ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: November 17, 2021

REGULAR __X__ CONSENT ____ EFFECTIVE DATE _____ N/A _____

DATE: November 10, 2021

TO: Public Utility Commission

FROM: Michael Dougherty

THROUGH: Bryan Conway **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2114)
Investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission or PUC) should:

1. Take no action and thereby maintain the October 1, 2022, end date for the UM 2114 Stipulated Agreement Paragraphs 11, 12, 13, and 16.

DISCUSSION:

Issues

Whether the Commission should:

1. Take no action and thereby maintain the October 1, 2022, end date for the UM 2114 Stipulated Agreement Paragraphs 11, 12, 13, and 16.

Additionally, this report provides:

1. An update on customer arrears.
2. An update on utilities' Arrearage Management Plans, Deferred Payment Plans, and Energy Assistance.

3. An update on disconnections / reconnections.

4. An update on voluntary programs.

5. An explanation on Paragraphs 11, 12, 13, and 16 recommendation.

Applicable Law

ORS 756.040 describes the general powers and duties of the Commission in supervising and regulating public utilities and telecommunications utilities, which include representing the customers of any public utility or telecommunications utility and the public generally in all controversies respecting rates, valuations, service, and all matters of which the Commission has jurisdiction. The Commission is authorized under ORS 756.060 to adopt reasonable and proper rules relative to all statutes administered by the Commission.

The Commission's regulatory authority is further specified in ORS Chapters 756 and 757, as relevant here. Under ORS 756.090, a utility must keep and maintain records as required by the Commission. The Commission may require a utility to furnish information to carry into effect the provisions of ORS chapters 756, 757, 758, and 759, per ORS 756.105.

The Commission has adopted certain administrative rules relevant to the matters discussed herein in OAR Chapter 860, Divisions 21.

Analysis

Background
On March 8, 2020, Governor Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-19.[1] Several extensions of that order were issued, the last of which extended the state of emergency to June 28, 2021.[2] Effective June 30, 2021, Governor Brown lifted most COVID-19 restrictions, with the emergency declaration continuing for limited purposes through December 31, 2021.[3] On August 10, 2021, Governor Brown announced a statewide

[1] EO 20-03 (March 8, 2020).
[2] EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-38 (September 1, 2020); EO 20-67 (December 17, 2020), EO 21-05 (February 25, 2021), and EO 21-10 (April 29, 2021).
[3] EO 21-15 (June 25, 2021).

indoor mask requirement. On August 24, 2021, Governor Brown announced the reinstatement of the requirement to wear masks at outdoor events.[4]

On September 24, 2020, the Commission authorized Staff and the affected investor-owned energy utilities and stakeholders to execute a stipulation that was developed during the Commission's Investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

During the timeframe between September 24, 2020 and October 23, 2020, Parties refined the Energy Term Sheet and Stipulated Agreement on terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic.

Parties include (though are not limited to): utilities, Clackamas County Social Services, Community Action Partnership of Oregon (CAPO), Community Action Agency of Washington County, Community Energy Project (CEP), Multnomah County Office of Sustainability, Northwest Energy Coalition (NWEC), Oregon Citizens' Utility Board (CUB), and Verde.

At its public meeting on November 3, 2020, the Commission approved the UM 2114 Stipulated Agreement. See Order No. 20-401, https://apps.puc.state.or.us/orders/2020ords/20-401.pdf.

At its special public meeting on February 23, 2021, the Commission extended the April 1, 2021, date on which the energy utilities may resume providing a 15-day late notice for residential customers before disconnection to June 15, 2021. The Commission also directed Staff to report back to the Commission in the middle of May regarding the moratorium and whether additional changes should be considered. See Order No. 21-057, https://apps.puc.state.or.us/orders/2021ords/21-057.pdf.

At its public meeting on March 23, 2021, the Commission approved the Arrearage Management Plans (AMP) of Avista, Cascade Natural Gas (Cascade), NW Natural (NWN), Idaho Power (IPC), and PacifiCorp (PAC). The Commission previously approved Portland General Electric's (PGE) AMP on February 11, 2021.

[4] *See* OAR 333-019-1025, effective August 27, 2021; Governor Brown Press Release, August 24, 2021, available at: https://www.oregon.gov/newsroom/Pages/NewsDetail.aspx?newsid=64307; Governor Brown Press Release, August 11, 2021, available at: https://www.oregon.gov/newsroom/Pages/NewsDetail.aspx?newsid=64250.
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At its special public meeting on May 23, 2021, the Commission took the following actions, as memorialized in Order No, 21-164; https://apps.puc.state.or.us/orders/2021ords/21-164.pdf:

- Extended the date to send disconnection (late) notices to customers until July 16, 2021;

- Directed Staff to work with stakeholders to possibly supplement arrearage management plans;

- Directed Staff to consult with the parties to develop recommendations for specific characteristics to identify customers that should receive special protection against energy disconnections, and the circumstances under which such protections should be provided. Further directed Staff, if a joint recommendation cannot be presented, to outline the various characteristics and circumstances considered, and provide a description of the reasons why such characteristics and circumstances were proposed, and were deemed reasonable or unreasonable by Staff;

- Directed Staff, within 30 days following Commission action on recommendations for characteristics and circumstances to be used to protect certain customers against disconnections of energy service, to propose rulemaking or other process that would have the effect of preventing the disconnection of such customers for a defined period of time; and

- Directed the DEI Director to report to the Commission no later than the August 24, 2021, Public Meeting, with a status report, and any findings and recommendations that may exist at that time concerning the workshops convened under Paragraph 28 of the UM 2114 Stipulated Agreement.

At its special public meeting on July 13, 2021, the Commission, amongst other directives, directed Staff and the Diversity, Equity, and Inclusion (DEI) Director to further examine these and other circumstances recommended by stakeholders during workshops convened under Paragraph 28 of the Stipulated Agreement to analyze and discuss approaches to arrearage management; including, but not limited to, alternatives to disconnections in the post-moratorium period, Commission Order No. 21-236, https://apps.puc.state.or.us/orders/2021ords/21-236.pdf.

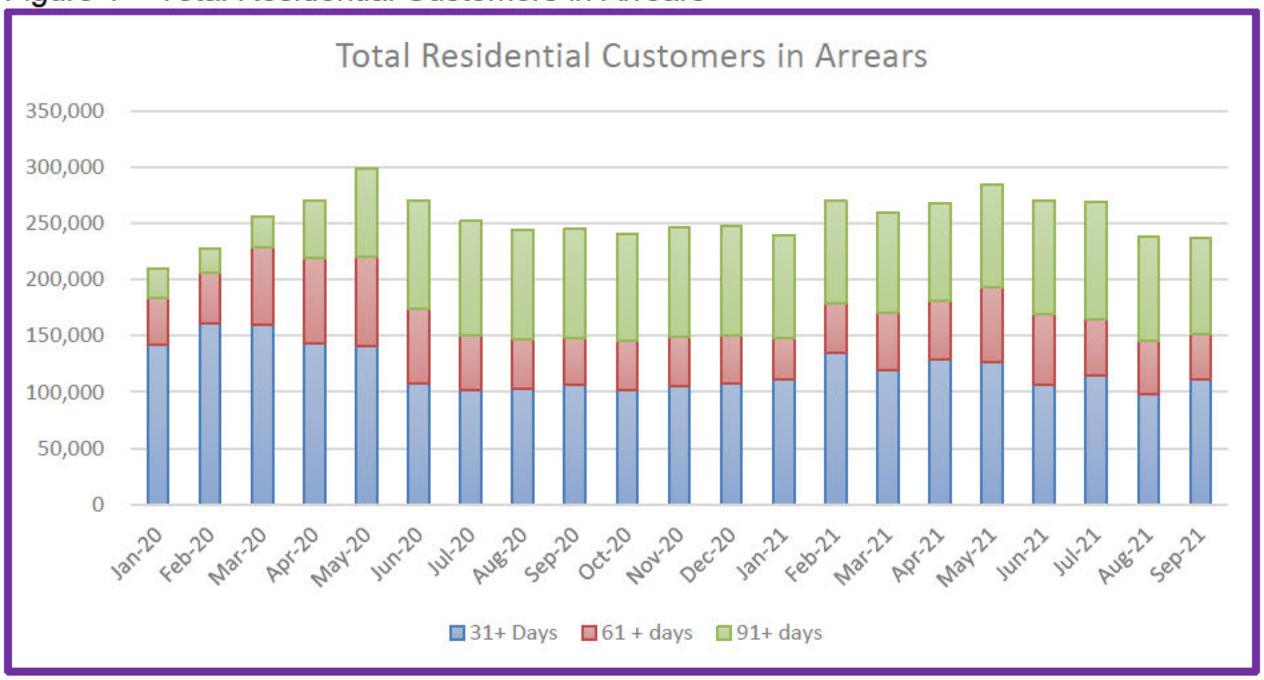
At its special public meeting on August 25, 2021, Staff presented an update on the UM 2114 Stipulated Agreement, Paragraph 28 workshop, which included additional discussions of customers and circumstances identified by the Commission for protection from disconnection; and approaches to arrearage management, including alternatives to disconnection.

