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**VIA ELECTRONIC FILING**

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**RE: Docket U-210800—PacifiCorp's Responses**

On August 3, 2022, the Washington Utilities and Transportation Commission (Commission) issued a Notice of Opportunity to File Written Comments, requesting utilities respond to several questions related to Disconnection and Reconnection, Deposits, Late Fees, Credit and Collection, and Disconnection Notices. PacifiCorp dba Pacific Power & Light (PacifiCorp or Company) appreciates the opportunity to respond to the Commission's questions below.

**RESPONSES**

- 1. Regarding requests for the Commission to consider whether disconnecting customers for non-payment remains necessary:**
  - a. What is the annual and average cost to the utility to (a) disconnect and (b) reconnect customers? What customer count is used in these calculations?**

As discussed in our previous comments submitted on April 29, 2022, PacifiCorp does not have a charge for disconnection of service and does not track the specific costs for disconnecting or reconnecting service. The estimated costs in the table below are based on the average calculation of time to perform the reconnection of service, the wage of the employee doing the reconnection, and how many disconnection and reconnection requests were completed. PacifiCorp estimates the cost of disconnecting service to be commensurate with the cost of reconnecting service during normal office hours.

Estimated Collection Costs— Disconnection and Reconnection of Service for Non-Payment		
Category	2018	2019
Active Agreements	122,870	124,060
Disconnection of Service	\$45,835.06	\$33,260.84
Reconnection - Normal Office Hours	\$29,347.80	\$18,634.66
Reconnection - After Hours	\$12,452.00	\$11,528.00
Reconnection - Weekend/Holiday	\$2,912.26	\$2,668.24

**b. What is the annual and average cost to the utility due to a customer’s late payment? What customer count is used in these calculations?**

This is not a calculation that can be easily quantified without significant further analysis. Late payments impact the utility and its customers in several ways, but may include items such as increased uncollectible expense, interest, additional noticing and communication costs, and potential costs in efforts to collect the late payment.

**c. How much revenue does the utility collect annually from customers for (a) disconnection, (b) reconnection, and (c) late fees?**

The table below includes the Washington revenues received from reconnection fees and late fees in 2018 and 2019. PacifiCorp does not charge a disconnection fee. PacifiCorp is providing 2018 and 2019 data as there were no reconnection or late fees in 2020 and 2021 during the COVID-19 pandemic moratorium.

	Reconnection Fees	Late Fees
2018	\$51,870.00	\$718,458.30
2019	\$40,020.00	\$734,268.90

**d. What concerns factor against eliminating disconnections for non-payment?**

If disconnections for non-payment are eliminated, PacifiCorp is concerned that customers will no longer be motivated to contact the company to establish payment arrangements, seek out energy assistance, and/or pay their utility bills. Without the noticing and engagement created by the disconnection process, PacifiCorp is left unable to recover unpaid amounts from customers and the rest of the Company’s customers end up socializing the cost and increasing their energy burden.

Past due balances grew significantly during the COVID-19 disconnection moratorium, despite the expansion of the Company’s Low Income Bill Assistance (LIBA) Program and the increased availability of energy assistance funds. Agencies who administer these assistance programs reported a decline in customers seeking energy assistance during the moratorium, and specifically noted the absence of repeat customers who seek out assistance annually. Eliminating disconnections for non-payment on a permanent basis will exacerbate this phenomenon.

Further, without the disconnection of service process, customers will be less incentivized to conserve energy. The result of increased and unchecked usage would place additional burden on the utility’s system. This would further hurt the public interest as it will shift an increasing burden of unpaid and uncollectible balances to

the rest of the utility's customers.

PacifiCorp believes that the existing disconnection rules motivate customers to engage with the Company, which allows the utility to establish payment plans and refer customers to energy assistance agencies for additional help to avoid disconnection. PacifiCorp is not aware of a more equitable method to prevent disconnection for non-payment but is receptive to hearing from other stakeholders and utilities on how to help alleviate disconnection of service for non-payment while keeping arrearages down and maintaining price signals for customers.

**e. Please explain how disconnecting customers for non-payment is, or is not, in the public interest.**

As discussed above, absent disconnection utilities are left unable to recover unpaid amounts from customers and the rest of the Company's customers end up socializing the cost. This policy risks increasing their energy burden on more customers. Please also refer to the additional issues identified in the Company's response to subsection d.

