant unmet needs for energy assistance, indicating that the existing combination of
16 LIHEAP and PacifiCorp's other energy assistance programs are not meeting the essential
17 task of alleviating high energy burdens for many customers.

⁵ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 31; *see also* Dkt. UG-210755, Cascade Natural Gas 2021 General Rate Case, Order 09, ¶¶ 52-60 (Aug. 23, 2022) (explaining the importance of energy justice as a guiding criterion for the development of utility practices and programs).

⁶ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 12, 17. The Energy Burden Assessment defines "energy assistance need" as the amount of funding it would take to reduce energy burden to below 6% of income for PacifiCorp's highly energy burdened customers. *Id.*

1 Additionally, PacifiCorp’s most recent annual report for the Low Income Bill
2 Assistance (LIBA) Program states that 6,625 customers are enrolled in LIBA.⁷ That
3 number amounts to only 13.8% of the 48,150 households PacifiCorp estimates are
4 eligible for LIBA.⁸ The low enrollment numbers for LIBA show that there are substantial
5 numbers of low-income customers in PacifiCorp’s service territory who are not receiving
6 energy assistance, despite urgent needs.

7 **Q: What are the barriers that prevent customers from receiving adequate energy**
8 **assistance?**

9 A: The causes for the gap between the substantial need for energy assistance and the amount
10 of aid actually delivered are varied, and include enrollment processes and lack of
11 awareness among customers regarding available programs. PacifiCorp’s Energy Burden
12 Assessment recognizes these barriers, noting that among other challenges, “[o]nerous
13 program application requirements are . . . a big barrier to participation” in energy
14 assistance programs.⁹ That assessment echoes the findings of the Washington State
15 Department of Commerce. In its 2023 report to the Legislature, the Department of
16 Commerce identified a similar slate of barriers to accessing energy assistance, concluding

⁷ Dkt. UE-191024, PacifiCorp Low Income Bill Assistance Program Report: Program Year 2022, at 2 (Jan. 27, 2023).

⁸ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 17. Customers making below either 200% of the Federal Poverty Limit (FPL) or 80% of Area Median Income (AMI) are income eligible for LIBA. PacifiCorp, Tariff WN U-76, Schedule 17, Low Income Bill Assistance Program, Sheet 17.2 (May 1, 2022). PacifiCorp’s Energy Burden Assessment estimates that PacifiCorp serves 107,000 households, of which 45% fall below the income threshold of 80% of AMI. *Id.* I estimate there are 48,150 income-eligible customers by multiplying 107,000 x 45%. I estimate that 13.8% of those customers are served by dividing 6,625 / 48,150.

⁹ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 30.

1 that the existing “combination of utility-operated assistance programs and LIHEAP falls
2 short of addressing the energy burdens of low-income households.”¹⁰

3 **Q: What actions have other Washington utilities taken to address these barriers?**

4 A: Avista, Puget Sound Energy (PSE), and Cascade Natural Gas (Cascade) have all engaged
5 in substantial collaboration over the past year with their low-income advisory groups to
6 redesign their energy assistance programs. Those collaborations resulted in
7 transformative improvements to each utility’s programs that reflect emerging consensus
8 in Washington and around the country regarding the best practices for providing bill and
9 arrearage assistance. Those utilities designed their new energy assistance programs to
10 address the historical barriers to participation in energy assistance, including by
11 expanding the avenues available for enrollment, providing aid that is appropriately sized
12 to reduce energy burden, and leveraging the capabilities of Agencies and Community
13 Based Organizations (CBOs) to provide better services to customers.

14 The Commission approved Cascade’s enhanced energy assistance program on
15 July 1, 2023, commending the “Company and its Advisory group for creating a program
16 that will benefit the Company’s low-income customers,”¹¹ and allowed Avista and PSE’s
17 enhanced energy assistance programs to take effect by operation of law.¹²

¹⁰ WA State Dept. of Commerce, *Low-Income Energy Assistance 2023 Legislative Report* (2023 Legislative Report), at 16-17 (March 6, 2023), <https://deptofcommerce.app.box.com/s/qazu3yweu5w6udvvnvw97qk5dwzop56p5>.

¹¹ Dkt. UG-230551, In the Matter of the Request of Cascade Natural Gas Corporation to Approve Tariff Revisions Regarding the Company’s Low Income Bill Assistance Program, Order 01, at ¶ 19 (July 31, 2023).

¹² Dkts. UE-230539/UG-230540, Revisions to Tariff WN U-28, Schedule 92 and Tariff U-29, Schedule 192 to establish the Avista’s Low Income Rate Assistance Program and Bill Discount Program, Open Meeting Memo, at 5 (Aug. 24, 2023) (recommending the Commission allow (footnote continued on next page)

1 **B. PacifiCorp’s existing bill assistance program does not address known barriers to**
2 **accessing energy assistance.**

3 **Q: Does PacifiCorp currently have a BDR program?**

4 A: Yes. PacifiCorp’s LIBA program provides bill discounts for eligible customers.

5 **Q: What is your understanding of PacifiCorp’s existing BDR program?**

6 A: LIBA is a three-tiered BDR program. Tier 1 provides a 70% discount to customers with
7 incomes between 0-75% of the Federal Poverty Guidelines (FPG), Tier 2 provides a 30%
8 discount to customers with incomes between 76%-100% FPG, and Tier 3 provides a 15%
9 discount to customers with incomes between 101-200% FPG or 80% AMI, whichever is
10 greater.¹³

11 PacifiCorp partners with local Community Action Agencies to enroll customers in
12 LIBA. The Agencies certify customers as income eligible and assign customers to one of
13 the three tiers. The default enrollment period for LIBA is one year, with the possibility of
14 a two-year enrollment term for customers on fixed incomes.¹⁴

15 Historically, LIBA was subject to an overall enrollment cap which increased 2%
16 annually. In 2021, the Commission approved PacifiCorp’s request to implement several

Avista’s “well designed” tariff revisions to take effect by operation of law); Dkts. UE-230560/UG-230561, Puget Sound Energy Revisions to Tariff WN U-60 and Tariff WN U-2 to offer a new, optional low-income bill discount rate service, Schedule 7BDR.