At its special public meeting on September 7, 2021, Staff presented updates on: customer arrears, utilities' Arrearage Management Plans, PacifiCorp's Deferred Payment Plan, Energy Assistance, and disconnections.

Arrearages
The following graphs show the changes in energy utility customer arrearages from January 2020 to September 2021.

<u>Total Customers in Arrears</u>
As can be seen below, the total residential customers in arrears in September 2021 (236,728) continues to decrease from the high of 284,245 (May 2021). The 60+ and 90+ day baskets drove the decreases in customer counts; however, the September 30+ basket (111,545) increased by approximately 13,000 customers from the August 2021 number of 98,324.

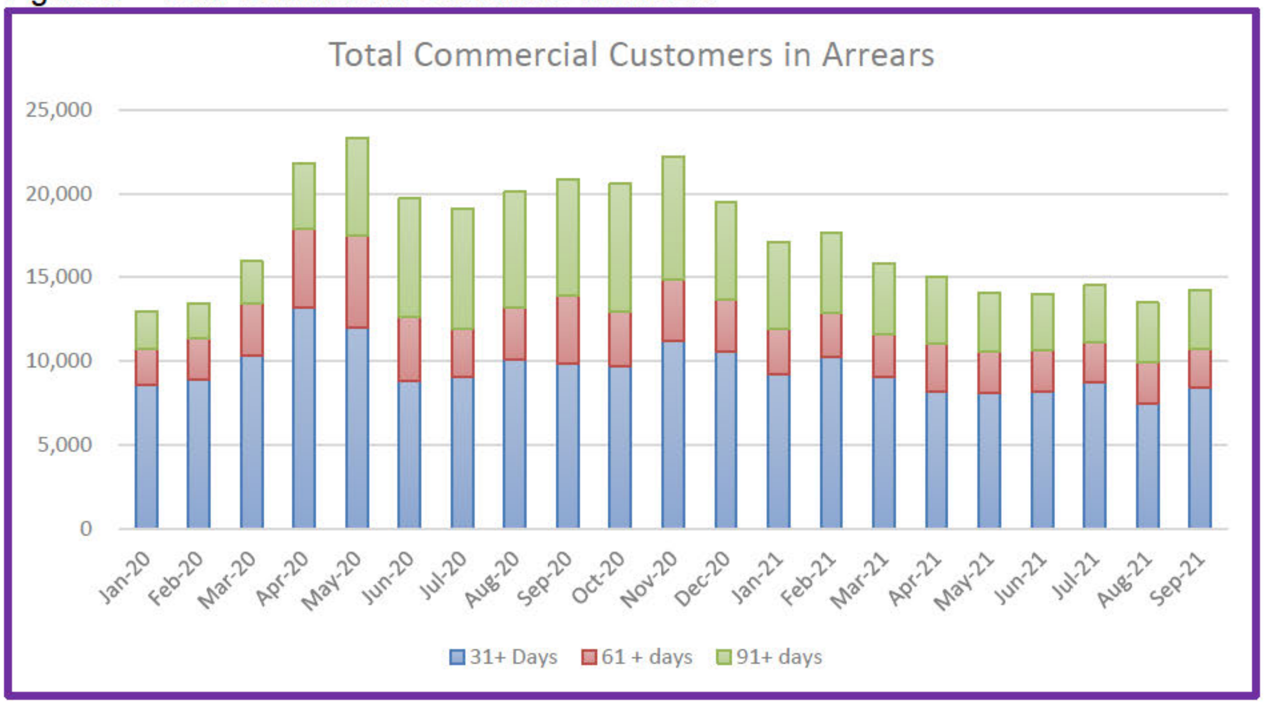
Figure 1 – Total Residential Customers in Arrears



As shown in Figure 2 below, total commercial customers in arrears in September 2021 (14,220) increased from August 2021 (13,481), but this number is still considerably lower than the pandemic high number of 23,298 (May 2020).

This increase in customer count was driven by the 30-day basket as both the 60+ and 90+ day baskets have decreased month to month. Even though the 30+ day basket increased from the August count, the September 2021 30+ day basket count (8,442) was lower than the January 2020 pre-pandemic level of 8,538.

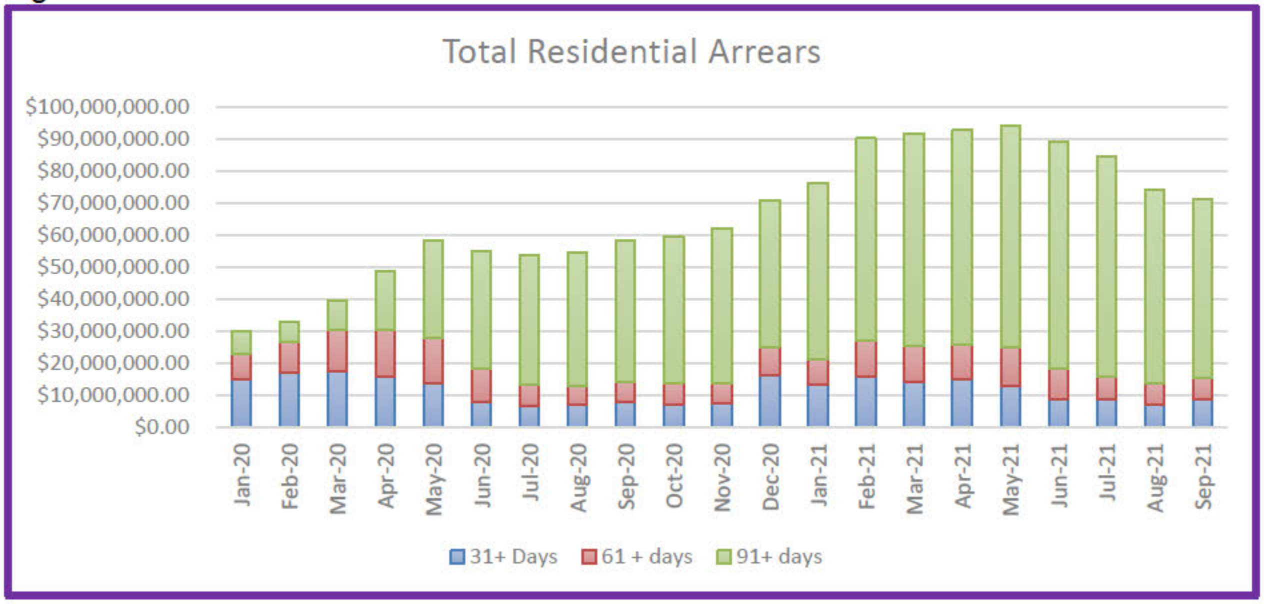
Figure 2 – Total Commercial Customers in Arrears



