

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 23, 2021**

REGULAR X **CONSENT** **EFFECTIVE DATE** March 24, 2021

DATE: March 16, 2021

TO: Public Utility Commission

FROM: Michelle Scala

THROUGH: Bryan Conway and Michael Dougherty **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1243/Advice No. 21-02)
Proposes Schedule 67, Residential Arrearage Management Program.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Idaho Power Company's (Idaho Power or Company) request to create Schedule 67, Residential Arrearage Management Program, effective with service rendered on and after March 24, 2021, on less than statutory notice (LSN) and further direct Idaho Power to:

1. Conduct a review with interested stakeholders on the implementation of Idaho Power's Arrearage Management Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed;¹ and
2. Host a workshop with interested stakeholders, within 45 days of the Schedule 67 effective date, on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic.

¹ Committed refers to the cumulative amount allocated within the AMP program.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's Advice No. 21-02, which creates new Schedule 67, Residential Arrearage Management Program, in accordance with the Stipulation approved in Order No. 20-401, effective with service rendered on and after March 24, 2021.

Applicable Law

Oregon Revised Statute (ORS) 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220; Oregon Administrative Rules (OAR) 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

In Order No. 20-401 the Commission approved a Stipulated Agreement in Docket No. UM 2114. Paragraph 18 of the Stipulated Agreement states as follows:

Each Utility, prior to resuming disconnections, will establish a program to identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts. The program may identify and waive residential arrearages at an initial one-time funding amount of at least 1 percent of each utility's 2019 Oregon retail revenues (approximately \$39 million combined total for all utilities), not to be increased without prior Commission approval...On or before October 1, 2022, Parties can propose a process to address any unspent funds if the Utility program covers arrearage forgiveness in accordance with the Utility's funding addendums and funds are remaining. Utilities may include program costs and uncollectible expense identified in deferral tracking.²

² Staff notes that these funds are in addition to any low-income assistance programs that certain customers will be able to obtain through Community Action Agencies (CAA) or counties.

Analysis

Background

On March 8, 2020, Oregon Governor Kate Brown declared a state of emergency due to the public health threat posed by COVID-19. Governor Brown also directed Oregonians to stay at home to the greatest extent possible in Executive Order No. 20-12 (March 23, 2020). The state of emergency has been extended, most recently, in Executive Order 21-05 (February 25, 2021) through May 2, 2021, unless extended or terminated earlier by the Governor.

On June 9, 2020, the Commission conducted a special public meeting on the “Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery.” As a result of this meeting, Docket No. UM 2114 was opened to address the challenges caused by the COVID-19 Pandemic. A Stipulated Agreement in Docket No. UM 2114 for the energy utilities was approved by the Commission in Order No. 20-401 on November 5, 2020 (Agreement or Stipulation).

The Stipulation requires that energy utilities establish an arrearage management program prior to the resumption of residential disconnections. As written, Paragraph 4 of the Stipulation states, “[f]or residential customers the Utilities may resume the 15-day disconnection notice (in accordance with OAR 860-021-0405) on April 1, 2021.”³ However, Paragraph 4 also specifies that “[t]he Commission will have ongoing oversight to determine whether to extend the April 1, 2021 date to a later date based on ongoing economic and pandemic conditions.”

On February 23, 2021, after comment and discussion from interested parties, the Commission adopted Staff’s recommendation to extend the disconnection moratorium to June 15, 2021; and, further directed Staff to report back to the Commission in mid-May, 2021 regarding the moratorium and whether additional changes should be considered.⁴

Arrearage Management Plan (AMP) Principles and Guidance

Neither the Agreement nor Commission Order No. 20-401 in Docket No. UM 2114 establishes specific program criteria for review of a filed AMP. On consideration of the basic goal for the UM 2114 investigation – to mount an integrated, timely, well-informed response to the pandemic – Staff developed principles and guidance for its review of arrearage management plans and has shared these principles during discussions on the various utility filings. In light of increasing arrearages for residential customers and

³ UM 2114, Order No. 20-401, Appendix A at 13.

⁴ UM 2114, Order No. 21-057.

the great need for utilities to reach out to customers most affected by the pandemic, these principles and guidance include:⁵

- A well-defined, sophisticated Outreach Plan that reaches as many customers as possible and that includes:
 - Priority to communities (zip codes) with the highest number of customers in arrears.
 - Communications in languages that are prevalent in the company's service territory.
 - Partnering with community-based organizations to provide information on Arrearage Management programs.
 - Information on resources that can assist customers from falling into arrears.
- Prioritization of funds should be directed to customers as follows:
 - To those customers enrolled in low-income programs (LIHEAP, OEAP, OLGA, LIRAP, OLIBA) and ensure that these customers are not disadvantaged by program requirements.
 - To customers in the 91+ day arrears followed by those in 61+ day arrears.
 - To customers on medical certificates.
- Harmonization of using AMPs with extended time-payment arrangements (TPAs) when possible and practical.
- Evenhanded treatment of similarly-situated customers.
- No programs should result in an ending credit on a customer's account.
- No programs should provide arrearage funding support to customers not in arrears.
- Include a review with Staff and interested stakeholders of the implementation of a company's Bill Assistance Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed.