¹³ PacifiCorp, Tariff WN U-76, Schedule 17, Low Income Bill Assistance Program, Sheet 17.1 (May 1, 2022).

¹⁴ Dkt. UE-210533, In the Matter of the Request of PacifiCorp to Approve Tariff Revisions Regarding the Company’s Low Income Bill Assistance Program, PacifiCorp Cover Letter at 2 (July 2, 2021) (“Generally, agencies enroll households with the fixed incomes for a two-year period as their income is unlikely to change. The remaining participants are certified as eligible for a one-year period.”).

1 changes to LIBA, including increasing the income eligibility for Tier 3 and removing the
2 program cap so that any eligible customer could enroll in LIBA.¹⁵

3 **Q: Have you reviewed PacifiCorp’s proposed changes to its LIBA program in this**
4 **case?**

5 A: Yes.

6 **Q: What is your understanding of what PacifiCorp is requesting?**

7 A: PacifiCorp proposes modest increases to the discount percentages for each of the three
8 LIBA tiers over the next two years. The table below sets out PacifiCorp’s proposed
9 increases for Year 1 and Year 2.¹⁶ PacifiCorp has not proposed any other changes to
10 LIBA.

11 **Table 1 – PacifiCorp’s Current and Proposed LIBA Discounts**

| Tier | Income Level | Current Discount | Rate Year 1 Discount | Rate Year 2 Discount |
|------|----------------------------|------------------|----------------------|----------------------|
| 1 | 0-75% FPL | 70% | 76% | 80% |
| 2 | 76-100% FPL | 35% | 38% | 40% |
| 3 | 101-200% FPL or 80% AMI | 15% | 16% | 17% |

12
13 **Q: What is TEP’s general assessment of the current design and impact of LIBA?**

14 A: As currently designed and implemented, LIBA does not adequately serve PacifiCorp’s
15 low-income customers. Among other issues, LIBA does not address known barriers to
16 participation in energy assistance programs, including onerous enrollment processes. As
17 noted above, PacifiCorp’s Energy Burden Assessment highlights the gap between the

¹⁵ Dkt. UE-210522, Order Approving Revisions to Low Income Bill Assistance Program (July 29, 2021).

¹⁶ Meredith, Exh. RMM-9 at 1.

1 efficacy of the existing LIBA program and the needs of PacifiCorp’s customers. While
2 PacifiCorp estimates that overall energy assistance need among its residential customers
3 is \$15 million, current energy assistance spending across LIHEAP and PacifiCorp’s
4 energy assistance programs amounts to only \$6.3 million. PacifiCorp should revise its
5 program to ensure that more customers in need receive energy assistance.

6 **Q: Does the current design of LIBA reflect best practices for providing low-income**
7 **energy assistance?**

8 A: No. Over the past two years, other Washington investor-owned utilities (IOUs) have
9 developed—and the Commission has approved—much better programs in line with
10 national best practices. These programs include a number of features that LIBA lacks,
11 including: (1) expanded avenues for enrolling customers, including through self-
12 declarations of income with an appropriate post-enrollment verification process, (2) at
13 least 5 discount tiers, which allows for better sizing of energy assistance in proportion to
14 customers’ needs, (3) longer default enrollment terms, (4) automatic re-enrollments
15 whenever a customer enrolls in another income-qualified program, such as LIHEAP, (5)
16 partnerships with Community Based Organizations (CBOs) to increase awareness of
17 energy assistance offerings, and (6) arrearage management (AMPs) to help customers
18 struggling with past-due balances. Although PacifiCorp offers payment plans to
19 customers, its payments plans do not include arrearage forgiveness, which is an essential
20 component of AMPs.¹⁷

¹⁷ See Charlie Harak, *Helping Low-Income Utility Customers Manage Overdue Bills through Arrearage Management Programs (AMP)*, Nat. Consumer Law Center (Sept. 2013), at 6-7 (explaining the importance of arrearage forgiveness to AMPs), https://www.nclc.org/wp-content/uploads/2022/09/amp_report_final_sept13.pdf.

1 Additionally, other IOUs designed their programs to maximize the use of federal
2 funds and conserve ratepayer funds. Avista and Cascade only apply the discount to a
3 customer's bill *after* applying all other available governmental assistance, such as
4 LIHEAP. That sequence ensures that for customers enrolled in both LIHEAP and the
5 BDR, LIHEAP covers as much of a customer's bill as possible before the ratepayer-
6 funded BDR discount applies. PacifiCorp does not use that sequencing for LIBA. Instead,
7 PacifiCorp first applies the LIBA discount to a customer's bill and then applies LIHEAP
8 to the remaining portions of the bill. That sequencing likely results in additional costs to
9 the ratepayer-funded LIBA program, as LIBA will cover a larger proportion of a
10 customer's bill even when other assistance is available.