<u>Total Arrears Balance</u>

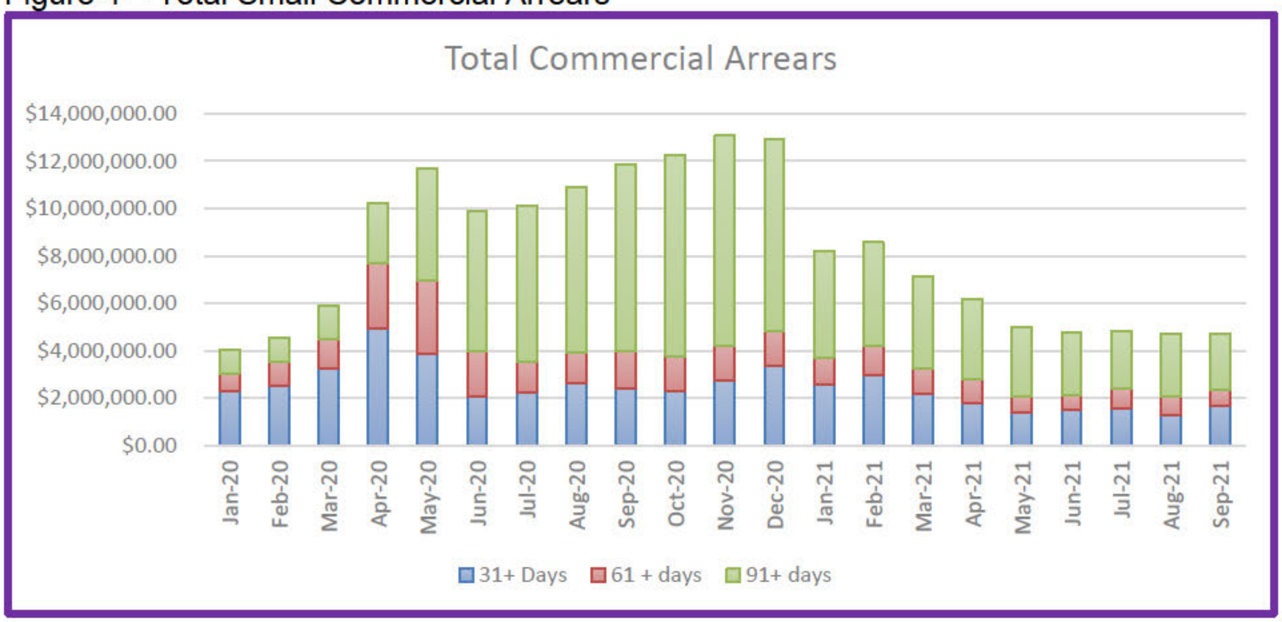
As shown in Figure 3 below, total residential arrears balance fell by approximately $3 million (-3.96 percent) from August 2021 to September 2021. The 60+ and 90+ day baskets drove the decreases in arrears balances. With that said, the 90+ basket is approximately $50 million higher than the January 2020 pre-pandemic amount of $6.8 million, but is $20 million lower than the June 2021 high of $70.5 million. Both the 30+ and 60+ arrears are lower than pre-pandemic levels.

Figure 3 – Total Residential Arrears



On a positive note as shown in Figure 4 below, total small commercial arrears have remained relatively stable over the past five months. The 30+ and 60+ day baskets are actually lower than pre-pandemic levels; and the 90+ basket arrears amount of $2.4 million is significantly lower than the November 2020 high of $8.8 million.

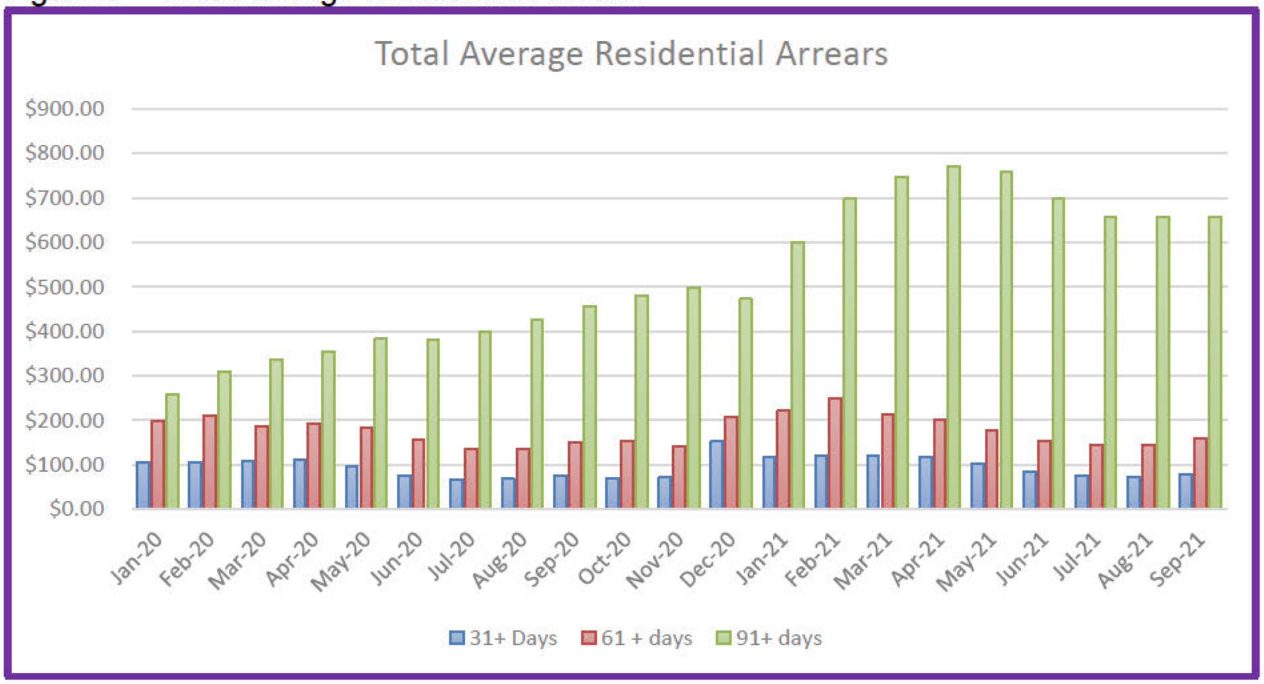
Figure 4 – Total Small Commercial Arrears



<u>Average Arrears Balance</u>

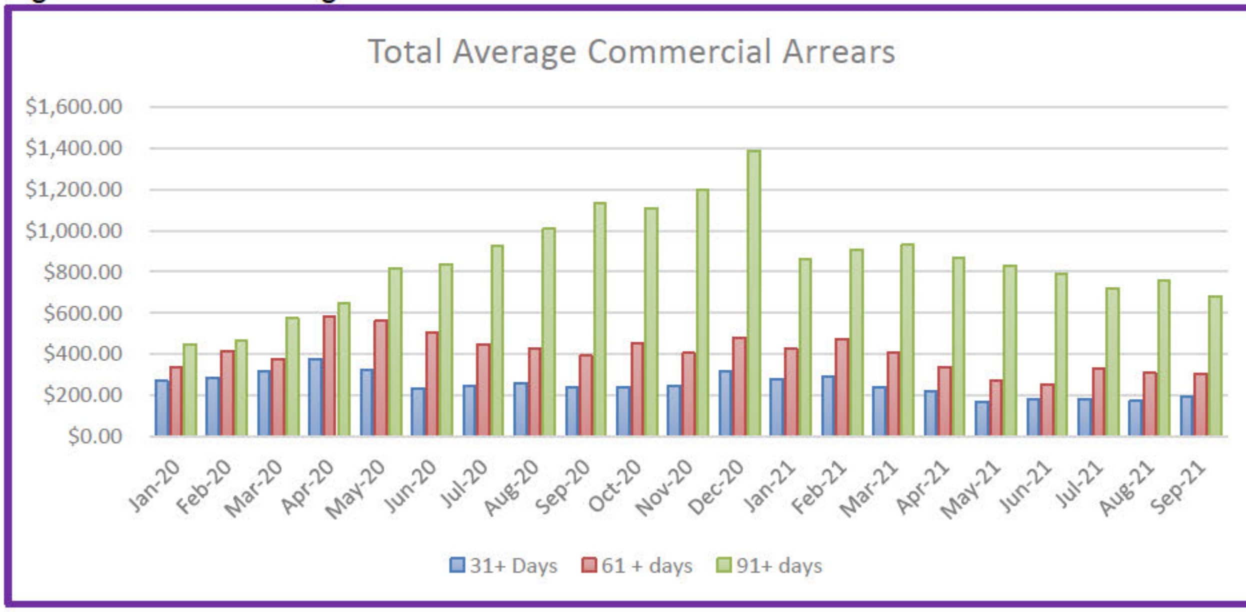
As shown in Figure 5 below, total average residential arrears balances have increased slightly in the 31+ and 61+ baskets from August 2021 to September 2021. With that said, both baskets are lower than pre-pandemic averages. Although the 91+ day basket has remained relatively stable for the past three months, the September 2021 average ($658) is approximately $114 lower than the April 2021 high of $771.

