

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
SPECIAL PUBLIC MEETING DATE: December 16, 2021**

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: December 7, 2021

TO: Public Utility Commission

FROM: Michelle Scala, Ezell Watson, and 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 – Paragraph 28 Update.

RECOMMENDATION:

1. Open a rulemaking docket to begin informal phase reviewing Oregon Administrative Rules Chapter 860, Division 21 to strengthen customer protections concerning disconnections.

DISCUSSION:

Issues

1. Whether the Commission should open informal rulemaking in Oregon Administrative Rules Chapter 860, Division 21 to strengthen customer protections concerning disconnections.

This report also provides:

1. A summary of perspectives from the focus groups hosted by Brown Hope and centered on customers in the Black, Indigenous, and People of Color (BIPOC) communities who have been personally affected by disconnection.
2. An update on discussions on additional customer protections presented to the Commission at the August 25, 2021, Special Public Meeting that necessitates an informal rulemaking.

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 December 31, 2021.² Effective June 30, 2021, Governor Brown lifted most COVID-19 restrictions.³ On August 10, 2021, Governor Brown announced a statewide 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

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), EO 21-10 (April 29, 2021), and EO 21-15 (June 25, 2021).

³ EO 21-15 (June 25, 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>.

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 (NVEC), 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 of Avista, Cascade Natural Gas, NW Natural, Idaho Power, and PacifiCorp. The Commission previously approved Portland General Electric's AMP on February 11, 2021.

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 Diversity, Equity, and Inclusion (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 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 21-236, <https://apps.puc.state.or.us/orders/2021ords/21-236.pdf>.

At its Special Public Meeting on August 25, 2021, Staff committed to the following:

- Reviewing, and updating if necessary, severe weather moratorium rules.
- Establishing rules for air quality index (AQI) moratoriums including the right baseline for the moratorium (100 – Unhealthy for Sensitive Groups, 150 – Unhealthy); and processes and references (ex. Oregon Department of Energy Air Quality Advisories, <https://oregonsmoke.blogspot.com/>, www.airnow.gov) that forecast air quality to implement a moratorium.
- Establishing rules concerning customer displacement due to wildfires.

- Determining what characteristics in Commission Order No. 21-236 should be maintained post-moratorium, including necessary rule changes.
- Partnering with the Energy Trust on low-income energy efficiency opportunities.
- Researching programs with local governments to leverage state and federal funds to help reduce customer arrearages.
- Collecting qualitative research that focuses on the experience of disconnection by utilizing the S.E.L.F.L.E.S.S. (Social Equity Lenses and Framework, Lowering Energy Stress Successfully) committee to host focus groups that center the voices of customers who have experienced disconnection recently (within the 12-24 months preceding the moratorium) and also seeks to center the experience of undocumented persons.

Customer Focus Groups

To meet its commitment to host focus groups that center the voices of customers who have experienced disconnection recently (within the 12-24 months preceding the moratorium) and to seek the experience of undocumented persons, the DEI Director contracted with Brown Hope⁵ to facilitate three workshops. The first two were centered on members of the BIPOC community. The third was conducted in Spanish and spotlighted the experience of undocumented customers. In order to receive honest and engaged contribution, participants were paid for their time and engagement.

These workshops were impressively facilitated by Brown Hope. Important highlights of the group were:

- Participants were outstanding individuals, who despite numerous struggles related to and separate from COVID-19, understood the importance of paying utility bills. It was succinctly stated that access to energy was directly related to quality of life issues for them and their families.
- A bill discount of some type would be helpful in balancing energy bills against other commitments. When participants were informed of 2021's HB 2475,

⁵ Brown Hope is a racial justice movement to inspire our collective healing, leading community-driven initiatives for action, celebration, and empowerment. They've launched unique programs, like Power Hour and Black Resilience Fund, to promote the resilience of community members and set a bold vision for lasting systems change: <https://www.brownhope.org/>.

they were pleased that additional help may be available in the future to lighten the burden of high energy bills.

- More time to pay bills is needed as late notices and disconnect notices were frequently received between the customer's pay periods. This can cause a customer to face a disconnection followed by a costly reconnection requiring upfront payments and additional fees, thus exacerbating the customer's financial hardship.
- Communities and individuals require better information about available resources and programs to help pay utility bills in emergency situations. Staff believes that the enhanced engagement by utilities, Community Action Agencies, and Low-Income and Environmental Justice Groups will help many customers.