11 **C. PacifiCorp should work with its Low-Income Advisory Group to enhance bill**
12 **assistance.**

13 **Q: Can you please summarize TEP's recommendations for LIBA.**

14 **A:** Yes. PacifiCorp should work with its Low-Income Advisory Group (LIAG) to develop
15 enhancements to the LIBA program. Like the other Washington IOUs, PacifiCorp should
16 discuss and seek consensus with its LIAG concerning potential changes to the design and
17 implementation of the bill discount along with a new arrangement management plan
18 (AMP). Those discussions should include the following topics, among others identified
19 by PacifiCorp and the LIAG members:

- 20 • The number and design of the income-based discount tiers for LIBA;
- 21 • Enrollment procedures, including allowing customers to enroll in LIBA using
22 self-declarations of income with a post-enrollment verification process for a
23 subset of customers;
- 24 • Enrollment terms;

- 1 • Implementation of an arrearage management program;
- 2 • Key performance indicators for measuring program effectiveness.

3 The Energy Project recommends that the Commission direct PacifiCorp to engage
4 in the consultation process described above, and then make a subsequent tariff filing
5 (pursuant to WAC 480-07-885) by July 1, 2025 that contains the outcome of the
6 discussions with the LIAG concerning the design and implementation of the LIBA bill
7 discount rate and new arrearage management plan, with an effective date of October 1,
8 2025. In addition, PacifiCorp should seek consensus with its LIAG to design and
9 implement an interim arrearage forgiveness program by October 1, 2024.

10 **Q: Why did you select July 1, 2025 for the filing date and October 1, 2025 for the**
11 **program effective date?**

12 A: Most energy assistance programs, including LIHEAP, operate with a program year that
13 begins on October 1. As a result, agencies and utilities annually implement program
14 design changes on October 1. Many customers request energy assistance from their local
15 Agency in early October because the new program year's funding is available then. As a
16 result, October 1 is the best time to implement energy assistance program changes. A
17 filing date of July 1 provides sufficient time before October 1 for parties to review the
18 tariff, the Commission to authorize the enhancements, and the Company to implement the
19 enhancements by October 1.

20 There is not sufficient time for the LIAG to design and PacifiCorp to implement
21 the energy assistance enhancements, including a process for self-declaration of income
22 and the post-enrollment verification process, between March 2024, when I expect the

1 Commission's final order in this case, and October 1, 2024. Therefore, I recommend
2 implementing the enhancements on October 1, 2025.

3 **Q: Does TEP's proposal provide customers additional assistance before July 1, 2025?**

4 A: Yes. First, PacifiCorp should work with LIAG to develop and implement an interim
5 arrearage forgiveness program by October 1, 2024. As I explained above, PacifiCorp
6 currently has no plans for arrearage forgiveness program, so this would be significant
7 benefit for low-income customers.

8 Second, The Energy Project recommends that the Commission approve
9 PacifiCorp's proposal to increase the LIBA discount percentages, with the understanding
10 that PacifiCorp's July 1, 2025 filing will further enhance LIBA and may change the
11 number of income tiers and associated percentages.

12 **IV. CREDIT AND COLLECTIONS**

13 **A. Existing disconnection practices are inequitable.**

14 **Q: What is your understanding of the rules and procedures PacifiCorp follows when**
15 **determining whether to disconnect a customer for nonpayment?**

16 A: PacifiCorp follows three sets of procedures for determining whether to disconnect a
17 customer for nonpayment.¹⁸ First, PacifiCorp follows the rules and regulations for
18 disconnection set forth in the Washington Administrative Code (WAC), including

¹⁸ Stokes, Exh. SNS-6 (PacifiCorp Response to TEP DR 001).

1 sections 480-100-128 and 480-100-143.¹⁹ Second, PacifiCorp follows the rules regarding
2 disconnection contained in Rule 11A of its tariff on file with the Commission.²⁰

3 Finally, PacifiCorp has several other policies and procedures that it uses to decide
4 whether to disconnect a customer for nonpayment. Throughout this testimony, I referred
5 to this collection of policies and procedures as PacifiCorp’s “Disconnection Policies.”
6 These policies are not a part of PacifiCorp’s tariff that the Commission approved.
7 Instead, PacifiCorp maintains internal business process documents to support these
8 policies and procedures.²¹

9 **Q: What is your understanding of the procedures that PacifiCorp’s Disconnection**
10 **Policies prescribe?**

11 A: PacifiCorp applies several different internal policies and procedures when determining
12 whether to disconnect a customer for nonpayment. First, PacifiCorp has established a
13 threshold of \$50 for disconnecting customers. If a customer’s arrears fall below \$50,
14 PacifiCorp will not initiate a disconnection.²²

¹⁹ WAC 480-100-128 contains rules regarding utility disconnections, including a requirement to give customers at least 3 days advanced notice prior to disconnection. WAC 480-100-143 contains rules concerning the winter low-income payment program, including prohibitions on disconnecting customers during the winter months under certain conditions.

²⁰ PacifiCorp’s Rule 11A (General Rules and Regulations—Discontinuance of Service for Nonpayment) further specifies how PacifiCorp will notify customers of a scheduled disconnection, and limits disconnections during cold weather days, local heat advisories, and poor air quality days. PacifiCorp Tariff WN U-76, Rule 11A §§ (A)-(D) (Feb. 24, 2023).

²¹ See, e.g., Stokes, Exh. SNS-6 (PacifiCorp Response to TEP DR 001), at 2 (explaining that “[i]nternally, PacifiCorp maintains business process documents supporting this scoring process”).