⁵ These principles were not formally provided to the energy utilities although several have been discussed in meetings with the utilities. The principles are listed here as the first formal enunciation.

- Include workshops with interested stakeholders on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic within 45 days of the tariff effective date.
- Provide accurate and timely reports to PUC staff and interested stakeholders. A minimum of two reports prior to the mid-May Public Meeting Check-in with the Commission.

Staff believes this set of principles will help to guide both the analysis of and the implementation of the programs.

The principles were distributed to the Companies in early March. While similarities can be found in all of the proposed programs, there are notable differences. Staff recognizes that each Company has a distinct service territory and the respective customer bases have different characteristics. Staff does not seek to be overly prescriptive in AMP structure, to the extent that the individual programs align with the principles set forth above.

Idaho Power's Arrearage Management Program

On February 17, 2021, Idaho Power filed its Tariff Advice No. 21-02, requesting approval to create new Schedule 67, Residential Arrearage Management Program. Following discussions with Staff, on March 12, 2021, Idaho Power filed replacement sheets⁶ to reduce the maximum amount of relief under the 40/60 Balance Split and Payment Arrangement Match options from \$1,500 to \$1,200 and increasing the Instant Grant option from \$100 to \$250. The revised tariff represents collaborative efforts by Idaho Power to address Staff concerns regarding program benefit maximums.

Idaho Power residential arrears totaled \$530,895⁷ in January 2021, with approximately 80 percent of customer arrears falling into the 91+ days arrearage category. In accordance with the level of funding available to utilities for arrearage management programs under the Stipulation,⁸ up to one percent of Idaho Power's 2019 Oregon total retail revenues, equaling approximately \$519,908, will be available fund the Company's program costs, as outlined below.

⁶ Additional technical corrections were filed in replacement sheets on March 15, 2021, Staff reviewed the replacement sheets and did not find any material changes to the proposed Program.

⁷ Arrears and customer counts represent the aggregation of all residential contracts (service agreements) and do not include customers enrolled in Budget Pay, unless noted otherwise.

⁸ UM 2114, Order No. 20-401, Appendix A, at 18.

As proposed in Advice No. 21-02, Idaho Power's Arrearage Management Program would provide three Arrearage Management options to residential customers whose accounts are in arrears. Those three options are as follows:

1. 40/60 Balance Split – A one-time grant intended for qualified customers with larger arrearages who are able to make a lump sum payment totaling 40 percent of their past due account balance. The Company will satisfy the remaining 60 percent of the customer's past due balance at the time of enrollment in the program, not to exceed \$1,200.
2. Payment Arrangement Match – Provides relief to qualified customers who are unable to make a lump sum payment, but can make payments over time. The Company will match the qualified customer's equal pay TPA payments related to the past due amount, up to a cumulative total of \$1,200, for up to 12-months.
3. Instant Grant – A one-time credit intended to provide immediate debt relief to qualified customers with smaller arrearage balances or for those who are unable to make a payment of any amount. After speaking with an Idaho Power Customer Service Representative and enrolling in the AMP's Instant Grant option, the credit will be applied to the customer's account for up to \$250.

All three program options require customers to be more than 31 days in arrears to receive a benefit. Each eligible customer may receive funding up to the maximum amounts as described above; however, no option may leave a credit on a customer's account. The program options are mutually exclusive and qualified customers may only participate in the Arrearage Management Program once. The program options do not preclude participation on the basis of the amount of arrears on a customer's account.

Staff finds that these parameters are consistent with several of the Staff AMP principles set forth above.

The Company expressed that the maximum benefit amounts set forth above are intended to meet the needs of a variety of customers with differing means and abilities to pay past due balances. Idaho Power is in a fortunate and unique situation of having almost enough authorized funds to cover arrearages in their service territory, but remains cognizant that past due balances continue to grow. The Company wishes to incentivize customers who are able to reconcile their balances or pay balances over time while also providing an option of immediate relief for customers who have no means to pay. Based on residential customer arrears balances as of 2021, the options offered by Idaho Power's Arrearage Management Plan provide customers options to

help clear past due balances for approximately 99 percent of customer accounts. The following table shows the distribution of residential customers in arrears based on amounts 31+ days past due as of January 2021.⁹

Table 1 – Oregon Customer Arrears Balances

OREGON RESIDENTIAL CUSTOMERS IN ARREARS		
Past Due Balance	Count of Accounts	% of Representation
\$1,500+	59	4%
\$1,000 - \$1,500	63	4%
\$500 - \$1,000	190	13%
\$200 - \$500	372	25%
\$100 - \$200	320	21%
\$100 and below	499	33%
Total	1,503	100%

Staff Review

Staff initially learned of Idaho Power's AMP offerings when the Company discussed its intended bill assistance options with stakeholders at a December 17, 2020, UM 2114 Arrearage Management Workshop.

After this initial workshop, Idaho Power presented its Program in greater detail to stakeholders at a February 1, 2021 workshop. Shortly thereafter, Idaho Power filed its proposed tariff on February 17, 2021.

Staff remained actively involved in the stakeholder process, including, but not limited to, development and solicitation of internal and external feedback on Idaho Power's Arrearage Management Program. Staff conducted several calls with Idaho Power, provided feedback to the Company on its initial tariff proposal, and issued 15 information requests. Further, Staff has been continuously reviewing the comprehensive monthly arrearage reports required by Order No. 20-401 as they become available.