**f. Is there a practice that would be more equitable than disconnection for non-payment?**

PacifiCorp is not aware of a more equitable practice. For customers that have refused to pay and refused outreach efforts, disconnection is the last option to provide assistance and address energy burden. The Company is receptive to hearing from other stakeholders and utilities on how to help alleviate disconnection of service for non-payment while keeping arrearages down and maintaining price signals for customers.

**g. How else could companies be assured that customers would continue to pay or seek assistance if disconnection for non-payment were disallowed?**

PacifiCorp is not aware of another mechanism.

**2. Should additional information be provided to customers prior to disconnection for non-payment?**

**a. What, if any, information regarding assistance is currently being provided and what information should be provided?**

PacifiCorp's past due notices and final notice letters provide a list of local community action agencies to contact for bill assistance and to determine eligibility for winter payment plan. The final field notice, which is the last collection notice before service disconnection, also provides a list of community action agencies and Project HELP (nonprofit program) contact

information. The final field notice also includes a LIHEAP income guideline chart so customers can determine if they may qualify before reaching out to agencies.

**b. What, if any, information regarding customer rights and protections should be provided?**

PacifiCorp provides a Rights and Responsibilities insert to all new customers and also provides it to all customers once per year. Additionally, PacifiCorp's past due notices and final notice letters contain language on the following:

Medical Emergencies—customers are encouraged to contact the Company to advise of any potential medical condition in the home.

Payment Plans—customers are encouraged to speak to the Company about setting up payment plan arrangements for their outstanding balance, including the Winter Payment Plan to help avoid termination from November 15 through March 15.

Energy Assistance Agency Information—the agencies and their phone numbers are included on the notices.

Washington Commission contact information—The Washington Utilities and Transportation Commission's toll-free phone number and mailing address are included on the notices to allow customers to appeal the disconnect.

**c. Should disconnection for non-payment notices include Commission contact information?**

Yes, as discussed above, the Company's notices provide Commission contact information in the form of the Commission's toll-free phone number and mailing address.

**3. What percent of customers are billed through e-billing or paperless billing?**

**a. What percent of customers who are signed up for e-billing or paperless billing are also members of highly impacted communities and/or vulnerable populations?**

Roughly 43,000 or 33% of Washington customers are on paperless billing. Approximately one out of six Schedule 17 low-income customers are on paperless billing.

**b. On average, what percent of customers who receive their tariff change notices electronically access their notice?**

PacifiCorp does not currently track data for customers accessing electronic notices.

**4. How does your company define “low-income”? How should “low-income” be defined?**

PacifiCorp defines low-income customers as customers who have received an energy assistance benefit and/or bill discount under PacifiCorp’s Low Income Bill Assistance Program (Schedule 17).

PacifiCorp’s Low-Income Bill Assistance Program (LIBA) and Low-Income Weatherization Program use an income guideline consistent with RCW19.405.020 (25).

**5. How does your company assess the impact of its disconnection practices in areas defined as highly impacted communities and vulnerable populations?**

PacifiCorp does not specifically assess the impact of disconnection practices, but we are engaged with and communicate with our local community action agencies. In response to the COVID-19 pandemic, PacifiCorp implemented a direct customer information referral to the energy assistance agencies to help facilitate the customer energy assistance application process. The agencies found the referrals to be helpful in getting customers signed for assistance and company has continued the referral program.

**6. What information does your company use to determine which customers should be disconnected? Does your company use any of the following information to determine if a customer should be disconnected?**

- a. Credit Scores (either external or internal)** – PacifiCorp does not track, collect, or use credit scores.
- b. A dollar amount threshold** – PacifiCorp’s threshold is >\$50.
- c. A delinquency threshold (for example 30 days, 60 days, 90 days, or any other interval)** – PacifiCorp uses a threshold of >60 days.
- d. Is there any other account information factored in to determine if a customer should be disconnected, and if so, please identify that information?** – PacifiCorp also uses the thresholds of >60 days without payment and >2 cut orders in past 12 months.

Under the current disconnection review process implemented by the Washington Utilities and Transportation Commission Staff, we are not currently utilizing c and d.