Oregon Administrative Rules for which Staff should conduct informal rulemaking

On September 29, 2021, the Commission's DEI Director sent an email to all interested parties suggesting some solutions to maintain and enhance customer protections. These suggestions were "brainstormed" by Staff as a result of the July 22, 2021, UM 2114 Disconnection Workshop and the UM 2114 Paragraph 28 Special Public Meeting. These suggestions included:

- Customers receiving or applying for Energy Assistance
 - 45-day notice in lieu of a 15-day notice (OAR 860-021-0405) to allow time to obtain necessary funding.
 - TPAs extended to 24 months (OAR 860-021-0415).
 - Waive reconnect fee and field visit charge once, maybe twice, per year (OAR 860-021-0330 and 0420).
 - Waive deposit payments (OAR 860-021-0205).
 - Allow equal payment when there is a balance on the account (OAR 860-021-0414).
 - Notify Energy Trust of customers placed on Energy Assistance. Share customer information, including energy usage and billing data.
 - Require Energy Trust to track EA customer activities and report on energy usage (Energy Usage Index) pre- / post- interaction.

- Medical Certificates
 - Maintain two month self-certification allowance (OAR 860-021-0410).
 - Maintain removal of requirement to enter a TPA (OAR 860-021-0415).
- Severe Weather Moratorium (OAR 860-021-0407)
 - Add AQI (100 and above (or 150 and above)) as a trigger for the moratorium to the rule.
 - Add wildfire displacement (no disconnects during an evacuation order; or the day of and day after the order has been lifted) as a trigger for the moratorium to the rule.
 - Potentially add a reconnection rule for customers impacted by wildfires and recently disconnected, i.e. last 72 hours.
 - Add three days before and after 32 degrees.
 - Add three days day before and after a heat advisory.
 - Potentially add a reconnection rule for customers recently disconnected.
 - Add an incentive for utilities to have a winter protection program, potentially incentivizing a program that would ban disconnections from December 1 – March 1 for customers receiving energy assistance, any customer having difficulty paying their bill if the household has children under 18 years old, people 62 years or older, or people whose health would be threatened by the loss of service. (This would be in lieu of the 32 degree protection listed above).
- Basic Energy Allotment when customers are disconnected.
 - Customers essentially wouldn't lose all access, but still retain access to a minimal (lifeline) amount of energy for a given period of time as they obtain funding to be reconnected.
 - Funded through a blend of tariff and voluntary-giving programs.
 - May require investments in smart/net meters or other infrastructure investments.
- Voluntary Programs

We would like to introduce a procedure for allowing customers to donate money to a fund for disconnection abatement. This fund will be included on every customer bill and will allow for rounding up, or making a specific donation amount. Those funds would be dispersed to customers facing disconnection, i.e. to defray costs associated with disconnection. These funds should be dispersed to customers, with minimal (>10 percent of total funds being spent on administrative costs).⁶

⁶ DEI Director email, September 29, 2021.

Because Staff is recommending the Commission open informal rulemaking on OAR Chapter 860, Division 21 to strengthen customer protections concerning disconnections, Staff, in this memo, will be proposing possible rule changes to introduce at workshops. These proposals will be examined and discussed during workshops. As a result, the actual rule changes may differ slightly or significantly due to workshops and negotiations. In other words, these proposals are not pre-determined results, but a starting point for discussion.

Reviewing, and updating, if necessary, disconnection rules

45-day notice in lieu of a 15-day notice (OAR 860-021-0405) to allow time to obtain necessary funding

The above Staff suggestion for change in notice rules was based on input from a joint stakeholder group (“Joint Stakeholders”)⁷ that the Commission should recognize in rules and practices around disconnections that some customers are more vulnerable to disconnection and will be impacted more severely by it. These protections would include greater timelines.⁸

In its September 27, 2021, letter to the Commission, Joint Stakeholders state:

A process that is grounded in equity has to start from the recognition that some communities are both more vulnerable to disconnection and to the impacts of disconnection. As a result, and as we highlight above, a one-size-fits-all cannot be equitable.⁹

Additionally, as stated previously, Focus Group participants expressed that more time to pay bills would be helpful as late notices and disconnect notices were frequently received between pay periods.