Staff Objectives

The Stipulation adopted in Order No. 20-401 provides a broad range of customer protection measures, including a moratorium on disconnections, the waiving of late fees until 2022, and the creation of funding for arrearage management programs meant to prevent bad debt from accumulating on utility accounts. Staff's overarching objective in

⁹ Idaho Power Response to Staff IR No. 2b. Arrears data is compiled at the account level and includes residential customers enrolled in Budget Pay.

supporting adoption of these measures is to mitigate the sustained economic hardship brought on by an unprecedented global pandemic as it affects utility customers.

As described in the Stipulation, the role of an arrearage management program is to “identify and manage residential customer arrearages associated with the pandemic to prevent bad debt [from] accumulating on utility accounts.” That being said, there are a myriad of ways in which any of the companies might best achieve this purpose. Following the approval of Docket No. ADV 1233/Advice No. 21-01,¹⁰ and the filings of the remaining five utilities’ bill assistance programs, it became clear that each utility was approaching program design quite differently. Due to the wide range of designs and in an effort to structure a thorough review without being unnecessarily restrictive in recommendations to the utilities and the Commission, Staff developed a set of AMP principles and guidance. Thus, in the absence of foresight and the novelty of the pandemic’s impacts, Staff acknowledges that there is not yet, if ever, a one size fits all approach to AMPs.

Staff further notes that Order No. 20-401 allows for the costs of the Company’s Arrearage Management Program to be tracked and recorded for future rate recovery in Idaho Power’s COVID-19 deferral.¹¹ This means that funds used to relieve current arrears (and prudently incurred incremental program costs tracked separately), will be collected in rates to be determined at a future date and implies potential impacts for all Idaho Power customers.

Idaho Power Residential Arrears

A critical piece in evaluating the reasonableness of Idaho Power’s proposal is to understand the amount and distribution of residential arrearage data. The Figures below depict the changes in Idaho Power residential arrears since January 2020.

¹⁰ Portland General Electric Company’s Residential Bill Assistance Program

¹¹ Idaho Power’s COVID-19 deferral can be monitored through Docket No. UM 2067. Idaho Power’s quarterly COVID-19 report can be monitored through Docket No. RE 184.

Figure 1 – Idaho Power Residential Arrears Jan 2020 – Jan 2021¹²

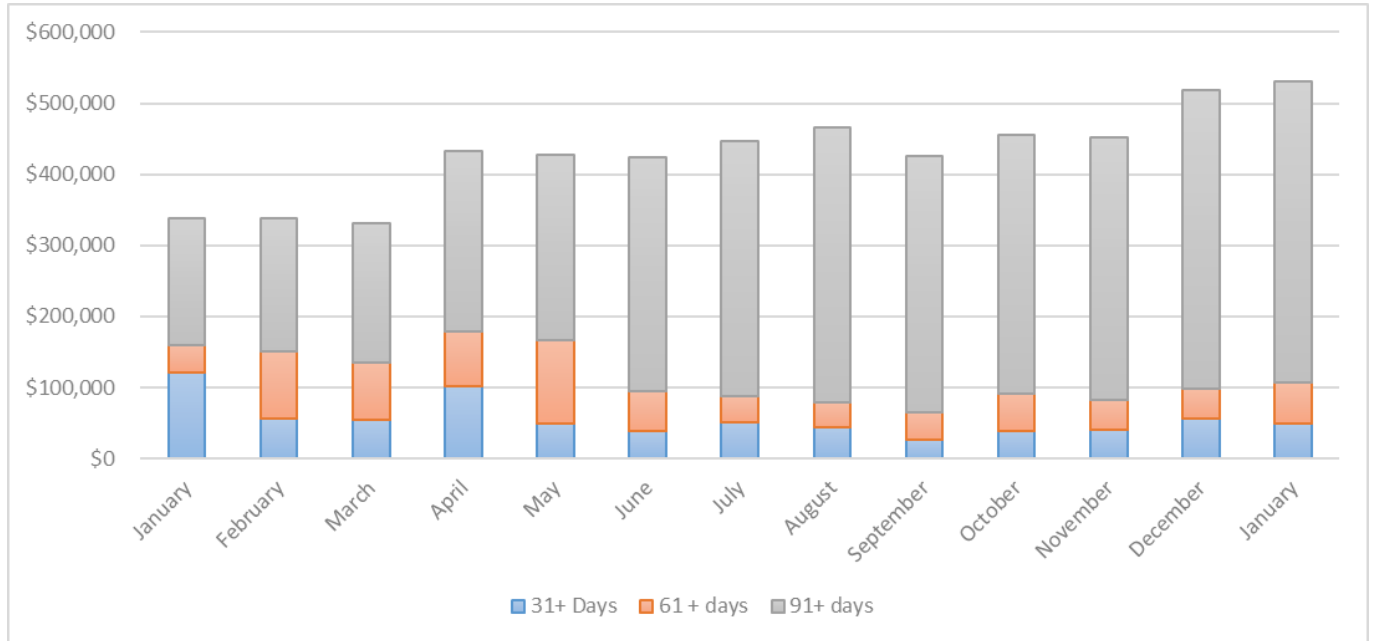
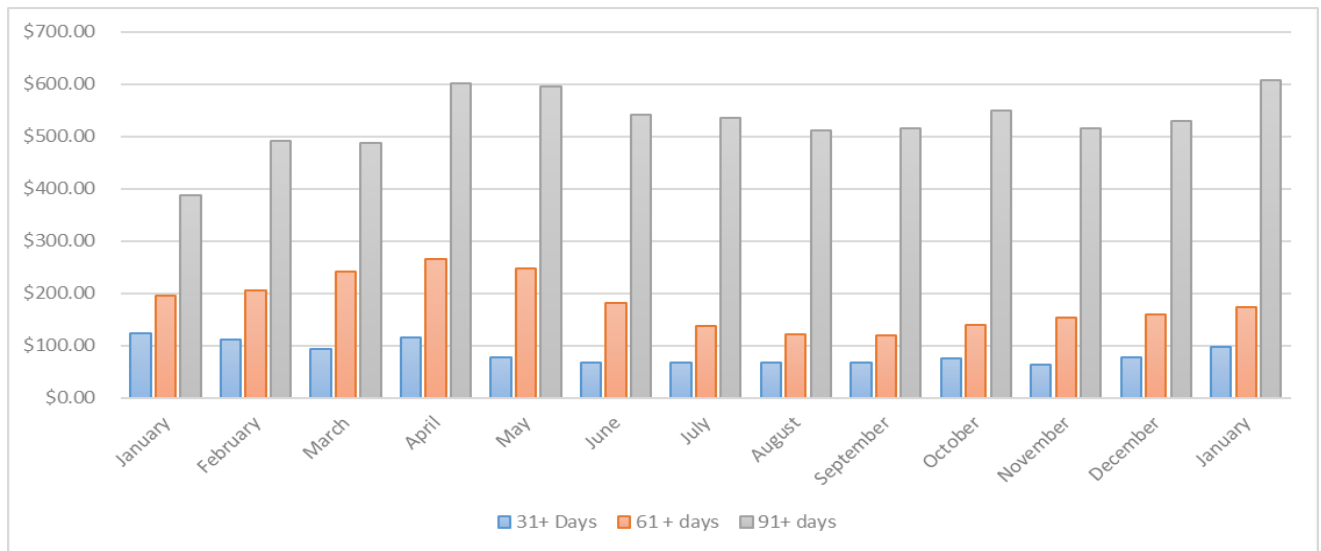