²² Dkt. U-210800, Rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits (Credit and Collections Rulemaking), (footnote continued on next page)

1 Second, for customers whose arrears are greater than \$50, PacifiCorp uses a
2 “scoring calculation” to determine whether to disconnect those customers.²³ PacifiCorp’s
3 scoring system allocates between 0 and 21 points to each customer who is eligible for
4 disconnection. Those points are based on 6 factors; 3 of the factors are worth 6 points
5 each and 3 are worth 1 point each, according to the following weighting and descriptions:

- 6 1. More than two previous disconnection orders in the previous 12 months (6
7 points);
- 8 2. Not payment plan eligible (1 point);
- 9 3. No payment in the last 60 days (6 points);
- 10 4. Security agreement (deposit) exists (1 point);
- 11 5. At the same service for less than two years (1 point);
- 12 6. At least two months in arrears (6 points).²⁴

13 If a customer scores between 0-12 points, PacifiCorp takes no action and does not
14 disconnect the customer. If the customer scores 13 or more points, PacifiCorp will
15 proceed to disconnect that customer, provided the customer is otherwise eligible for
16 disconnection under applicable WAC and tariff rules.²⁵

PacifiCorp’s Responses, at 5 (Aug. 19, 2022) (“PacifiCorp’s threshold [for disconnection] is >\$50.”).

²³ Stokes, Exh. SNS-7 (PacifiCorp Response to TEP DR 002).

²⁴ Stokes, Exhs. SNS-6 (PacifiCorp Response to TEP DR 001) (summarizing internal scoring system), SNS-7 (PacifiCorp Response to TEP DR 002) (listing the 6 factors PacifiCorp uses), SNS-8 (PacifiCorp Response to TEP DR 024) (explaining three largest factors).

²⁵ Stokes, Exh. SNS-7 (PacifiCorp Response to TEP DR 002).

1 Finally, PacifiCorp will continue with a scheduled disconnection, even if a
2 customer has an appointment for energy assistance with an Agency, unless the customer
3 meets one or more of several burdensome conditions.²⁶

4 **Q: Has PacifiCorp’s Low-Income Advisory Group reviewed PacifiCorp’s scoring**
5 **system and other Disconnection Policies?**

6 A: Partially. In the Fall of 2021 PacifiCorp presented to the LIAG the three largest factors
7 that it uses in its internal scoring system (i.e. the factors that are worth six points each).
8 According to PacifiCorp, the LIAG expressed concerns about the scoring system and
9 factors because it was “not clear that they were equitable to the Company’s Washington
10 customers.”²⁷

11 **Q: Do you have concerns with PAC’s Disconnection Policies?**

12 A: Yes. The Energy Project would like to highlight particular concerns with the equity
13 implications of PacifiCorp’s Disconnection Policies. First, PacifiCorp employs a nominal
14 dollar threshold of \$50, placing customers at risk of the severe consequences of
15 disconnection for only minor arrears.

16 Second, PacifiCorp’s scoring system has the potential to create significant
17 inequitable impacts. Under its internal scoring system, PacifiCorp awards additional
18 points to customers who have been disconnected more than two times in the previous
19 twelve months. That policy fuels a vicious cycle where previous disconnections place
20 customers at higher risks of being disconnected again. Likewise, other factors have the
21 potential for significant inequitable impacts. For example, PacifiCorp awards 1 point if a

²⁶ Stokes, Exh. SNS-9 (PacifiCorp Response to TEP DR 028).

²⁷ Stokes, Exh. SNS-8 (PacifiCorp Response to TEP DR 024).

1 customer has been at their place of service for less than two years, which may
2 disproportionately affect renters or other groups that change residences frequently.
3 Moreover, PacifiCorp presents no evidence to show that it holistically considered equity
4 when designing its internal scoring system.

5 Finally, PacifiCorp will disconnect customers and continue to send disconnection
6 notices, even when a customer has a scheduled appointment to receive energy assistance,
7 unless a variety of burdensome conditions have been satisfied. That policy
8 inappropriately penalizes customers who are taking the proper steps to obtain energy
9 assistance. Of particular concern is the requirement to pay half the disconnect balance
10 ahead of time.²⁸ Customers seek energy assistance after receiving a disconnect notice
11 precisely because they cannot afford to make such a time-sensitive payment.

12 **Q: Do other utilities in this state disconnect customers when they know that customer**
13 **has a scheduled appointment with an Agency?**

14 **A:** Puget Sound Energy, Avista, and Cascade Natural Gas's disconnection policies do not
15 allow the utilities to disconnect a customer they know to have a scheduled appointment
16 with an Agency.

17 **B. The Commission should order PacifiCorp to adopt more equitable disconnection**
18 **practices.**

19 **Q: Does The Energy Project have any recommendations regarding PacifiCorp's**
20 **disconnection practices?**

²⁸ Stokes, Exh. SNS-9 (PacifiCorp Response to TEP DR 028).

1 A: Yes. The Commission is currently considering whether to permit utilities to disconnect
2 customers for nonpayment as part the Credit and Collections Rulemaking.²⁹ If the
3 Commission decides in that rulemaking to allow utilities to continue to disconnect
4 residential customers for nonpayment, PacifiCorp should implement a set of reforms to
5 its Disconnection Policies, and conduct a holistic equity review of its Disconnection
6 Policies. Specifically, the Commission should order PacifiCorp to:

- 7 • Raise the dollar threshold for disconnecting customers for nonpayment from \$50
8 to \$300, which is approximately to 2.5 times the average monthly bill for
9 PacifiCorp's highly energy burdened residential customers;³⁰
- 10 • Remove any provision from PacifiCorp's internal scoring system for
11 disconnections that awards points if a customer has a previous disconnection
12 order;
- 13 • Refrain from initiating disconnections or sending disconnection notices when a
14 customer has a scheduled energy assistance appointment; and
- 15 • Conduct a robust equity review of policies and procedures for disconnecting
16 customers for nonpayment, in consultation with the LIAG and Equity Advisory
17 Group.