Figure 5 – Total Average Residential Arrears



As shown below in Figure 6, total average of small commercial arrears is also decreasing with both the 31+ ($196) and 61+ ($305) day baskets being lower than pre-pandemic levels ($271 and $336 respectively). With that said, the 91+ basket is significantly higher than January 2020 ($680 as compared to $447), but has been on a decreasing trend since December 2020, and is significantly lower than September 2020 levels ($1,133).

Figure 6 – Total Average Small Commercial Arrears



Overall, cyclical payment behavior, disconnection notices, energy assistance, and AMPs are likely the factors continuing to drive decreases. As winter heating season begins, customer counts and arrears balances are likely to see marginal increases in the coming months.

The following two tables provide summaries of arrears.

Table 1 – Summary of Arrears as of September 30, 2021

	31+ Days	61 + days	91+ days	Total $	Customers
PGE	$ 4,562,723	$ 2,791,883	$ 18,700,619	**$ 26,055,225**	78,716
PAC	$ 3,070,501	$ 2,925,409	$ 29,801,634	**$ 35,797,544**	86,130
AVA	$ 71,699	$ 64,201	$ 1,116,325	**$ 1,252,225**	9,709
IPC	$ 89,196	$ 24,157	$ 398,282	**$ 511,636**	1,465
CNG	$ 46,592	$ 23,793	$ 289,352	**$ 359,737**	4,936
NWN	$ 1,047,636	$ 528,886	$ 5,758,891	**$ 7,335,413**	55,772

Table 2 – 2021 Residential Arrears Summary Data

September Arrears data	
Total Arrears	$ 71,311,780
Total Customers in Arrears	236,728

Arrearage Management Plan Funds (Residential Customers)
The following tables highlight AMP status as of September 30, 2021. These amounts will continue to change monthly.

Table 3 – AMP Funds to date, September 30, 2021

AMP Funds						
	PGE	**PAC**	**AVA**	**IPC**	**CNG**	**NWN**
February	$ 23,694	$ -	$ -	$ -	$ -	$ -
March	$ 1,325,039	$ -	$ -	$ 18,128	$ -	$ -
April	$ 2,404,292	$ 2,869,785	$ 491,040	$ 73,527	$ 169,236	$ -
May	$ 1,696,713	$ 1,333,936	$ 150,136	$ 48,243	$ 87,176	$ 141,932
June	$ 1,519,569	$ 761,778	$ 41,811	$ 45,733	$ 90,244	$ 240,402
July	$ 1,448,496	$ 1,081,398	$ 39,601	$ 28,184	$ 39,527	$ 538,938
August	$ 1,540,169	$ 810,273	$ 167,300	$ 47,967	$ 79,799	$ 611,219
September	$ 1,315,124	$ 881,568	$ 776	$ 30,273	$ 79,360	$ 482,366
Total Expended*	$ 11,274,114	$ 7,738,738	$ 889,873	$ 289,307	$ 545,560	$ 2,015,018
Committed	$ 6,704,364	$ 1,367,482	$ -	$ 55,176	$ -	$ 694,905
Authorized	$ 23,557,000	$ 12,681,000	$ 889,890	$ 519,908	$ 707,517	$ 6,167,000
Remaining	$ 5,578,522	$ 3,574,780	$ 17	$ 175,425	$ 161,957	$ 3,457,077
Percent Remaining	*24%*	*28%*	*0%*	*34%*	*23%*	*56%*

Note: Discrepancies between summed totals and totals reported are due to the movement of committed funds and changes occurring after the submitted report.

Table 4 – Residential Customers Participating in AMPs to date, September 30, 2021

Residential Customers						
	PGE	**PAC**	**AVA**	**IPC**	**CNG**	**NWN**
Total AMP Participants	36,734	19,249	1,927	871	1,676	8,149
Total Customers	804,491	539,766	90,436	13,750	69,534	624,386
% Participating in AMP	4.566%	3.566%	2.131%	6.335%	2.410%	1.305%

Table 5 – AMP Program Types to date September 30, 2021

AMP Program Types ($ spent)							
	PGE	**PAC**	**AVA**	**IPC**	**CNG**	**NWN**	**Total**
Automatic Grants	$ -	$ -	$ 214,662	$ -	$ 92,694	$ -	**$ 307,356**
Instant Grants	$ 937,110	$ 6,385,002	$ 675,211	$ 84,555	$ 452,865	$ 1,645,704	**$ 10,180,447**
Short-Term Match	$ 5,430,151		$ -	$ 189,625	$ -	$ 350,995	**$ 5,970,771**
Extended Match	$ 4,859,317	$ 1,353,736	$ -	$ 15,127	$ -	$ 18,319	**$ 6,246,499**

*Automatic Grants do not require an application
**Instant Grants include application based AMP assistance not requiring a match
*** Short-Term Match include AMP matching programs less than 12 months
**** Extended Match include all AMP matching programs designed to be 12 months or more

Table 6 – AMP Program Types (Count of Customers) to date, September 30, 2021

AMP Program Types (count of customers)							
	PGE	PAC	AVA	IPC	CNG	NWN	Total
Automatic Grants	-	-	654	-	329	-	983
Instant Grants	2,824	16,182	1,273	388	1,589	6,149	28,405
Short-Term Match	21,986	-	-	403	-	1,549	23,938
Extended Match	11,924	3,067	-	80	-	451	15,522
*Automatic Grants do not require an application							
**Instant Grants include application based AMP assistance not requiring a match							
*** Short-Term Match include AMP matching programs less than 12 months							
**** Extended Match include all AMP matching programs designed to be 12 months or more							

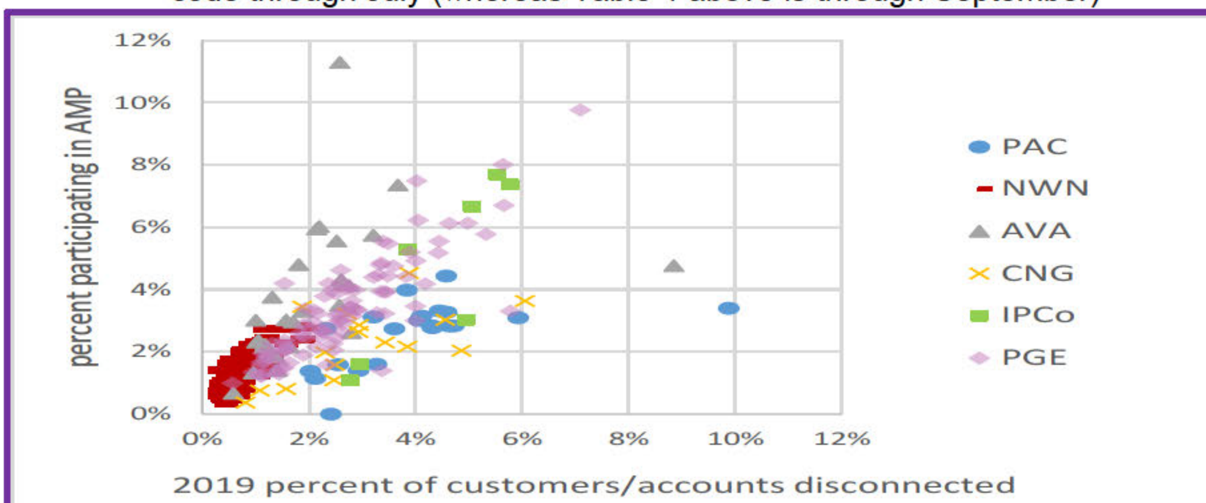
Table 7 – Funds Expended / Recipients Summary to date September 30, 2021

	Funds Expended	Recipients
No-Match Awards	$ 10,487,803	29,388
Matching Awards	$ 12,217,270	39,460

As previously demonstrated and updated for September data, at the zip code level, there is a clear correlation between the proportion of customers disconnected in the past and the proportion of customers participating in an AMP program. Zip codes with a high historical rate of disconnections are not visually being left out of the AMP programs as demonstrated below in Figure 7.