Figure 2 – Idaho Power Average Residential Arrears Jan 2020 – Jan 2021¹³



¹² Arrears data is compiled at the contract level and does not include customers enrolled in Budget Pay.

¹³ Id.

Figure 3 – Residential Arrears Distribution – 91+ Days Jan 2020 – Jan 2021¹⁴

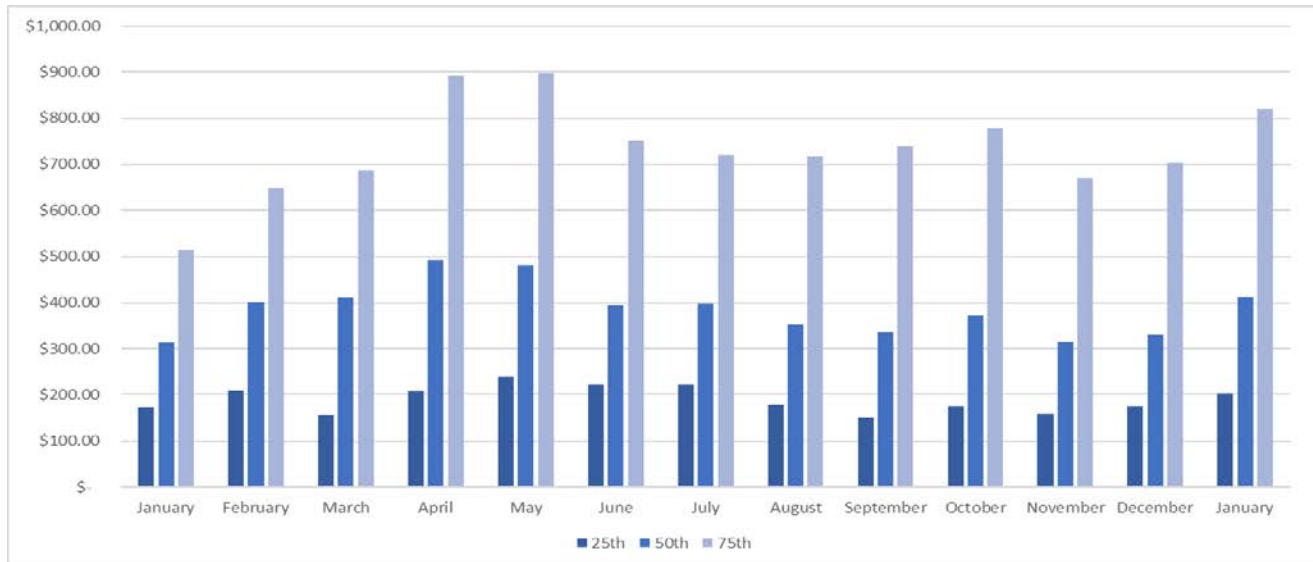


Table 2 – Residential Arrears Distribution¹⁵

	January 2020			January 2021		
Balance	31-60 Days	61-90 Days	91+ Days	31-60 Days	61-90 Days	91+ Days
25th	\$ 34.06	\$ 89.58	\$ 173.30	\$ 34.82	\$ 69.35	\$ 202.43
50th	\$ 85.91	\$ 167.49	\$ 313.41	\$ 76.75	\$ 127.86	\$ 412.41
75th	\$ 180.21	\$ 267.54	\$ 513.07	\$ 135.39	\$ 229.06	\$ 819.27
Maximum	\$ 1,338.83	\$ 716.86	\$ 5,059.75	\$ 575.87	\$ 993.82	\$ 6,019.90