**7. Does your company offer the following features on its website or online customer portal?**

**a. Self-enrollment for a customer's preferred payment arrangements**

Yes, this self-service feature is offered on our customer facing website.

**b. Changing a customer's preferred payment due date to parallel receipt of income**

Yes, this self-service feature is offered on our customer facing website.

**c. Bill Assistance information (a link or contact information to their local community action council or other information specific to that customer)**

Yes, PacifiCorp's website provides bill payment assistance information, which includes links to local LIHEAP (Low Income Home Energy Assistance Program) community action agencies by county and contact information for other energy assistance resources.

**d. The ability for a customer to select their preferred language for correspondence or communications (if other than English)**

Yes. English and Spanish are offered.

**8. TEP raises concerns that the 60-day renewal requirement in the Commission's rule governing medical emergencies may be difficult for customers.**

**a. What percent of medical emergencies are not renewed for a second 60-day period?**

During calendar year 2018, 33 customers out of 350 recertified on time.

**b. Could medical emergencies remain in effect for the stated duration of the condition, rather than having a set expiration?**

PacifiCorp would support renewal for the lesser of the length of the condition or one year with medical certificate completed by a qualified medical professional.

**c. Should a 60-day renewal be required for customers experiencing chronic conditions?**

PacifiCorp would support increasing the time for a medical profile to one year in cases of chronic conditions confirmed by a qualified medical professional.

**9. For premise visits prior to disconnection for non-payment of customers with medical certificates and low-income customers, please provide the number of visits conducted and the number of visits that resulted in customers making payment at the door in 2018 and 2019.**

	Number of visits	Number of Payments
2018	75	35
2019	52	6

**10. Please provide your company's internal deposit requirement criteria, including a narrative description of the criteria, factors, and relevant information used to determine whether customers are required to pay a deposit.**

PacifiCorp's current deposit requirements are as follows:

- Customer has received more than two past due notices within the last 12 months
- Customer has been disconnected for non-payment
- Customer/Applicant has an unpaid balance for prior service
- Customer resides at the residence and has an unpaid balance for service
- Bankruptcy
- Applicant does not own or is not purchasing the residence to be served
- Applicant is unable to demonstrate regular source of income

**11. Please describe your company's reporting practices to credit bureaus, including historic practices, collection agencies used, and the terms of all contracts with (and the policies of) all collection agencies used.**

PacifiCorp does not directly report customers to credit agencies. PacifiCorp may refer a delinquent customer account to a collection agency once the account is closed either by disconnection or by customer request. As part of that process, collection agencies may report customers to credit bureaus.

PacifiCorp uses a standard professional services agreement to contract with collection agencies.

**12. Please explain how your company uses customer credit scores.**

No. The company does not collect or use credit scores.

**13. Please provide a list, including addresses, of all payment locations, the tender accepted at each location, and any fees.**

Please refer to Attachment A.

**14. Does your company use liens in any of its practices? If so, please explain your practice(s).**

No. The company does not use liens as part of our disconnection for non-payment practices.

**15. Are there any other changes the Commission should consider to the customer notice rules in WACs 480-90-193, 480-90-194, 480-90-195, 480-90-197, 480-90-198, 480-100-193, 480-100-194, 480-100-195, 480-100-197, 480-100-198? Please provide any suggested changes in legislative format (track changes).**

PacifiCorp does not have any additional recommendations at this time.

**ADDITIONAL QUESTIONS FOR WRITTEN COMMENTS OR DISCUSSION**

**16. Should the Commission broaden the requirements for offering payment arrangements? For example, see Maine's Consumer Protection Standards for Electric and Gas Transmission and Distribution Utilities at p. 23, linked [here](#). Should the Commission adopt a similar policy?**

PacifiCorp currently offers flexible payments arrangements to customers in arrears including 12-month payment plans. PacifiCorp is not opposed to reviewing and discussing alternative options for payment plan requirements. PacifiCorp believes, however, that Maine's payment plan rules do not allow for the same type of flexibility the utilities have with the current rules and would like to see any payment arrangement rule in Washington to maintain flexibility while not being overly burdensome or confusing for the Company or the customer.