⁷ Joint Stakeholders included Rogue Climate, Community Energy Project, Citizens’ Utility Board, Multnomah County Office of Sustainability, Verde, Coalition of Communities of Color, NW Energy Coalition, Community Action Partnership of Oregon, Ecumenical Ministries of Oregon (EMO), Mid-Columbia Community Action Council, Oregon Interfaith Power and Light (OIPL), Bureau of Planning of Sustainability, City of Portland, Mid-Columbia Community Action Council, and Ethan Kirkham, Independent Advocate.

⁸ Joint Stakeholders September 27, 2021, Workshop Series - Advocates’ Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

⁹ *Ibid.*

In responses from Avista,¹⁰ Idaho Power,¹¹ NW Natural,¹² and Pacific Power,¹³ all utilities expressed concern about having two different disconnection dates. Generally, companies state that this change would require significant system enhancements to offer different noticing to customers that have received energy assistance, creating two different noticing paths for customers.

In its letter, Pacific Power explains that *“the two different paths would potentially lead to more customer confusion, employee confusion, and provide inequities for low-income customers that have not been identified as having received assistance.”*¹⁴

Idaho Power points out that even with the current 15-day and 5-day notices, customers have a considerable length of time to pay bills. Idaho Power states:

Notably, under the Company’s current billing and collections process, customers have 63 days from when their initial bill is mailed to when disconnection for nonpayment of said initial bill may occur.

During this 63-day credit and collection cycle, customers can contact the Company to make a payment, enroll in a Time Payment Arrangement (“TPA”), or otherwise work with the Company to find a mutually agreeable option that prevents disconnection from occurring. Past due customers who advise the Company that they’ve received an energy assistance pledge will have their pending disconnection cancelled for 42 days.¹⁵

Table 1 below shows the time between Initial Date of Bill and Disconnection for energy utilities.

¹⁰ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

¹¹ Idaho Power, October 29, 2021, UM 2114 – Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

¹² NW Natural, November 1, 2021, UM 2114 – NW Natural’s Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

¹³ Pacific Power, November 8, 2021, UM 2114—PacifiCorp’s Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

¹⁴ *Ibid.*

¹⁵ Idaho Power, October 29, 2021, UM 2114 – Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

Table 1 - Timeline for Billing, Notices, Disconnection, Collections, and Rewrite-off as Uncollectable

Timeline for Billing, Notices, Disconnection, Collections, and Rewrite-off as Uncollectable							
Company	PUC OARs *	NW Natural Gas	Avista	Pacific Power	PGE	Cascade	Idaho Power
Initial Date of Bill **	8/1/2020	8/1/2020	8/1/2020	8/1/2020	8/1/2020	8/1/2020	8/1/2020
Due Date of Bill	8/17/2020	8/19/2020	8/22/2020	8/19/2020	8/17/2020	8/23/2020	8/16/2020
Next Monthly Bill				9/2/2020			9/1/2020
Due Date of Next Bill							9/19/2020
Late Payment Fee Assessed					8/25/2020		
Initial Notice of Disconnection	8/18/2020	8/27/2020	8/25/2020	9/2/2020	8/31/2020	9/10/2020	9/20/2020
Outbound Call				9/7/2020	9/4/2020		
Final Notice	8/26/2020	9/5/2020	8/30/2020	9/10/2020	9/6/2020	9/16/2020	9/28/2020
Reminder Email (Paperless Customers)				9/16/2020			
Robo/Outbound Call (Non-Remote Meters)					9/8/2020		
Robo/Outbound Calls				9/19/2020	9/13/2020		
Robo/Outbound Calls Second Round				9/20/2020	9/14/2020		
Personal/Outbound Calls				9/23/2020	9/15/2020		
Disconnection Date	9/2/2020	9/16/2020	9/8/2020	9/24/2020	9/19/2020	9/23/2020	10/6/2020
Final Bill/Account Closed	9/2/2020	10/1/2020	9/15/2020	10/2/2020	9/30/2020	10/3/2020	10/14/2020
Final Bill Due Date	9/18/2020			10/18/2020	10/17/2020		
Final Bill Final Notice		10/27/2020			10/28/2020		
Closed Account-Final Notice		12/1/2020					
Final Bill Call					11/3/2020		
Date Uncollectable		1/31/2021	10/23/2020	3/31/2021	1/6/2021	1/16/2021	12/13/2020
Date Sent to Outside Collection Agency		2/4/2021	10/30/2020	10/19/2020	1/6/2021	1/16/2021	12/13/2020
Days from Billing to Disconnection ***	32	46	38	54	49	53	66
Days from Billing to Uncollectable ****	~	183	83	242	158	168	134