Data points include:¹⁶

31+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Decreased by 479 (48.73 percent)
- Residential Arrears – Decreased by \$72,164 (59.54 percent)
- Average Residential Arrears – Decreased by \$26.00 (21.08 percent)

¹⁴ Arrears data is compiled at the account level and includes residential customers enrolled in Budget Pay.

¹⁵ Id.

¹⁶ Data points are derived from the Company's monthly reporting requirements in Docket No. RE 187 and responses to OPUC Staff IR Nos. 1-4. These data points are compiled at the contract level and do not include customers enrolled in Budget Pay.

61+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Decreased by 137 (71.35 percent)
- Residential Arrears – Increased by \$19,811 (52.96 percent)
- Average Residential Arrears – Decreased by \$20.91 (10.73 percent)

91+ Days Segment, January 2020 to January 2021

- Customers in Arrears – Increased by 237 (51.19 percent)
- Residential Arrears – Increased by \$245,685 (137.29 percent)
- Average Residential Arrears – Increased by \$220.12 (56.95 percent)

Based on the data, there is a clear trend in customer arrearages becoming concentrated in the 91+ days' arrears category as a result of the COVID-19 pandemic. This suggests that many customers impacted by the COVID-19 pandemic have fallen further and further behind and continue to experience financial hardship.

As seen in Figure 1,¹⁷ in January 2020, prior to the pandemic, 53 percent of residential arrears were over 91+ days. The number of occurrences in the 91+ days category steadily increased through September of 2020 with slight declines in subsequent months and most recently registering at approximately 80 percent of residential arrears. This percentage, while less than the September peak of 85 percent, is still significantly higher than pre-pandemic conditions and does not reflect a decrease in arrearage debt overall. On the contrary, in the most recent available data, as of January 2021, total arrears are at a peak at \$530,895. Growing balances overall, and increases in the 61+ and 91+ day categories, indicate that fewer payments are being made to reconcile longer term past due balances. There are also notably high balances among customers 91+ days in arrears with an average past due balance of approximately \$607. Staff continues to have concerns over customers falling deeper and deeper into debt.

The total number of Idaho Power residential customers in arrears decreased by 105 (6.41 percent) between January 2020 and January 2021, from 1,638 to 1,533. This change can be attributed to customers leaving the system and reconciling arrears, primarily in the 31+ day category. Approximately, 46 percent of customers are more than 91 days in arrears, of which 42 percent have at least \$500 in past due balances.¹⁸

¹⁷ Data in Figure 1 and Figure 2 is from the Company's monthly reporting requirements in Docket No. RE 187 and responses to OPUC Staff IR Nos. 1-4. These data points are compiled at the contract level and do not include customers enrolled in Budget Pay.

¹⁸ Includes residential customers enrolled in Budget Pay.

The number of Idaho Power residential customers in arrears was 11.18 percent in January 2021 (1,533 out of 13,707¹⁹ customers). The total average arrears balance increased from approximately \$206 in January 2020 to \$346 in January 2021.²⁰

Based on authorized Program funding of \$519,908 and January 2021 residential arrears of \$530,895, Idaho Power can meet approximately 98 percent of the Company's total Oregon customer arrearages without implementing matching programs or using any state or federal support funds such as LIHEAP.

As shown in the Table 3 below, impacts across zip codes in Idaho Power's service territory are relatively consistent with the Company's Oregon statistics as a whole, with a few exceptions of zip codes with notably higher 91+ day average arrears. However, when reviewing percentages of arrears and average balances across Idaho Power's service territory, comparisons between zip codes may be limited to the extent customers are disproportionately distributed throughout the service territory. For example, zip code 97814 has only one Idaho Power residential customer while zip code 97914 has over 6,000.

¹⁹ Represents the number of active residential contracts (service agreements).

²⁰ Data points are derived from the Company's monthly reporting requirements in Docket No. RE 187 and responses to OPUC Staff IR Nos. 1-4. These data points are compiled at the contract level and do not include customers enrolled in Budget Pay.