**17. If disconnections for non-payment continue:**

- a. The Commission currently requires site visits prior to disconnecting a customer with a medical certificate or a customer who has received energy assistance. Should a site visit be required prior to all disconnections for non-payment?**

No. While PacifiCorp does not currently utilize AMI technology in Washington, the Company still believes that a site visit to every residence before disconnection is unnecessary. The existing Commission rule



requiring site visits for medical customers and those who have received energy assistance was implemented specifically to help protect the most vulnerable customers. Customers are currently receiving multiple notices of disconnection as well as other tailored communications from utilities such as texts, emails, and outbound phone calls. Additionally, performing site visits requires an employee and a vehicle to visit the site. This leads to added cost, creates negative environmental impacts, and puts employees at potential risk. Collection-related activities in the field are linked to customer threats and potential harm for utility employees.

**b. Should the Commission require a minimum overdue account balance prior to disconnecting for non-payment?**

PacifiCorp currently observes a minimum of \$50 for noticing of disconnection for non-payment. PacifiCorp does not support having a required minimum for disconnection and prefers having the flexibility to implement changes to the business practice when needed, particularly if new rules are implemented that affect the way the utilities are required to notice and disconnect for non-payment moving forward.

**c. Should the Commission require Commission approval before a utility disconnects a customer, as it did in Docket U-200281?**

No. PacifiCorp appreciates the efforts made by Consumer Staff in reviewing and approving disconnection for non-payment to help ensure customers were notified before disconnection. However, the Company believes the process of compiling customer information, requesting the disconnection of service from the Commission, tracking the customer accounts, and then ultimately re-noticing customer accounts for disconnection creates an unnecessary administrative burden. It is unclear to PacifiCorp whether the approval process has found any concerns with the noticing the Company is providing to the customers before disconnection and the unfortunate side effect of the process is that customer accounts get further behind and build larger debt.

**18. Should the Commission consider adding energy assistance requirement rules? If so, what should be included?**

**a. Should there be requirements for Percent Income Payment Plans?**

No. PacifiCorp does not support implementing a Percentage of Income Payment Plan (PIPP) at this time. PacifiCorp does not collect, store, or maintain customer income data due to its sensitive nature. Rather than implement a PIPP, PacifiCorp would encourage customers to seek out energy assistance and become qualified for the Company's low-income bill assistance bill discount

rate.

**b. Should there be requirements for Arrearage Management Plans?**

PacifiCorp remains committed to having further conversations with stakeholders and the Low-Income Advisory Committee regarding Arrearage Management Plans (AMP) for the company's customers. The company does not believe that a standardized AMP should be required by rule, but rather with each individual utility and stakeholder group to tailor any program to meet the needs of that utility's customers.

**19. How might the Commission modify the notice methods listed in WAC 480-90-194(1)-(3) and WAC 480-100-194(1)-(3) to better reach customers?**

- a. Considering the reduced consumption of traditional newspaper media, is it still appropriate for customer notices to be published in newspapers?**
- b. Are there any alternatives to newspaper publishing we should consider?**

PacifiCorp supports movement towards electronic communications to the extent possible in light of the changing expectations of customers. While the Company does not have specific recommendations at this time, the Company is looking into possible options and will participate in upcoming workshops and discussions regarding possible solutions for this topic.

**20. Should the Commission require utilities to provide to the Commission a copy of any customer notice made in connection with a tariff filing before the notice is distributed to customers?**

No. PacifiCorp does not recommend requiring an additional step in the customer notice process. The 30-day notice requirement in the rule already creates a rushed process for creating and distributing customer notices, and there is often very little room for additional review in printing and production timelines. In addition, a utility may voluntarily communicate with its customers regarding any relevant topic outside of Commission-required notices, and requiring this step will create additional burden and restrictions that will hinder customer service and customer relations.

**21. What can the Commission do to help ensure customers know about tariff filings and to help ensure that customers know about the Commission?**

Through various customer notices and communications, customers are sufficiently informed about the Commission and their multiple options to communicate with the Commission should the need arise. Low customer engagement in various Commission- and energy-related issues is not likely due to the lack of information.

## CONCLUSION

PacifiCorp appreciates the opportunity to respond to these questions and looks forward to participating in this proceeding to reach a balanced outcome that benefits not only low-income customers, members of highly impacted communities, and/or vulnerable populations, but also customers who fall outside of these groups.

Sincerely,

/s/

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Enclosures

210800-PAC-Comments-8-19-22.pdf  
210800-PAC-Attachment-A.xlsx