Current rules require both a 15-day late notice and a five-day notice of disconnection. The five-day notice of disconnection should occur 10 days from the date of the 15-day late notice.¹⁶ It is not a 15-day plus 5-day total period.

As an alternate solution, Staff discussed the possibility of proposing that the five-day notice of disconnection should follow the 15-day late notice. This change will add five days to the days from billing to disconnection. This change is significant as it will allow more time (one week) for low-income customers to pay past due bills. As a result, the shortest turn-around (Avista) would increase to 43 days (six weeks). This change will increase the Portland area utilities disconnect timeline to seven to eight weeks allowing customers more time to obtain energy assistance.

¹⁶ OAR 860-021-0405, [OAR 860-021-0405 - Notice of Pending Disconnection of Residential Electric or Gas Utility Service \(public.law\)](#).

TPAs extended to 24 months (OAR 860–021-0415)

OAR 860-021-0415(1) states:

An energy utility may not disconnect residential service for nonpayment if a customer enters into a written time-payment plan. An energy utility will offer customers a choice of payment agreements. At a minimum, the customer may choose between a levelized payment plan and an equal-pay arrearage plan.¹⁷

Both the levelized and equal-pay plans allow for up to 12 months of payment, although, based on a customer's arrears and needs, shorter time payment arrangements (TPAs) are frequently agreed upon by utilities and customers. Paragraph 5 of the UM 2114 Stipulation allowed for TPAs up to 24 months.

As previously mentioned, Joint Stakeholders believed that rules should recognize greater timelines for customers.

Generally, with the exception of NW Natural, utilities are not supportive of the increased time, as the longer the period of time, the more likely the TPAs would be broken resulting in harm to customers. Avista in its October 29, 2021, letter, points out:

Avista currently offers TPAs up to 24 months in length pursuant to Order No. 20-324 in Docket UM 2114. Out of 931 residential TPAs established since this order went into effect on October 2, 2020, the average duration of the TPAs was 11 months, and 90 percent have broken due to non-payment. With a 90 percent break rate on long-term TPAs, Avista does not recommend a permanent requirement to offers TPAs up to 24 months in length, but rather we support that the current OARs requiring TPAs up to 12 months in length remain in place.

Historically, short-term arrangements (i.e., arrangements requiring arrears to be fully paid prior to the customer's next bill due date) have a much larger success rate of 67% kept. Evidence is clear that shorter length payment arrangements are a better solution for customers seeking arrangements on their account balances. If needed, a customer

¹⁷ OAR 860-021-0415.

can set additional short-term arrangements on future balances.¹⁸

As noted in responses, TPAs longer than 12 months will extend the arrears issue into the following heating season, thereby compounding the problem and making successful completion of the TPA less likely.

In the case of NW Natural, the company points out there is nothing in the current rule that prevents a utility for offering extended (past 12 months) TPAs. Additionally, two utilities that did not provide written comments, informally relayed to Staff that the default rate for 24-months TPAs are low. Cascade provided a default rate of 1.1 percent.

Although there is a risk of default for longer TPAs, it is ratepayers who make the utility whole and ultimately carry the program risk of longer TPAs.

At this point, Staff will propose making changes to OAR 860-021-0415 to allow TPAs up to 24 months. It should be noted when setting TPAs with customers, utilities will work with customers to establish TPAs at the level that makes most sense to the customers' financial situation. Even with a rule change, TPAs will be of varying length based on each individual situation.