18 **Q: How should the Commission ensure that PacifiCorp conducts a robust equity review**
19 **of its policies and procedures for disconnecting customers for nonpayment?**

²⁹ Dkt. U-210800, Credit and Collections Rulemaking (Oct. 19, 2021).

³⁰ Stokes, Exh. SNS-3 (Energy Burden Assessment) at 17 (explaining that PacifiCorp's highly energy burdened residential customers paid an average of \$1,500 in annual electricity bills).

1 A: The Commission should direct PacifiCorp to: (1) within 3 months of the Commission's
2 final order in this proceeding, present all of PacifiCorp's disconnection for nonpayment
3 policies and procedures to joint meeting of its equity and low-income advisory groups,
4 allowing appropriate time for participants to provide verbal and written feedback on the
5 equity impacts of those policy and procedures; (2) within eight months of the
6 Commission's final order in this proceeding, incorporate the feedback it receives and
7 make a subsequent filing (pursuant to WAC 480-07-885) with new disconnection policies
8 and procedures. The filing will explain how the revisions meet the public interest
9 requirement for equitable practices. The Commission should require the subsequent filing
10 to discuss any suggestions or feedback received from the advisory group that PacifiCorp
11 did not incorporate, and the reason PacifiCorp did not incorporate that feedback.

12 **C. The Commission should prohibit the reporting of customer information to credit**
13 **bureaus.**

14 **Q: Do you have other concerns with PacifiCorp's credit and collections practices in**
15 **addition to its disconnection practices?**

16 A: Yes. The Energy Project has concerns with PacifiCorp's handling of customer
17 information in the context of credit reporting. In response to discovery, PacifiCorp stated
18 that it does not use customer credit scores itself or report customer information to credit
19 bureaus such as Equifax and Experian.³¹ However, PacifiCorp explained that the
20 collections agencies with which it contracts may provide customer information to credit
21 reporting bureaus.³² Thus, there does not appear to be a compelling utility or regulatory

³¹ Stokes, Exh. SNS-10 (PacifiCorp Response to TEP DR 005).

³² *Id.*

1 purpose for providing sensitive customer information to credit reporting bureaus.
2 Furthermore, reporting arrears to credit bureaus can disproportionately harm customers
3 with low incomes and people of color. These customers are more likely to have low
4 credit scores or insufficient credit histories, and therefore will be disproportionately
5 affected by reporting of utility debts to credit bureaus.³³ Such reporting can, in turn, make
6 it more difficult for customers to access affordable financing and reinforce systemic
7 barriers that many low-income customers and people of color face when trying to obtain
8 credit and build wealth.³⁴ Credit reports are also often pulled by prospective landlords as
9 a step in the rental application process, with negative results leading to reduced ability for
10 credit-challenged customers to find safe, stable housing.³⁵

11 For those reasons, other utilities such as Puget Sound Energy, Avista, and
12 Cascade Natural Gas have worked with their contractors to ensure that collections
13 agencies do not report customer information to credit bureaus.³⁶

³³ See, e.g., Caroline Ratcliffe & Steven Brown, *Credit scores perpetuate racial disparities, even in America's most prosperous cities*, Urban Institute (Nov. 20, 2017), <https://www.urban.org/urban-wire/credit-scores-perpetuate-racial-disparities-even-americas-most-prosperous-cities> (accessed Sept. 1, 2023); Edmund L. Andrews, *How Flawed Data Aggravates Inequality in Credit*, Stanford University: Human-Centered Artificial Intelligence (Aug 6, 2021), (explaining that a “‘thin’ credit history will in itself lower a person’s score, because lenders prefer more data than less. But it also means that one or two small dings, such as a delinquent payment many years in the past, can cause outsized damage to a person’s score.”).

³⁴ *Id.* (noting inaccuracies in credit score modeling that disproportionately affects lower-income borrowers and people of color).

³⁵ See, e.g., RCW 59.18.257 (procedures landlords use for accessing credit reports).

³⁶ Dkt. U-200281, UTC Open Meeting March 24, 2022, Statements of Shawn Bonfield Representing Avista Corporation (noting that as a result of Avista’s intervention, its contractor collections agencies “no longer report to credit bureaus on the customers we send to them.”); Dkt. U-210800, Credit and Collections Rulemaking, Deposits, Fees, Payment Arrangements, and Customer Notice Workshop (September 9, 2023).

1 **Q: Are you aware of anything that would prevent PacifiCorp from instructing its**
2 **collections agencies not to report customer information to credit bureaus?**

3 A: No.

4 **Q: What does TEP recommend concerning PacifiCorp's credit reporting practices?**

5 A: The Commission should order PacifiCorp not to report customer information to credit
6 bureaus, and prohibit its collection agency contractors from doing so as well.

7 **V. OTHER ISSUES CONCERNING EQUITY AND PACIFICORP'S LOW INCOME**
8 **CUSTOMERS**

9 **A. PacifiCorp should develop a language access plan.**

10 **Q: What steps has PacifiCorp taken to serve customers who speak a primary language**
11 **other than English?**

12 A: PacifiCorp has taken several steps to provide services to customers who speak a primary
13 language other than English. Among other initiatives, PacifiCorp maintains a system for
14 tracking customers preferred languages, which records language preferences as English
15 (default), Spanish, and Other.³⁷ PacifiCorp also creates Spanish-language versions of
16 frequently used correspondence templates, which it can provide to customers who
17 PacifiCorp knows prefer to speak Spanish.³⁸ Additionally, PacifiCorp employs bilingual
18 customer service representatives who can support customers in Spanish and English.³⁹

19 **Q: Do you have concerns with the language services PacifiCorp provides to customers**
20 **who speak a primary language other than English?**

³⁷ Stokes, Exh. SNS-12 (PacifiCorp Response to TEP DR 012).