Table 3 - January 2021 Residential Zip Code Arrearage Data²¹

Residential Customer Accounts in Arrears					Percentage of OR customers in Arrears	Average Arrears	Percent in 91+ day Arrears	91+ day Average Arrears
Zip Code	31-60	61-90	91+	Total Accts				
97814	-	-	1	1	100.0%	\$ 544.34	100.0%	\$ 544.34
97819	1	-	1	2	9.5%	\$ 132.58	4.8%	\$ 38.32
97834	10	6	22	38	5.9%	\$ 561.30	3.4%	\$ 877.33
97837	5	-	1	6	9.5%	\$ 87.49	1.6%	\$ 51.78
97840	2	-	1	3	3.2%	\$ 110.90	1.1%	\$ 101.21
97870	6	5	13	24	5.7%	\$ 242.64	3.1%	\$ 364.74
97884	6	4	3	13	8.1%	\$ 232.37	1.9%	\$ 791.35
97901	15	1	6	22	6.4%	\$ 357.96	1.7%	\$ 1,079.03
97903	4	-	4	8	10.3%	\$ 274.35	5.1%	\$ 364.11
97904	-	3	-	3	2.8%	\$ 97.32	0.0%	\$ -
97905	2	9	8	19	19.0%	\$ 50.21	8.0%	\$ 57.19
97906	8	3	7	18	13.5%	\$ 572.10	5.3%	\$ 1,196.82
97907	24	4	17	45	12.2%	\$ 413.42	4.6%	\$ 896.46
97908	-	1	-	1	1.8%	\$ 236.72	0.0%	\$ -
97909	1	-	1	2	4.3%	\$ 813.24	2.2%	\$ 1,519.32
97910	1	1	2	4	1.0%	\$ 406.59	0.5%	\$ 709.80
97911	1	2	1	4	4.6%	\$ 542.76	1.1%	\$ 874.45
97913	60	41	95	196	9.5%	\$ 331.38	4.6%	\$ 556.56
97914	-	-	-	-	-	-	-	-
97914	277	209	410	896	13.6%	\$ 343.16	6.2%	\$ 595.49
97918	80	37	107	224	11.9%	\$ 358.13	5.7%	\$ 604.12
97920	1	3	-	4	12.1%	\$ 132.38	0.0%	\$ -
Total	504	329	700	1,533	11.2%	\$ 346.31	5.1%	\$ 606.62

Prioritization of Funds

As noted above, the Stipulation language approved in Order No. 20-401 states that the purpose of the arrearage management programs is to, “identify and manage residential customer arrearages associated with the pandemic to prevent bad debt accumulating on utility accounts.”

Staff notes that while the purpose of the bill assistance programs are not to create an additional low-income assistance program that limits eligibility based on traditional assistance household income qualifiers, there is evidence that workers in occupations

²¹ Data points are derived from the Company's monthly reporting requirements in Docket No. RE. These data points are compiled at the contract level and do not include customers enrolled in Budget Pay.

with lower wages were disproportionately displaced by the COVID-19 crisis.²² Additionally, community stakeholders have repeatedly expressed that certain low-income and Black, Indigenous, and People of Color communities are more vulnerable to the economic and health impacts of the COVID-19 pandemic. Staff has made efforts to address these concerns, in part, among Staff AMP principles, directing utilities to prioritize assistance for customers enrolled in low-income programs, with longer past due balances, and those on medical certificates.

Further, due to the majority arrears falling in the 91+ days category, and the substantial increase in average residential customer arrears that has occurred as a result of the pandemic, Staff is acutely aware of the importance for prioritization of funding for customers with the greatest level of debt (and potential to become bad debt) and risk of disconnection.

Idaho Power's Arrearage Management Program is not particularly demonstrative of this guidance. However, as mentioned earlier, Idaho Power is uniquely fortunate where the authorized level of funds available for the AMP relative to the total balance of arrearages is such that all eligible customers can participate. The Company also stated that because all of the zip codes in Idaho Power's service area have a wealth index of less than 100, it is likely that all communities within its service territory have similar energy burden to one another. Staff also questioned whether or not the Company had considered providing automatic grants on the basis of a demonstrated history of energy assistance or other income qualifiers. In response, Idaho Power articulated their desire to engage with customers in order to fully inform customers of their available assistance options within and beyond the Program. The Company also described its concern that if a customer has stopped opening mail from utilities, an automatic grant will go unnoticed and the customer will remain unaware of, and unengaged in, the assistance options available to them.

In a response to Staff, the Company provided information²³ showing that 523 residential customer accounts received energy assistance in the past 24-months. The response further provided that among these accounts is a total arrears balance of \$29,280 and an average account balance of \$56. Given this information, it is likely all customers who have received energy assistance in the past 24-months will be able to enroll in the Arrearage Management Program and have their past due balance cleared with whichever of the three options best suits their needs. Staff notes that Idaho Power

²² <https://research.stlouisfed.org/publications/economic-synopses/2020/07/14/which-earnings-groups-have-been-most-affected-by-the-covid-19-crisis#:~:text=In%20conclusion%2C%20workers%20in%20occupations,unemployment%20rate%20increased%20to%205.34.>

²³ IPC response to OPUC Staff IR No. 6.

solicited input and feedback from the Community Action Partnership (CAP) agencies in its Oregon service area and received support for their options and broad eligibility strategies.

Finally, the Company believes that requiring the customer to contact the Company to enroll in its AMP programs is an important part of providing evenhanded treatment of similarly situated customers. Staff inquired as to the extent Customer Service Representatives will pursue payment and the degree of call auditing Call Leaders would perform to ensure representatives were equally receptive to customers' situations and engagement was conducive with a positive and informative customer experience. Idaho Power responded that the expectation for Customer Service Representatives is that they ask questions to determine the customer's situation in a way that puts the customer at ease. Bill assistance will be offered to all residential customers with an active service contract and an account balance at least 31+ days past due, and who have expressed difficulty paying as a result of the COVID-19 pandemic. Additionally, the Company indicated there would only be one Call Leader to establish a consistent review. The Call Leader will routinely listen in on calls, observe the kinds of information shared on calls, and help representatives to address unexpected occurrences or customer situations.