Waive reconnect fee and field visit charge (once, maybe twice per year) (OAR 860-021-0330 and 0420)

In its September 27, 2021 comments, Joint Stakeholders state:

Permanently 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.¹⁹

Generally, utilities do not agree with waiving fees mainly based on the principles of cost causation. Idaho Power explains it as follows:

Waiving a number of reconnect fees and field visit charges per year for customers on energy assistance may similarly lead to costs being unnecessarily allocated to the entire customer class and could therefore

¹⁸ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers,

<https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

¹⁹ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

result in higher rates. Such a practice is contrary to the cost causation principle which seeks to identify and recoup costs from customers causing said costs to be incurred, thereby preventing upward rate pressure through the socialization of the incurred costs.

The Company does not support waiving a number of reconnect fees and field visit charges per year for customers on energy assistance due to rate impact concerns for the customer class. However, if such a waiver is ultimately adopted by the Commission, the Company recommends that remote connect/disconnect capable meters be approved for use in these circumstances in order to minimize utility costs incurred.²⁰

Pacific Power references remote disconnections by stating:

PacifiCorp would support waiving the reconnection fee once per customer when a customer seeks reconnection for their first time.²¹

Waived fees (both late and reconnection) represent a significant balance in COVID-19 deferrals. However, while Staff works to stymie the growth of total COVID-19 deferrals, it recognizes that for many low-income customers who have been disconnected, the costs and fees of reconnection pose significant and additional financial challenges.

As explained to Staff by Clackamas County, energy assistance can cover reconnection amounts; however, it depends on the source as to what the payment amount would be; and whether there is additional crisis assistance if needed. The LIHEAP guide provides some definition of what constitutes a crisis, and disconnection due to non-payment is not one of them. However, Community Action Agencies are allowed some discretion in determining a crisis and how funding is applied in certain cases.

Staff believes that the use of energy assistance and voluntary programs may create a path to prevent reconnection charges. As previously highlighted, when referring to Voluntary Programs, the DEI Director states:

²⁰ Idaho Power, October 29, 2021, UM 2114 – Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

²¹ Pacific Power, November 8, 2021, UM 2114—PacifiCorp’s Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

We would like to introduce procedure for allowing customers to donate money to a fund for disconnection abatement. This fund will be included on every customer bill and will allow for rounding up, or making a specific donation amount. Those funds would be dispersed to customer's facing disconnection, i.e. to defray costs associated with disconnection. These funds should be dispersed to customers, with minimal (>10% of total funds being spent on administrative costs.).²²

In any rulemaking, Staff will propose that utilities that have the ability to remotely reconnect the customer, reconnect at no cost twice per year. For utilities that do not have the ability to remotely reconnect, Staff will still recommend one reconnection per year at no cost until a solution using voluntary funds is developed.

Waive deposit payments (OAR 860-021-0205) for customers on energy assistance

As with late fees, Joint Stakeholders advocate for eliminating deposit payments.²³ Pacific Power also supports the recommendation to waive deposit requirements for residential customers who have received energy assistance.²⁴

Avista supports waiving deposit payments for all residential customers with a minimum payment required for reconnection of one half of the customer's past due balance plus a reconnection fee.²⁵ Similar to Avista, Idaho Power is supportive of Staff's recommendation to revise OAR 860-021-0205 and waive deposit requirements for all residential customers so long as all other non-deposit reconnection rules and requirements remain the same.²⁶

NW Natural believes that requiring deposits adds value to other customers by keeping overall costs low and states:

NW Natural notes that requiring deposits for all customers unable to meet credit criteria results in a lower bad debt experience, which

²² DEI Director email, September 29, 2021.

²³ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

²⁴ Pacific Power, November 8, 2021, UM 2114—PacifiCorp's Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

²⁵ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

²⁶ Idaho Power, October 29, 2021, UM 2114 – Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

translates into lower rates for all customers. During the current pandemic, the Company has found that early application of deposits has been a useful tool for customers, helping to relieve arrearages where applicable. NW Natural continues to believe requiring deposits from all customers that do not meet credit criteria provides value in keeping overall costs low for all customers. Any change in this practice should consider the impact on other areas, such as bad debt expense.²⁷

OAR 860-021-0200(4), *Establishing Credit for Residential Utility Service* states:

For energy utilities, a deposit required under this rule shall not exceed one-sixth the amount of reasonable estimated billing for 12 months at rates then in effect. This estimate shall be based upon actual use at the premises during the prior 12 months, if known, or will be estimated based upon the type and size of the equipment at the premises. Each deposit shall be rounded to the nearest whole dollar.