³⁸ Stokes, Exh. SNS-13 (PacifiCorp Response to TEP DR 014).

³⁹ Stokes, Exh. SNS-14 (PacifiCorp Response to TEP DR 009).

1 A: Yes. While PacifiCorp offers several services and outreach programs to assist customers
2 who speak a primary language other than English, significant gaps and deficiencies
3 remain. Among other issues, major program materials and online notices continue to be
4 offered only in English, including online versions of disconnection procedures and
5 notices and online materials related to PacifiCorp’s low-income weatherization
6 program.⁴⁰ Additionally, while PacifiCorp maintains a system for tracking customer
7 language preferences, PacifiCorp has recorded only 11% of customers as preferring
8 Spanish and 0.02% of customers as “Other” (neither English or Spanish).⁴¹ By contrast,
9 data from the U.S. Census shows that 42% of people ages 5 years and older in Yakima
10 County, a major service area for PacifiCorp, speak a language at home other than
11 English, indicating that there may be significant gaps between customers’ actual language
12 preferences and the customers PacifiCorp has identified as preferring languages other
13 than English.⁴² Finally, it appears that PacifiCorp does not have a comprehensive
14 document or policy describing when and how to conduct program outreach in languages
15 other than English.⁴³

16 **Q: Does TEP have any recommendations regarding language access?**

17 A: Yes. PacifiCorp should develop a language access plan in consultation with its LIAG and
18 Equity Advisory Group.

⁴⁰ Stokes, Exh. SNS-10 (PacifiCorp Response to TEP DR 008).

⁴¹ Stokes, Exh. SNS-16 (PacifiCorp First Revised Response to TEP DR 013); Stokes, Exh. SNS-17 (PacifiCorp Response to TEP DR 023).

⁴² U.S. Census Bureau, *Quick Facts: Yakima County, Washington*, <https://www.census.gov/quickfacts/fact/table/yakimacountywashington/PST045222> (accessed Sept. 1, 2023).

⁴³ Stokes, Exh. SNS-18 (PacifiCorp Response to TEP DR 010).

1 **Q: What is a language access plan?**

2 A: A language access plan is a policy setting out in detail the language needs and
3 preferences of an organization's clients and partners, and the steps the organization will
4 take to improve language access and multilingual services.⁴⁴ Language access plans help
5 ensure that organizations provide high quality and appropriate language services. They
6 typically have several major components, including: (1) A comprehensive needs
7 assessment, (2) identification and implementation of improvements to language services,
8 (3) actions to enhance awareness among clients and customers regarding the
9 organization's available language services, (4) training to employees on language access
10 needs, policies, and programs, and (5) a framework and metrics to evaluate the success of
11 the language access plan.⁴⁵

12 **Q: Why should PacifiCorp prepare a language access plan?**

13 A: Language access plans serve several beneficial functions that will enhance the services
14 PacifiCorp provides, improve customer relations, and help more customers partake in the
15 array of important programs that PacifiCorp offers its low-income customers, including
16 weatherization and energy assistance programs. As part of the preparation of the plan,
17 PacifiCorp will undertake a comprehensive evaluation of customer language preferences
18 and its existing services, enabling PacifiCorp to identify gaps and ways it can improve its
19 current offerings. Additionally, the preparation of the language access plan facilitates

⁴⁴ Centers for Medicare and Medicaid Services, *Guide to Developing a Language Access Plan*, <https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/Language-Access-Plan-508.pdf>; United Language Group, *Guide to Developing a Language Access Plan*, <https://www.unitedlanguagegroup.com/resources/developing-a-language-access-plan> (accessed Sept. 1, 2023).

⁴⁵ United Language Group, *Guide to Developing a Language Access Plan*.

1 learning about best practices in providing multilingual services from other organizations.
2 Finally, the language access plan promotes reflection and accountability by providing a
3 clear roadmap for PacifiCorp and other stakeholders to use when evaluating the steps
4 PacifiCorp has taken to improve language access.

5 **Q: How should the Commission ensure that PacifiCorp develops and maintains an**
6 **effective language access plan?**

7 A: The Commission should direct PacifiCorp to do the following: (1) develop a draft
8 language access plan and share the draft Language Access Plan with the LIAG and
9 Equity Advisory Group within 6 months of the Commission's final order in this
10 proceeding, (2) within 7 months of the Commission's final order in this proceeding
11 convene at least one joint meeting of the LIAG and Equity Advisory Groups to discuss
12 the draft plan and solicit written feedback on the draft plan, (3) incorporate feedback
13 from the LIAG and Equity Advisory Group, and make a subsequent filing (pursuant to
14 WAC 480-07-885) including the final plan within 12 months of the final order in this
15 proceeding, (4) maintain and revise the language access plan as needed, with approval
16 and feedback from the LIAG and Equity Advisory Groups, and (5) in each LIBA annual
17 report, describe the progress and steps taken to accomplish the objectives in the language
18 access plan during the previous year.

19 **B. LIBA outreach should include community-based organizations.**

20 **Q: What is the community-based outreach program proposed by TEP?**

21 A: A community-based outreach program would connect low-income customers to LIBA
22 and weatherization programs via trusted messengers and community-based organizations
23 (CBOs). These CBOs could include entities that serve marginalized communities,

1 including but not limited to rural, immigrant, tribal, or people of color, and are often
2 recognized as trusted sources for information and support among their communities.⁴⁶

3 Such organizations are typically established members of the communities they serve.⁴⁷

4 The community-based outreach program would complement existing outreach programs,
5 such as earned media, digital advertising, radio advertising, and bill inserts.