Staff concerns have been reasonably satisfied by Idaho Power's responses and Staff is supportive of the Company's plan. However, to the extent that the Program does not demonstrate a prioritization of certain at-risk communities, Staff will closely monitor the effectiveness and distribution of funds under Idaho Power's Arrearage Management Program structure to determine if changes are necessary in the future.

Coordination with Other Assistance Options

Idaho Power's Arrearage Management Program is designed to be inclusive of all Oregon residential customers with an account balance at least 31 days past due as a result of financial hardship due to COVID-19. Customers already enrolled in a TPA and wishing to participate in Schedule 67 will have their existing payment arrangement deemed satisfied²⁴ and the customer will be able to enroll in one of the AMP's three bill assistance options. The amount eligible to be credited or matched by the Program will be determined based on the customer's arrearage that is at least 31 days past due at the time of enrollment. If the customer enrolls in the Payment Arrangement Match option, the customer will be able to choose to have the Equal Pay TPA be in effect for up to 24-months irrespective of the duration of their previous payment arrangement.

Customers already enrolled in other energy assistance options such as Project Share, LIHEAP, or has received Coronavirus Aid Relief and Economic Security (CARES) funds

²⁴ TPA closed without fault; the unpaid balance remains on the customer's account.

are equally eligible to participate in the AMP. Additionally, standard practices at Idaho Power provide training and materials to all of its customer service representatives (CSRs) so that they are equipped to pass on contact and resource information to customers that may be eligible but not already enrolled in energy assistance options beyond the AMP, including weatherization programs. While Idaho Power does not perform warm transfers in the interest of maximizing time for in-bound calls to the Company, they indicated that representatives spend as much time as the customer requires to provide them the information they need.

Staff finds these practices properly accommodates customers who have already made efforts²⁵ to pay down their past due balance into the AMP program and aligns with other payment assistance options available in its service territory.

Outreach, Marketing, and Communications

In large part, the success of Idaho Power's proposed Arrearage Management Program will rely on the Company's ability to effectively promote and enroll eligible customers in the appropriate Arrearage Management Program offering. In addition to traditional communications, the Company has solicited input from community based organizations (CBOs) on how to best reach customers in need and described several outreach strategies in response to staff.²⁶ For example, within 30 days of the Company's AMP being offered, Idaho Power will administer proactive dialer campaigns, direct outbound calls to residential customers with a past due account balance above \$1000, which will be supported by an interpreter service to ensure customers are contacted using their preferred language, and social media campaigns to run through April and May. The Company has also developed postcards and brochures and, based on the feedback received from CBOs, will provide them in English, Spanish, and Somali.

Throughout the process, Staff and stakeholders have expressed strong interest in first reaching out to customers who have been most directly affected by the pandemic. This helps ensure that there is enough funding for these customers. However, as discussed in an earlier section of this memo, Idaho Power has elected not to target outreach in such a way due to the Company's relatively small number of Oregon customers and its assertion of similar energy burden experienced by its residential customers. The Company believes the use of direct outbound calls targeting customers with higher arrears (>\$1,000) coupled with the menu of options available to customers achieves similar results. Idaho Power further clarified their communication plan stating that all customers 31+ days past due will be proactively called in April through a dialer

²⁵ Enrolled in a TPA.

²⁶ IPC Response to Staff IR No. 8.

campaign and all customers with arrears of \$1,000 or more²⁷ will also receive a personal call from a CSR. Depending on the success of the personal calls, an additional campaign to customers with arrears less than \$1,000 may be added. The Company also indicated that its intent is to engage all eligible customers using a variety of communication strategies and maintains its position that there will be available funds to eligible customers wishing to enroll.

To promote participation beyond traditional outreach, Idaho Power has made efforts to expand customer engagement using partnerships with Community Action Partnership (CAP) agencies in their service area; namely, Community in Action (CinA) and Community Connection of Northeast Oregon (CCNO). In addition to the positive feedback the Company received regarding its program offerings, Idaho Power also employed the language accessibility options suggested by the agencies and remains in active engagement to provide materials and resources to promote distribution beyond the Company's direct communications. Idaho Power has also explored the effectiveness of radio and television advertisements for the program and reports continuous efforts to enhance community engagement and awareness of assistance options. Staff relayed stakeholder concerns that the Company's involvement should not be exclusive to pursuing past due balances, even if through assistance programs, and inquired as to whether there were any existing practices to maintain community involvement with customers where arrears were settled and payment was no longer an on-going issue. The Company indicated that they are aware of this concern and working internally and with CAP agencies on ways to maintain a positive presence in the community irrespective of reconciling account balances.

Staff supports Idaho Power's plans to work with community-based organizations and other stakeholders to provide information on its Arrearage Management Program to customers. Staff hopes that these partnerships will help Idaho Power apply an equity lens in rolling out its Arrearage Management Program and promote participation while enhancing the customer experience.