It is important to note that one-sixth of the amount of reasonable estimated billing for 12 months at rates can be significant to a low-income customer either when paid in full or in three installments.

Unless data proves otherwise, Staff takes the position that customer deposits are a concept that does not create value to the system. In a rulemaking, Staff will propose elimination of the deposit requirement for customers on energy assistance.

Allow equal payment when there is a balance on the account (OAR 860-021-0414)

As all responding utilities point out, equal payments are available to customers with a balance on their account. As Idaho Power points out:

The Company believes a similar equal payment option already exists under existing rules for customers with an account balance. OAR 860-021-0415 already allows past due customers the option of enrolling in a levelized payment plan which sums the customer's average annual bill plus any account arrears and divides by twelve, thereby providing twelve equal monthly payments, the first of which is due as a down payment. After having completed the terms of their levelized payment plan, the customer's account may no longer be in arrears and

²⁷ NW Natural, November 1, 2021, UM 2114 – NW Natural's Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

enrollment in the Company's Budget Pay Plan, which also allows for levelized monthly payments, may be available. Because past due customers already have the option to enroll in a levelized payment plan under existing TPA rules, the Company does not believe it is necessary to modify its Budget Pay Plan to allow customers in arrears a duplicative option of enrolling in a levelized payment plan.²⁸

Staff agrees with utilities that this option exists under OAR 860-021-0415. As a result, Staff will not propose any changes to the rule in a future rulemaking. With that said, stakeholders can propose any changes during rulemaking workshops.

Sharing Energy Assistance Information with the Energy Trust

In his September 29, 2021, email to Parties, the DEI Director offered the following two suggestions concerning information sharing with the Energy Trust:²⁹

- Notify Energy Trust of customers placed on Energy Assistance. Share customer information, including energy usage and billing data.
- Require Energy Trust to track EA customer activities and report on energy usage (Energy Usage Index) pre- / post- interaction.

In its September 27, 2021, letter to the Commission, Joint Stakeholders stressed that: *"We must leverage existing programs and prioritize communities at risk for Disconnection."*³⁰

Included in their recommendations were actions involving the Energy Trust, including:

- No-cost subscriptions to community solar should be considered for low-income customers.
- Energy burden, energy poverty, and other household characteristics should be used to identify and implement energy efficiency and distributed generation programs.

²⁸ Idaho Power, October 29, 2021, UM 2114 – Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

²⁹ DEI Director email, September 29, 2021.

³⁰ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

- Continue to improve Oregon’s approach to delivering energy efficiency by nimbly incorporating lessons and best practices from energy efficiency programs that are helping reduce the risk of disconnection elsewhere.
- Recognize that imposing cost-effectiveness tests on low-income energy efficiency measures limits the ability of those programs to be equitable.³¹

Additionally, Joint Stakeholders commented that:

We also encourage the Commission to look at the work of Ariel Drehbol at the American Council for an Energy-Efficient Economy. Ms. Drehbol has looked at utility best practices and highlighted approaches by three programs/utilities: Efficiency Vermont, DTE’s Payment Troubled Pilot Program (Michigan), and ComED’s Distressed Communities approach (Northern Illinois). We encourage the Commission, utilities, and the Energy Trust of Oregon to continue to improve Oregon’s approach to delivering energy efficiency by taking on lessons and best practices from those and other successful programs that are reducing the risk of disconnection through energy efficiency. Importantly, we encourage this Commission to recognize that imposing cost-effectiveness tests on low-income energy efficiency measures limits the ability of those programs to be equitable.³²

Generally, responding utilities were hesitant with these suggestions. Pacific Power succinctly stated:

PacifiCorp does not support providing the Energy Trust of Oregon with individual customer usage and billing data. OAR 860-086-0040(2) prohibits sharing customer information.³³

Similar to Pacific Power, Avista states:

While OAR 860-086-0040(1) already requires Avista to provide the Energy Trust of Oregon (ETO) with specific proprietary customer information, including usage data, for purposes of energy conservation,

³¹ Joint Stakeholders September 27, 2021, Workshop Series - Advocates’ Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

³² *Ibid.*

³³ Pacific Power, November 8, 2021, UM 2114—PacifiCorp’s Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