In Figure 7 below, each of the utilities have a similar upward sloping scatter plot (more scatter points indicates a utility that serves more zip codes).

Figure 7 – Frequency of disconnections in 2019 versus participation in AMPs by zip code through July (whereas Table 4 above is through September)



**Zip codes with multiple utilities appear multiple times in Figure 7 and zip codes with fewer than five disconnects or AMP participants are not shown.*
**PAC data is by County because that is how PAC reports for RO 12. Staff used* <u>*https://worldpopulationreview.com/zips/oregon*</u> *to covert the data. Zip codes do not always perfectly align with counties.*

In summary, Figure 7 confirms that zip codes with a greater frequency of historical disconnections also have a greater proportion of AMP participants.

During workshops, utilities discussed their outreach to customers to advertise the availability of AMP and energy assistance programs. An example of enhanced outreach was presented by NW Natural on November 1, 2021, during its AMP 50 percent Expenditure Workshop. The presentation highlighted the company's actions to:

- Implement new methods to communicate and disseminate information; create a menu of new materials to amplify message.
- Employ creative solutions to reach hardest to access populations.
- Deliver information through trusted partners to encourage engagement; co-create strategies with partners to align with who they serve and how.
- Establish and strengthen relationships with nonprofit community.
- Deploy company-wide effort; leverage employee base to expand and diversify outreach.
- Create partner list of over 130 distinct community-based partners; engage directly; review unique and effective methods to reach client base.
- Translate resources into Spanish, Russian, Chinese, and Vietnamese; source paid services from Immigrant and Refugee Community Organization (IRCO).

Specific highlights of NW Natural's Targeted Outreach included key partners, approaches and evolving strategy, as shown below.

- <u>Partner-activated outreach</u>: check-in calls, e-newsletters, organization-wide emails, social media, school and food bank meals, school counselors, housing specialists, etc.

- <u>Schools</u>: 15,000 brochures to Portland and Clackamas districts (counselors, social workers and nutrition hubs):
  - Prioritize higher-need areas; Portland Public Schools;
  - NW Natural customer referral process; continued outreach through fall;
  - November mailer to families on Free/Reduced meals; and
  - Interpretation services for school staff to help families apply for assistance.

- Seniors: 5,000 brochures to Meals on Wheels chapters; e-newsletter to Oregon senior nutrition provider network; over 70 representatives of healthcare providers, Area Agency on Aging staff, state and local government contract funders.

Avista and PGE are the only two utilities that have exhausted their initial AMP funding.

Avista did not request additional funds as Avista stated that it has strong working relationships with Community Action Agencies in its Oregon service territory; and commenced its Advice No. 21-02-G, Residential Low Income Rate Assistance Program on October 1, 2021. Avista introduced a permanent AMP using LIRAP funds as a potential long-term solution for low-income customers with high energy burdens that find themselves in a perpetual struggle to stay current with their costs of living.

On September 7, 2021, the Commission approved PGE's Advice Filing Advice No. 21-20, Schedule 307, Residential Bill Assistance Program Additional Funding, https://edocs.puc.state.or.us/efdocs/UAC/adv1301uac12122.pdf. In the filing, PGE requested an additional $6 million that will be directed to three grant programs, Customer Assistance, Reconnect Assistance, and Extended Match Program.

On October 28, 2021, PGE provided an update to Staff on the additional $6 million, as PGE has spent approximately 50 percent of the second allotment of funds.

All other utilities forecast that they have sufficient funding to last into November to December 2021.

Deferred Payment Plans
In accordance with Order No. 21-057, PacifiCorp reported a status update of its Deferred Payment Plans (DPPs) pilot on October 20, 2021.

PacifiCorp began offering customers the ability to defer monthly installment payments early in 2020 with low participation rate. In April 2021, PacifiCorp's Arrearage Management Plan (AMP) was launched, and customers were offered multiple payment plan options: a time payment plan (TPP), a DPP, and an equal time payment plan. Customers, and employees on behalf of the customers, complete an online form to apply to the AMP program, and each payment plan is explained as an option. The requests for DPPs significantly increased after the online AMP form went live in April 2021.

As part of the DPP, customers could waive a down payment and up to three months of debt payments.

Customers continue to pay current charges during the deferral period. PacifiCorp offers customers the option to defer monthly installments on past due balances. The current billing system allows for the Company to provide this option without changes to the customer bill system. The logic for a time payment plan was used with the monthly installment amount set at zero dollars for the deferred months. PacifiCorp did not provide an evaluation of billing system automation in the benefit analysis of a DPP. The focus is whether a DPP is a viable option for customers to manage debt.

As of October 2021, approximately 1,300 customers enrolled in a DPP. The average number of months selected by customers was 20 months, and only 4 percent of payment plan customers opted for a DPP, while 96 percent of customers opted for a traditional TPP.

Table 8 – Participation Summary of PacifiCorp Deferred Payment Plan

Plan Type	**Residential**	**Non-residential**
DPP	1,326	14
TPP	30,926	2,552
Total Plans	**32,252**	**2,566**

Reviewing the data to evaluate if the DPP is beneficial for customers; TPPs were included for comparative purposes. According to PacifiCorp, the data presented several challenges:

> Low participation rates and high default rate of early participants, DPPs are designed to have a higher arrears for longer period, and payment plans do not “default” until the account is closed or disconnected for non-payment.

To adequately evaluate the benefit of a DPP and to compare with a traditional payment plan, PacifiCorp performed a review of April, May, and June 2021 data that is included in the table below. Recent DPPs may still be in the deferral period, and the early defaulted plans have accumulated higher balances. Default is defined as two missed payments. A like for like comparison required PacifiCorp to pare down the data to three months and PacifiCorp will need to continue to report progress.

Table 9 – DPP Performance compared to Time Payment Plan

Plan Type	Average Number of Payments	Average Beginning Balance	Average Current Balance	Average Reduction in Balance	Percent of Reduction	Default Rate
DPP	20	$1,991	$1,129	$862	43.3%	40.3%
TPP	13	$1,402	$480	$922	65.8%	58.6%

PacifiCorp observed the following:

- The average beginning account balances for DPP customers are larger.
- The average reduction in the account balances for DPP customers are 22 percent less than TPP customers.
- The default rate for TPPs is 18 percent higher than DPPs.

DPPs are continuing to be offered to residential and small commercial customers and the data collection is ongoing. As the DPPs mature, more information will be available to evaluate the long-term and short-term benefits of the plan. PacifiCorp intends to update the DPP/TPP information included in this report on a monthly basis until April 2022.

As such, Staff will wait to after April 2022 before making a recommendation on continuing DPPs as a payment option program offered by utilities.

Energy Assistance
The following is the status of Low Income Home Energy Assistance Program (LIHEAP – available to Investor-Owned and Consumer Owned utilities) and Oregon Energy Assistance Program (Pacific Power and Portland General Electric) funds as of October 17, 2021.

Table 10 – Energy Assistance (LIHEAP and OEAP)

	LIHEAP 21	LP ARPA	OEAP 21	OEAP 22
ACCESS	$192,077	$2,079,180	$83,790	$1,176,733
CAO	$305,005	$2,469,642	$171,383	$3,306,687
CAPECO	$829,246	$2,030,934	$7,217	$347,937
CAT	$117,007	$1,120,251	$148,242	$296,538
CCNO	$501,633	$1,568,649	$68,216	$55,063
CCSSD	$608,804	$2,208,319	$301,454	$2,282,419
CINA	$134,587	$1,256,207		
CSC	$872,548	$3,021,101	$176,992	$1,298,076
KLCAS	$317,922	$1,513,404	$96,097	$497,452
LCHSD	$797,735	$4,211,471	$36,747	$105,993
MCCAC	$293,396	$804,685	$52,252	$117,867
MULTCO	$2,481,671	$7,686,024	$2,888,595	$5,337,723
MWVCAA	$1,044,612	$3,279,708	$221,946	$1,905,132
NIMPACT	$147,091	$2,425,434	$96,707	$1,065,053
ORCCA	$351,230	$1,188,740	$126,310	$326,874
UCAN	$551,759	$2,232,841	$133,552	$1,057,890
YCAP	$33,638	$244,208	$45,042	$407,281
	$9,579,959	$39,340,799	$4,654,540	$19,584,716
Total				$73,160,014

These funds are considerable and as discussed in previous public meetings, the use of federal funds complements and reduces the use of customer funds. With this said, PGE reported to Staff on October 29, 2021, that only 16 percent of PGE customers who are eligible for energy assistance receive energy assistance.