To further refine these efforts, Staff recommends that the Commission require Idaho Power to host a workshop with interested stakeholders and community-based organizations within 45 days of the effective date of Schedule 67. The purpose of the workshop is to discuss how Idaho Power can work with these groups to target program outreach and encourage participation among those groups who have been disproportionately affected by COVID-19. Staff believes that community-based organizations and other residential customer advocates who have direct, daily, interaction with vulnerable populations in Idaho Power's service territory are best suited

²⁷ Currently, all 122 IPC customers with a balance of \$1,000 or more are all 91+ days in arrears.

to help Idaho Power conduct targeted outreach to ensure funds are appropriately prioritized.

Stakeholder Feedback/Participation

As noted above, many different entities attended workshops and provided feedback to Staff and the Company, either directly or through their participation in larger workshops. Staff appreciates that stakeholders have been deeply involved throughout the UM 2114 investigation and Stipulation implementation process, participating in numerous workshops and providing meaningful feedback and recommendations.

These stakeholders include (though are not limited to): Community in Action (CinA), Community Connection of Northeast Oregon (CCNO), Community Action Partnership of Oregon (CAPO), Community Energy Project (CEP), Northwest Energy Coalition (NWECC), and Oregon Citizens' Utility Board (CUB).

While no stakeholders have filed written comments at the time of preparing this memo, Staff solicited feedback on Idaho Power's proposal from several residential customer-focused stakeholders. The message from these stakeholders was varied, but expressed concerns over the initial \$100 benefit maximum for the Instant Grant. Staff notes that Idaho Power has since increased the Instant Grant to up to \$250.

Staff will monitor and attempt to quickly react to how Idaho Power's Program is being utilized by customers, and agrees that Idaho Power should also monitor and make adjustments to the Program in as timely a manner as possible, if necessary, to ensure that funds are being allocated appropriately. To Staff's knowledge, this will be the first time that the utilities are operating a large scale AMP (particularly one that is not exclusively available to low-income customers).

To mitigate potential unintended inequities or ineffective bill assistance options it is imperative that Idaho Power work with stakeholders to collect and report relevant and necessary data on how program funds are allocated, and to whom. As noted above, Staff is recommending that Idaho Power host a workshop with interested stakeholders to discuss how best to partner with community and residential customer focused organizations to target its Program outreach efforts to those groups or communities that have been disproportionately affected by the pandemic. In such a workshop, Staff expects that stakeholders and the Company will also determine what data collection and reporting on such efforts is necessary to effectively evaluate the success of these programs. Example data metrics may include zip code and voluntary demographic data.

If approved by the Commission, Idaho Power's Arrearage Management Program will be one of the remaining five energy Utility Bill Assistance Programs set to deploy this year. As such, it is imperative that we be willing to adapt the programs as necessary. Staff

recommends that the Commission require that Idaho Power and interested stakeholders conduct a review of Idaho Power's Arrearage Management Program no later than the time at which 50 percent of funds are committed/expended.

Staff believes this allows for a sufficient cushion (50 percent expenditure would mean approximately \$260,000 of the authorized funds are still available for assistance), which allows Idaho Power to implement its Program as soon as possible for those who are able to take advantage of the current Program offerings, while also providing for flexibility to adapt the program based on its level of success, and learnings from Oregon's five other regulated utilities design and implementation of their assistance programs.

Effects of Filing

Idaho Power's Advice No. 21-02 requests approval to create a new tariff schedule, Schedule 67, Residential Arrearage Management Program. In accordance with the Stipulation approved in Commission Order No. 20-401, Schedule 67 will be available to all residential customers who develop arrears of more than 31+ days and express financial hardship due to the COVID-19 pandemic.

It is unknown how many customers will utilize Idaho Power's Arrearage Management Program; however, the Program may provide up to \$519,908 in arrearage forgiveness to eligible customers, and will run either through October 1, 2022, until the Company reaches the spending limit, or until the Commission otherwise approves the program.

This filing does not include an increase or decrease in customer rates, or change Idaho Power's revenue at this time; however, as noted above, program funds and prudently incurred incremental expenses to provide this Arrearage Management Program will be tracked for later recovery in Idaho Power's COVID-19 Deferral.

Conclusion

Based on the circumstances outlined above and Staff's review of the Company's filing, Staff concludes that Idaho Power's Residential Arrearage Management Program is in compliance with the Stipulation approved in Order No. 20-401 and meets the Arrearage Management Plan Principles outlined in Staff's memo.

Staff recommends that the Commission approve the Company's tariff as proposed in Advice No. 21-02. As the Company filed replacement sheets in cooperation with Staff recommendations and to make technical corrections for clarity, Staff finds there is good cause to approve this tariff filing on LSN, subject to the aforementioned conditions. The Company has reviewed this report and has no objection.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Advice No. 21-02, which creates Schedule 67, Residential Arrearage Management Program, effective with service rendered on and after March 24, 2021, with Less-than-Statutory Notice, and direct Idaho Power to do the following:

1. Conduct a review with interested stakeholders on the implementation of Idaho Power's Arrearage Management Program, with consideration given to modifying program offerings, no later than the time at which 50 percent of program funds have been committed; and
2. Host a workshop with interested stakeholders within 45 days of the Schedule 67 effective date on targeting outreach of its programs to communities and customers who have been disproportionately impacted by the COVID-19 pandemic.