6 **Q: What is community-based social marketing?**

7 A: Community-based social marketing is based on the concept that behavior change is most
8 effective when it involves direct contact with people and is carried out at the community
9 level.⁴⁸ In this “by the community, for the community” model, trusted messengers speak
10 to their respective communities about opportunities to help community members meet
11 their needs. Community-based social marketing has been proven to be effective at
12 fostering sustainable behavior change.⁴⁹ Community-based social marketing can be
13 targeted to bring information about bill assistance and low-income conservation programs
14 to the hardest-to-reach customers, including those with disabilities, language barriers, and
15 limited access to telecommunications.

16 **Q: Is community-based outreach used to promote low-income assistance programs in**
17 **Washington State?**

⁴⁶ Dkts. UE-010436/UG-010437, Avista Low-Income Rate Assistance Program Annual Summary Report for Oct. 2020-Sept. 2021, at 26-27 (Dec. 30, 2021).

⁴⁷ See Dkt. UE-210115, Avista Tariff WN U-29, Schedule 173, Residential Debt Relief Program, Cover Letter, at 6 (Feb. 19, 2021).

⁴⁸ U.S. Dept. of Energy, Better Buildings Residential Network, *Community-Based Social Marketing Toolkit*, at 1-2 (June 14, 2017), <https://www.energy.gov/eere/better-buildings-residential-network/articles/community-based-social-marketing-toolkit> (describing the positive impacts of community-based outreach).

⁴⁹ *Id.*

1 A: Yes. Several utilities have employed or are in the process of developing community-
2 based outreach programs. The Commission initially authorized Avista’s Community
3 Partner Network (CPN) during the COVID-19 pandemic to increase customer
4 engagement in hard-to-reach and underserved areas by enlisting the help of organizations
5 with established representatives in those communities.⁵⁰ This program has proven to be
6 effective, and as a result of its success, the Commission authorized Avista to make
7 permanent and expand the program.⁵¹

8 Building on the success of Avista’s program, The Energy Project proposed an
9 initial three-year community-based outreach program pilot for Cascade Natural Gas as
10 part of its 2021 Rate Case. The Commission’s decision in that case approved the
11 community-based outreach pilot, finding that the proposed program:

12 addresses an issue central to achieving equitable outcomes: engaging
13 directly with those communities most impacted by structural inequities. As
14 the nonprofit organization Clean Energy Action observes, “truly equitable
15 policy and research must be informed by conversations with impacted
16 communities as early in the process as possible.” Funding Cascade’s
17 community-based outreach program is a valuable first step that will
18 enhance the Company’s ability to address inequities going forward.⁵²

19 **Q: Why should LIBA include community-based outreach?**

20 A: Community-based outreach is an effective way to raise awareness of LIBA and low-
21 income conservation programs because CBOs are experienced in cultivating relationships
22 and communicating with vulnerable communities that likely have more energy assistance

⁵⁰ See Dkt. UE-210115, Avista Tariff WN U-29, Schedule 173, Cover Letter, Residential Debt Relief Program, at 6-7 (Feb. 19, 2021).

⁵¹ Dkts. UE-210490/UG-210491, Avista Tariff WN U-28, Schedules 92 and 192, Open Meeting Memo, at 3 (July 29, 2021).

⁵² Dkt. UG-210755, Cascade Natural Gas 2021 General Rate Case, Order 09, ¶¶ 75-78.

1 need. CBOs are well-positioned to inform and assist customers in need because their staff
2 are personally familiar with the communities where there is need. They can meet
3 customers where the customers are, instead of having customers come to them. These
4 trusted messengers may also be non-traditional entities that offer new opportunities to
5 engage with customers.

6 **Q: What is the role of Community Action Agencies in this process?**

7 A: Agencies would identify the qualified CBOs in each community and closely coordinate
8 with them to implement the program. Selected CBOs would rely on the Agencies to
9 provide detailed, technical, and/or programmatic information and training.

10 **Q: How long will it take to establish and ramp up this program?**

11 A: The program will likely need at least three years to mature. It will take time for
12 PacifiCorp and the Agencies to establish the program, for the Agencies to identify and
13 train CBOs, and then for outreach activities to occur. In addition, TEP does not expect
14 every Agency to use the program in its early stages. However, some funding should be
15 made available now so that the Community Action Agencies can begin identifying and
16 connecting with CBOs.

17 **Q: What annual budget will this program need?**

18 A: To ensure sufficient funding for sustained engagement by CBOs, the available budget for
19 the community-based outreach program should include at least \$100,000 and be made
20 available for at least three years.

21 **Q: How should the community-based outreach program be implemented?**

22 A: PacifiCorp and the LIAG would work together to determine the details of implementing
23 this program.

1 **C. PacifiCorp should enhance its low-income weatherization program.**

2 **Q: Please describe TEP's analysis of the low-income weatherization program in**
3 **PacifiCorp's service territory.**

4 A: TEP is generally pleased with PacifiCorp's administration of its low-income
5 weatherization program. PacifiCorp's weatherization program staff are helpful, for
6 example by working with agencies to implement changes that increase program
7 efficiency and effectiveness. TEP appreciates PacifiCorp's dedication to serving low-
8 income households and their collaboration with agencies delivering low-income
9 weatherization services.