As can be seen above, the new energy assistance program year started October 1, 2021. PGE also stated that in talks with Community Action Agencies, that there is sufficient funds for the program year.

With the passing of HB 2739, OEAP will increase by $10 million for the next three years, beginning January 1, 2022, adding more funds for energy assistance.

Residential Disconnection Status

The following tables highlight residential disconnections in August and September.

Table 11 – Residential Disconnects August, September, and Total

Company	Residential Customers	Residential Customers in Arrears	Residential Cutomer Disconnects	Percentage of Residential Customers Disonnected	Percentage of Residential Customers in Arrears Disconnected	Residential Customer Reconnects (within 7 days)	Percentage of Disconnected Customers Reconnected (within 7 days)
Portland General Electric	804,491	78,716	325	0.04%	0.41%	260	80%
PacifiCorp	541,351	55,772	0	0.00%	0.00%	N/A	N/A
Idaho Power	13,750	1,465	27	0.20%	1.84%	22	81%
NW Natural	685,915	55,772	132	0.02%	0.24%	71	54%
Avista	94,604	9,709	256	0.27%	2.64%	96	38%
Cascade	69,388	4,936	363	0.52%	7.35%	111	31%
Total - September	**2,209,499**	**206,370**	**1,103**	**0.05%**	**0.53%**	**560**	**51%**

Company	Residential Customers	Residential Customers in Arrears	Residential Cutomer Disconnects	Percentage of Residential Customers Disonnected	Percentage of Residential Customers in Arrears Disconnected	Residential Customer Reconnects (within 7 days)	Percentage of Disconnected Customers Reconnected (within 7 days)
Portland General Electric	803,603	74,398	63	0.01%	0.08%	50	79%
PacifiCorp	540,995	85,098	0	0.00%	0.00%	N/A	N/A
Idaho Power	13,740	1,138	59	0.43%	5.18%	41	69%
NW Natural	623,990	61,899	92	0.01%	0.15%	30	33%
Avista	94,677	9,996	218	0.23%	2.18%	71	33%
Cascade	69,414	5,094	84	0.12%	1.65%	18	21%
Total- August	**2,146,419**	**237,623**	**516**	**0.02%**	**0.22%**	**210**	**41%**

Total Number of Residential Customers Disconnected since Moratorium Ended	1,619
Total Number of Residential Customers Reconnected since Moratorium Ended	846
Reconnection Rate	52.3%
Disconnections per 1,000 Residential IOU Customers	0.73

Residential disconnections have begun for most utilities (PacifiCorp being the exception). As can be seen from the tables, the current rate of disconnections are low. This is expected based on customer protections put in place by the Commission; and the cautious and methodological approach taken by the utilities. A positive aspect is that reconnections are occurring in line with historical experience as reflected in Table 12 below.

Table 12 – Historical Percentage of Customers Reconnected by Number of Days

	2018				2019				2020			
days	**0-5**	**15**	**30**	**>30**	**0-5**	**15**	**30**	**>30**	**0-5**	**15**	**30**	**>30**
Cascade	33.3%	0.8%	0.4%	0.4%	29.7%	1.7%	0.1%	0.7%	23.7%	5.3%	0%	0%
Avista	49%	4%	0%	-	48%	5%	0%	-	64%	4%	0%	-
Northwest Natural	56.3%	8.5%	2.4%	11.9%	56.4%	8.1%	2.6%	11.4%	64.7%	8.5%	2%	4.1%
PacifiCorp**	71.8%	2.9%	0.1%	-	75.9%	2.1%	0.1%	-	72%	1.8%	0%	-

	2018		2019		2020	
days	**0-1**	**2-7**	**0-1**	**2-7**	**0-1**	**2-7**
Idaho Power	75%	10%	77.2%	9%	76%	10.3%
Portland General***	58.2%	15.2%	62.6%	9.7%	64.1%	9.8%

*2020 disconnections were moratoriumed in March

**PAC customers disconnected >20 days are considered new customers if reconnected

***PGE 2018 data is from August-December

As the above tables indicate, the majority of electric reconnections occur within seven days. In general, natural gas reconnections often do not happen as quickly as electric reconnections. Natural gas customers have other options for heat, like using electric heaters.

Commercial Disconnection Status

The following tables highlight small commercial disconnections in September 2021 and to date. The total of all small commercial customers disconnected year-to-date do not equal currently disconnected small commercial customers. Many reconnections are prompt, and a small number of disconnections shown were for reasons other than non-payment. With that said, small commercial disconnections are relatively low (less than one percent of small commercial customers).

Table 13 – Oregon Small Commercial Disconnections – September 2021

OR Small Commercial Disconnects September 2021			
Company	**Small Commercial Customers**	**Small Commercial Disconnects**	**Disconnects as Percentage of Small Commercial Customers**
Avista	11,888	5	0.04%
Cascade Natural Gas	10,290	2	0.02%
Idaho Power Company	2,605	0	0.00%
Northwest Natural Gas	56,852	50	0.09%
PacifiCorp	68,663	57	0.08%
Portland General Electric	105,821	56	0.05%
September 2021 OR Totals	**256,119**	**170**	**0.07%**

Table 14 – Oregon Small Commercial Disconnections – Year to Date

Table 7 - Total OR Small Commercial Disconnects 2021 YTD			
Company	**Small Commercial Customers**	**Small Commercial Disconnects**	**Disconnects YTD as Percentage of Small Commercial Customers**
Avista	11,888	135	1.14%
Cascade Natural Gas	10,290	126	1.22%
Idaho Power Company	2,605	14	0.54%
Northwest Natural Gas	56,852	657	1.16%
PacifiCorp	68,663	376	0.55%
Portland General Electric	105,821	359	0.34%
2021 YTD OR Totals	**256,119**	**1,667**	**0.65%**

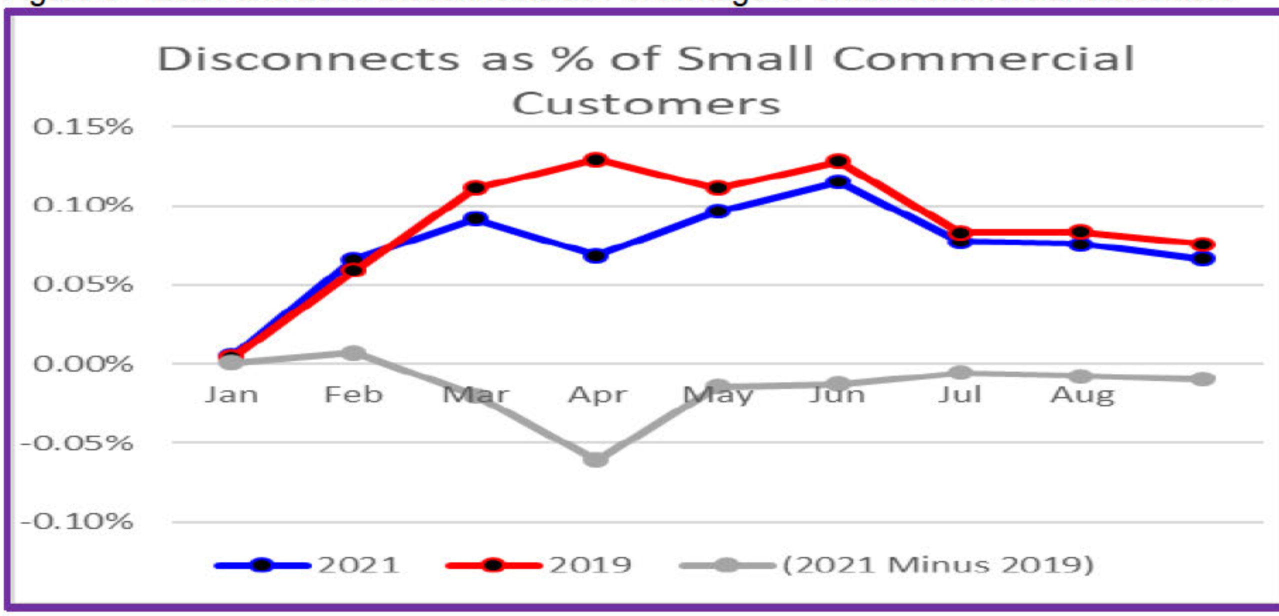
Additionally based on preliminary analysis, disconnections in 2021 are in line with historical (2019), pre-pandemic small commercial disconnections as shown in Table 15.

Table 15 – Disconnects as Percentage of Small Commercial Customers - 2021 vs 2019 Aggregated Disconnects

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2021	0.01%	0.07%	0.09%	0.07%	0.10%	0.12%	0.08%	0.08%	0.07%
2019	0.00%	0.06%	0.11%	0.13%	0.11%	0.13%	0.08%	0.08%	0.08%
(2021 Minus 2019)	0.00%	0.01%	0.02%	0.06%	0.01%	0.01%	0.01%	0.01%	0.01%

Displayed graphically:

Figure 8 – 2021 and 2019 Disconnects as Percentage of Small Commercial Customers



In September 2021, there is a continued downward trend in small Commercial customers disconnects as compared to trending in 2019.

Voluntary Programs
Paragraph 21 of the Stipulated Agreement states:

> If a Utility does not already have a voluntary program where customers can choose to "round-up" their bill to the next whole dollar or other voluntary customer program to provide bill assistance, the Utility will explore creating such a program. This will include studying the costs and benefits of such a program.

Included as a subject in the September 30, 2021, UM 2114 Workshop, was a discussion of voluntary programs and efforts to examine and build upon these voluntary programs. The voluntary programs are nowhere near the magnitude of arrearage management programs and low-income assistance, but they play a part in helping customers who need assistance. The following are brief descriptions of these voluntary programs and projected efforts to build upon these programs.

Avista
Avista's Project Share is a donation-based program that provides emergency energy assistance to qualified households who express they are having a financial hardship. Project Share funds are used to help stabilize households-in-crisis for 30 days, both to prevent disconnection of service or to help reconnect to service if a customer was disconnected for nonpayment. Customers do not need to meet federal poverty guidelines to qualify. Avista customers, employees, and the Company currently donate to Project Share to support the local community in need of emergency energy assistance.

On October 1, 2021, Avista implemented Advice No. 21-02-G – Avista Utilities Schedule 493, Low-Income Rate Assistance Program (LIRAP) that incorporates an arrearage management program into its tariff and to extend the provision of LIRAP outreach funds to Avista as well as to the Community Action Agencies.

Cascade Natural Gas
Cascade Natural Gas (CNG) currently has a voluntary customer and company donation-based energy assistance program named Winter Help. CNG's Oregon customers may add a donation onto their payment using their remittance statement (example below), set up recurring payments, or make a one-time donation using the pledge form. Community Action Agencies and the company are able to utilize these funds to assist customers.

The pledge form is provided as a bill insert once per year and can also be found on the company's website (https://www.cngc.com/wp-content/uploads/PDFs/Brochures/winter-help.pdf). In addition to the winter help pledge form, Cascade provides an optional winter help donation blank payment space on customers' monthly bill; for which, the customer can fill out any one-time amount they want to offer for help.

Starting in 2020 and continuing in 2021, CNG has also used bill insert capability to solicit donations from their customers who are not past due. CNG believes this program is an effective way to provide additional assistance beyond LIHEAP and PPC funds; however, the Company is in the early stages of evaluating a bill round-up option, consistent with the Stipulated Agreement approved in Order No. 20-401.

NW Natural

Consistent with paragraph 21 of the Stipulated Agreement approved in Order No. 20-401, NW Natural has identified components and technology requirements for a bill round-up program that would allow customers to voluntarily round up the total amount due on their bill to the next whole dollar amount to donate to utility programs that provide bill assistance to low-income customers. In the case of NW Natural, these donations via a "Round-Up" Program would contribute to NW Natural's Gas Assistance Program (GAP).

NW Natural's GAP's primary purpose is to provide supplemental assistance to low income households, particularly those with young children and disabled, medically-compromised, and elderly customers. GAP is a private donation-based program with contributions made annually by NW Natural customers, employees, retirees, and some large donors. The first $60,000 in donations are matched by NW Natural shareholders. All administrative costs are covered by NW Natural and 100 percent of donor contributions go to those in need. Beginning in 1982, more than $6.6 million in GAP funds have been donated and distributed to assist customers in need.

NW Natural supports the adoption of adding a round-up feature to GAP, but notes that this would require a CIS effort to enable. Currently, the Company's CIS resources are significantly strained due to a large Information Technology and Services project that is ongoing through much of 2022. In addition, the Company's CIS is anticipated to be replaced in the near-term and may complicate the decision on whether to make changes to enable the round-up program in the existing CIS or include it in the CIS replacement.

Idaho Power

Idaho Power plans to continue utilizing its program currently in place, Project Share, which is a year-round bill pay assistance program that provides a one-time payment of up to $300 a year to qualified Idaho Power customer households. Project Share is administered by the Salvation Army in Baker County and Community in Action in Malheur and Harney counties.

In addition to funds contributed by shareowners, contributing customers have the option to round-up their monthly bill, sign up for an on-going fixed contribution or elect to round up and add a fixed amount to their monthly bill.

Idaho Power has made several program revisions and improvements including:

- Simplified application;
- Simplified application process – From in-person only to allowing by mail, e-mail or phone; and
- Enhanced marketing for donations including bill messages, social media posts, website home page card, bill inserts, and my account pop-up.

PacifiCorp

PacifiCorp customers have three ways to donate: semiannual envelope campaign, monthly with the Lend-A-Hand, and the Small Change programs.

PacifiCorp solicits contributions to the Fuel Fund program through donation envelopes twice a year in November and February. Customers are provided the opportunity to make either donation by check or designate a fixed dollar amount to add to their monthly bill as a contribution to the energy assistance.

PacifiCorp also offers two reoccurring programs for customers who wish to donate money to help individuals struggling to pay their electric bill: Lend-A-Hand and the Small Change program. Both programs require customers to opt in.

Concerning the Lend-A-Hand program, the customer donating to the program overpays the amount due by certain dollar increments. The Small Change program automatically rounds up the donating customer's bill to the next nearest dollar and reflects that amount due on their monthly bill.

All voluntary donation programs are part of PacifiCorp's Fuel Fund program in which the Company matches customer and employee donations two-to-one up to $144,000 annually. PacifiCorp partners with Oregon Energy Fund, a non-profit agency, to offer energy assistance with donated funds. Oregon Energy Fund contracts with agencies throughout PacifiCorp's service territory to deliver funds to qualified households. Funds are collected, matched, and sent to Oregon Energy Fund monthly.

In addition, any excess net metering credits are donated to Oregon Energy Fund when the credits expire in March. Excess net metering credits are not matched by the company.

PGE

PGE currently sends a donation envelope with the monthly bill twice a year in which customers are able to donate to Oregon Energy Fund (OEF). If a customer is enrolled in paperless billing, their electronic statement contains a link to OEF instead of receiving a physical envelope. OEF typically receives around $100,000 in annual donations from these envelopes and the link. The envelopes allow a customer to send a donation directly to OEF, while the link for paperless billing customers takes them directly to the OEF website. Customer donations made via the envelope or link do not pass through PGE.

PGE has also been researching and evaluating a payment round-up donation option in which customers could choose to round-up their monthly payments in order to donate to OEF and other local organizations. PGE has identified the level of work that would be necessary to implement this process, but has been focused on other high priority work such as the Bill Assistance Program and offering convenient payment options for customers. PGE anticipates that a bill round-up program may be implemented in late 2022.

UM 2114 Stipulated Agreement Paragraphs 11, 12, 13, and 16

Paragraph 11 of the UM 2114 Stipulated Agreement states:

> Utilities will not apply service disconnection and reconnection fees to residential customers until October 1, 2022. Utilities may include associated costs in deferral tracking as described below. Parties agree to confer in good faith on or about October 1, 2021 to determine whether to request that the Commission modify the October 1, 2022 end date.