10 **Q: Do you recommend any improvements to PacifiCorp's weatherization program?**

11 A: Yes. While the current weatherization program is working well, TEP suggests two
12 improvements to the program.

13 First, weatherization providers in PacifiCorp's service territory report to TEP that
14 they are sometimes unable to weatherize homes because of deferred maintenance or large
15 repairs. To provide the weatherization measure, the maintenance or repair must first be
16 performed. TEP requests that PacifiCorp work with its demand-side management
17 advisory group to develop a pilot program to overcome the inability to weatherize homes
18 because of deferred maintenance or large repairs, e.g., by funding and/or performing the
19 deferred maintenance or large repairs. The Commission recently approved the creation of
20 similar pilot in Avista's service territory.⁵³

⁵³ Dkts. UE-220053/UG-220054, Avista 2022 General Rate Case, Final Order 10, ¶ 109 (Dec. 12, 2022).

1 Second, some weatherization providers report to TEP that variations in the timing
2 of weatherization payments can delay the implementation of weatherization measures. To
3 address this impediment, TEP requests that PacifiCorp work with its demand-side
4 management advisory group to provide progress payments for weatherization measures in
5 certain situations. TEP does not anticipate that all of PacifiCorp's weatherization
6 provides will take advantage of such a program, but it would provide a significant benefit
7 to those with highly variable cash flows.

8 **D. The Commission should not increase the residential basic charge.**

9 **Q: What changes does PacifiCorp propose concerning the residential basic charge?**

10 A: PacifiCorp proposes to bifurcate the basic charge between single-family homes and
11 multi-family homes. For multi-family homes, the basic charge would remain at its current
12 level of \$7.75. For single-family homes, PacifiCorp proposes to increase the basic charge
13 to \$10, arguing that it is appropriate to include the cost of line transformers in the basic
14 charge.⁵⁴

15 **Q: Please explain TEP's position regarding PacifiCorp's proposal to increase the basic
16 charge.**

17 A: While I have not conducted a cost-of-service analysis, I have policy concerns with
18 allowing an increase in the basic charges. Increases in the basic customer charge reduce
19 the customer's ability to control their own household utility bills. A reduction in usage by
20 the customer has a smaller impact on the bill, since a larger portion is unaffected by their
21 behavior. As a result, customers have a diminished price incentive to reduce their usage,
22 and therefore, their utility bill, through conservation. Increases in basic charges,

⁵⁴ Meredith, Exh. RMM-1T at 11-16.

1 therefore, run counter to state policies and utility programs that promote energy
2 efficiency and encourage customer to weatherize homes, purchase energy-efficient
3 appliances and reduce usage in other ways.

4 In addition, as a general proposition, increases to the basic customer charge
5 disproportionately burden low volume customers, since a greater portion of the bill is
6 fixed, relative to higher use customers. For these policy reasons, increases to basic
7 customer charges should be avoided or minimized where possible.

8 **Q: Does PacifiCorp’s proposal to bifurcate the basic charge between single-family**
9 **homes and multi-family homes address your concerns?**

10 A: No. The concerns I have with this change apply to both customers living in the single-
11 family homes and customers living in multi-family homes. Moreover, there are many
12 vulnerable customers, low-income customers, and middle-income energy burdened
13 customers that live in single-family homes, particularly in the rural and small city service
14 territory of PacifiCorp in Washington.

15 VI. CONCLUSION

16 **Q: Please summarize your recommendations.**

17 A: The Energy Project recommends that the Commission direct PacifiCorp to take the
18 following actions.

19 1. Enhance energy assistance programs and create a new AMP.

- 20 • PacifiCorp should work with its LIAG to develop enhancements to the LIBA
21 program. Specifically, PacifiCorp should discuss and seek consensus with its
22 LIAG concerning potential changes to LIBA, including the following topics and
23 others identified by LIAG members:

- 1 ○ The number and design of the income-based discount tiers for LIBA;
- 2 ○ Enrollment procedures
- 3 ○ Enrollment terms;
- 4 ○ Implementation of an arrearage management program;
- 5 ○ Key performance indicators for measuring program effectiveness.
- 6 • Engage in the consultation process described above, and then make a subsequent
- 7 tariff filing by July 1, 2025 containing the outcome of those discussions, with an
- 8 effective date of October 1, 2025 to implement LIBA enhancements.
- 9 • Seek consensus with its LIAG to design and implement an interim arrearage
- 10 forgiveness program by October 1, 2024.
- 11 • The Commission should approve PacifiCorp's current proposal to increase the
- 12 LIBA discount percentages, with the understanding that PacifiCorp's subsequent
- 13 filing may change the income tiers and percentages in the future.

14 2. Reform credit and collections practices.

15 If, in the Credit and Collections Rulemaking, the Commission allows residential
16 disconnections for nonpayment to continue, it should direct PacifiCorp to:

- 17 • Raise the dollar threshold for disconnecting customers for nonpayment from \$50
- 18 to \$300.
- 19 • Remove any provision from Disconnection Policies that awards points based on
- 20 previous disconnection orders.
- 21 • Refrain from initiating disconnections or sending disconnection notices when a
- 22 customer has a scheduled energy assistance appointment.

1 • Using the process described above, conduct a holistic review of PacifiCorp’s
2 policies and procedures for disconnecting customers for nonpayment—with a
3 focus on equity—in consultation with the LIAG and Equity Advisory Group.
4 Further, the Commission should direct PacifiCorp not report customer information to
5 credit bureaus, and prohibit its collection agency contractors from doing so.

6 3. Develop a language access plan using the process described above.

7 4. Enhance the low-income weatherization program by working with the demand-side
8 management advisory group to:

9 • Develop a pilot program to overcome the inability to weatherize homes because
10 of deferred maintenance or large repairs; and

11 • Provide progress payments for weatherization measures in certain situations.

12 5. Not raise the basic charge for any residential customers.

13 **Q: Does this conclude your testimony?**

14 **A: Yes.**