Paragraph 12 of the UM 2114 Stipulated Agreement states:

> Utilities will not accrue and collect late payment fees, interest, and penalties for all residential customers retroactive to the date of the start of the Utility's disconnect moratorium and through October 1, 2022. Utilities may include associated costs in deferral tracking as described below. Parties agree to confer in good faith on or about October 1, 2021 to determine whether to request that the Commission modify the October 1, 2022 end date.

In a Joint Utility letter to the Commission, the Joint Utilities recommend that the date for these two paragraphs be revised to April 1, 2022. Joint Utilities present a couple of valid points:

- Disconnections have been and will continue to be a last resort for customers who are unable to pay their energy bill. With the extended consumer protections and energy assistance in place, including extended payment arrangements, Arrearage Management Programs, additional LIHEAP funding available, most customers behind on their energy bill should not find themselves in a position of facing potential disconnection.[5]

- Sunsetting the moratorium on these fees prior to October 1, 2022, to date of April 1, 2022 is reasonable to ensure continued protection through the upcoming winter heating season. By waiting until October 1, 2022 to resume charging these fees, it continues to add cost pressure to all other customers.[6]

The Joint Utilities are correct that these costs are deferred and continue to add cost pressures to other customers. Staff also appreciates that the joint utilities are cognizant of the upcoming heating season, and the burdens that the heating season places on customers.

Staff does point out that although these costs are considerable, bad debt totals are decreasing due to AMPs, TPAs, and energy assistance. With the exception of bad debt, the majority of deferred costs are those incurred to provide assistance to customers such as AMPs and waived fees. Additionally, utilities have pursued cost savings and received federal funding that have outpaced direct costs incurred as a result of the COVID pandemic.

As overall arrearages decrease, Staff expects to see the growth of bad debt deferrals slow as this is only intended to capture what the utility records above the baseline value.

Thus Staff continues to support the utilities in their efforts to help customers pursue energy assistance and AMP options. Table 16 below, highlights deferrals to date.

[5] Joint Utilities letter, dated September 28, 2021, *UM 2114 Investigation in the Effects of the COVID-19 Pandemic on Utility Customers.*
[6] *Ibid.*

Table 16 – Deferrals as of September 30, 2021

Total	Bad Debt Expense	Waived Fees	Other Costs	AMP Funds	Benefits	Net
	$ 10,413,631.56	**$ 14,635,852.95**	**$ 9,082,929.72**	**$ 34,212,439.30**	**$ (10,974,110.75)**	**$ 57,370,742.78**
Large OR Utilities through Q3 2021						
Utility	**Bad Debt Expense**	**Waived Fees**	**Other Costs**	**AMP Funds**	**Benefits**	**Net**
NWN	$ 2,520,877.00	$ 2,301,753.00	$ 3,122,640.00	$ 2,021,868.00	$ (712,286.00)	$ 9,254,852.00
PAC	$ 2,400,896.00	$ 6,000,238.00	$ 1,364,868.28	$ 7,416,167.00	$ (3,403,218.58)	$ 13,778,950.70
PGE	$ 4,599,928.15	$ 5,262,444.53	$ 4,216,672.75	$ 22,999,999.85	$ (4,902,978.19)	$ 32,176,067.09
Total	**$ 9,521,701.15**	**$ 13,564,435.53**	**$ 8,704,181.03**	**$ 32,438,034.85**	**$ (9,018,482.77)**	**$ 55,209,869.79**
Small OR Utilities through Q3 2021						
Utility	**Bad Debt Expense**	**Waived Fees**	**Other Costs**	**AMP Funds**	**Benefits**	**Net**
AVA	$ 601,575.00	$ 482,645.00	$ 107,796.00	$ 967,060.00	$ (1,385,014.00)	$ 774,062.00
CNG	$ 22,611.92	$ 543,789.73	$ 231,561.04	$ 539,600.96	$ (399,749.65)	$ 937,814.00
IPC	$ 267,743.49	$ 44,982.69	$ 39,391.65	$ 267,743.49	$ (170,864.32)	$ 448,996.99
Total	**$ 891,930.41**	**$ 1,071,417.42**	**$ 378,748.69**	**$ 1,774,404.45**	**$ (1,955,627.98)**	**$ 2,160,872.99**

It is hopeful that continued use of AMPs, TPAs, energy assistance, and ongoing discussions that utilities are conducting with customers will continue to slow the increase of these costs.

Joint Stakeholders recommend that the Commission eliminate late-payment, disconnection, and reconnection fees, deposit requirements associated with late or no-payment, arrears, or credit related issues, and reporting to credit agencies.[7]

Staff recommends that the UM 2114 Stipulated Agreement date for these Paragraphs 11 and 12 costs, October 1, 2022, be maintained. The pandemic is ongoing and real, and there is no need to end agreed upon protections to customers.

The UM 2114 Paragraph 28 workshops are the forum to examine Joint Stakeholders' comments to permanently eliminate these costs. At this time, Staff has no recommendation on the Joint Stakeholders' proposal.

Paragraph 13 of the UM 2114 Stipulated Agreement states:

> Service disconnections for non-payment will be limited between the hours of 8:00 a.m. and 2:00 p.m. to facilitate responsive, same-day reconnection of service through October 1, 2022. Utilities will endeavor to reconnect customers on the same day of disconnections if opportunity and time allows for same day reconnections. Parties agree to confer in good faith on or about October 1, 2021 to determine whether to request that the Commission modify the October 1, 2022, end date.

[7] Joint Stakeholder comments, *Investigation Into The Effects Of The Covid-19 Pandemic On Utility Customers Workshop Series - Advocates' Recommendations.*

Paragraph 16 of the UM 2114 Stipulated Agreement states:

> The Utilities will allow initial self-certification of customer medical certificates when a medical certificate is required and allow customers two months to submit confirming certification from a qualified medical professional through October 1, 2022. The Parties agree to confer in good faith on or about October 1, 2021 to determine whether to request that the Commission modify the October 1, 2022 end date.

In a Joint Utility letter to the Commission, the Joint Utilities support the continuation of this customer protection through October 1, 2022.[8]

Joint Stakeholders, in their September 27, 2021, letter to the Commission, recommend that the Commission:

- Permanently adopt extended notice requirements in COVID-19 stipulation, as well as limited disconnection windows to facilitate same-day reconnection, and the limitation on the use of third-parties for collections.

- The option for initial self-certification for customers with medical certificates should be permanently extended.

    - Utilities should work with health systems to find methods to identify people eligible for medical certificates while reducing the burden on someone experiencing health issues. This is an issue that has come up explicitly in the emergency management context.

- These changes should be in place for all customers or at least for customers on medical certificates, households with children or elderly inhabitants, as well as for low-income and energy burdened customers, and for other vulnerable customers.[9]

Staff agrees with the Joint Utilities that the Commission should continue this customer protection in paragraph 16 through October 1, 2022.

[8] Joint Utilities letter, dated September 28, 2021, *UM 2114 Investigation in the Effects of the COVID-19 Pandemic on Utility Customers.*
[9] Joint Stakeholder comments, *Investigation Into The Effects Of The Covid-19 Pandemic On Utility Customers Workshop Series - Advocates' Recommendations.*

Concerning Joint Stakeholder Comments, the UM 2114 Paragraph 28 workshops are the forum that will examine comments to make these two provisions permanent. At this time, Staff has no recommendation on the Joint Stakeholders' proposal.

Conclusion

AMPs, extended TPAs, energy assistance, DPPs, additional customer protections, and outreach by utilities are helping to keep many customers connected to energy during the COVID-19 pandemic. With that said:

- Arrearages and customers in arrearages, although declining, remain high in the 91+ basket.
- There is still data that needs to be collected as utilities have only recently commenced disconnections.

Staff will update the Commission at an April 2022 Special Public Meeting on customer arrears, a final analysis on Arrearage Management Programs, Deferred Payment Plans, status of disconnections / reconnections, status of all terms in the Stipulated Agreement, and status of all workshops outlined in paragraphs 27 through 34 of the UM 2114 Stipulated Agreement.

Staff recommends that the Commission:

> Take no action and thereby maintain the October 1, 2022, end date for the UM 2114 Stipulated Agreement Paragraphs 11, 12, 13, and 16.

PROPOSED COMMISSION MOTION:

> None. By taking no action, the Commission maintains the October 1, 2022, end date for the UM 2114 Stipulated Agreement Paragraphs 11, 12, 13, and 16.