OAR 860-086-0040(2) prohibits the transfer of – among other things – credit information, billing, and payment history. In addition, although not explicitly stated within this rule, the Company believes energy assistance information is proprietary to each customer. Oregon Housing and Community Services (OHCS) already tracks such information for weatherization participants, and Avista also reports weatherization information, in aggregate, to the Oregon Public Utility Commission (OPUC or Commission).³⁴

Staff contends that this transfer is not prohibited by OAR 860-086-0040. Further, per OAR 860-086-0040(7), when a utility and the program administrator (currently Energy Trust) cannot agree on terms for an information transfer, the Commission may set the terms and conditions. Based on information from the Commission's energy efficiency Staff confirming this, the Commission can authorize utilities to send these elements of customer data to the Energy Trust.

Although this exchange of information would be valuable, Staff does not make a recommendation concerning additional customer information sharing with the Energy Trust. These are longer term issues that are ripe for discussion in other forums, including UM 2114 Stipulated Agreement Paragraph 31 workshops (Energy Efficiency), HB 3141 workshops, and other Energy Trust meetings centered on low-income customers.

Medical Certificates

In his September 29, 2021, email to Parties, the DEI Director offered the following two suggestions concerning medical certificates:³⁵

- Maintain two month self-certification (OAR 860-021-0410).
- Maintain removal of requirement to enter a TPA (OAR 860-021-0415).

In their September 27, 2021, letter to the Commission, Joint Stakeholders state that the option for initial self-certification for customers with medical certificates should be permanently extended.

³⁴ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

³⁵ DEI Director email, September 29, 2021.

- 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.³⁶

With the exception of NW Natural, responding utilities support maintaining the two-month self-certification. NW Natural, in its November 1, 2021, letter to the Commission states:

The current practice of providing customers a longer time-period in which to provide the certification required by OAR 860-021-0410 was the result of the impact of the pandemic before vaccines when the activity of daily life was confined to one's home. Now that vaccines are available and vaccination rates continue to rise, the population is moving about more freely, and medical appointments can occur. In addition, the increased availability and use of tele-health services offers another opportunity to obtain the required certification. Given these improvements since the waiver for certification was enacted, it may no longer be appropriate to extend the period for certification.³⁷

Although Staff agrees that vaccines are widely available, customers may still need additional time to schedule medical appointments and follow-up appointments. In a rulemaking, Staff will propose that the two-month self-certification become permanent.

Concerning the proposal to not require time payment arrangements for customers on medical certificates, responding utilities were generally unsupportive. NW Natural explains its position as follows:

The existing rules under OAR 860-021-410(5) clearly indicate an emphasis that a medical certificate should be linked with a requirement to pay. NW Natural believes this linkage should continue to be part of

³⁶ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

³⁷ NW Natural, November 1, 2021, UM 2114 – NW Natural's Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

the medical certificate process. NW Natural notes that our customers with medical certificates receive an individualized level of customer service through our dedicated team that handles all medical certificate cases. This team assists customers with medical certificates in establishing time payment arrangements (TPAs), renegotiating TPAs whenever necessary, connecting these customers with Energy Assistance, individualized notices and call-aheads and obtaining permission from Staff prior to disconnection for non-payment. This individualized attention given to medical certificate customers ensures a higher level of assistance in preventing the conditions that would result in a disconnection for non-payment.³⁸

Staff agrees with responding utilities on not eliminating TPAs for customers on medical certificates. During workshops, utilities explained that they have specially trained consumer representatives that handle customers on medical certificates. The Commission also has a dedicated Compliance Specialist for issues and concerns surrounding medical certificates. As such, customers on medical certificates are given specialized attention to keep them connected.

Additionally, over the past year, all Parties have seen the strain and detrimental effects of high arrearages. TPAs are an effective tool to help keep customers connected and mitigate debt. As a result, Staff will not propose changes to this requirement in a rulemaking. With that said, stakeholders can propose any changes during rulemaking workshops.

Reviewing, and updating, if necessary, severe weather moratorium rules

OAR 860-021-0407, Severe Weather Moratorium

This rule prohibits disconnections of residential customers when the forecast high temperature for any day is less than 32 degrees, and remains in effect until the forecast high reaches 32 degrees or higher. It also prohibits disconnections on days when a Heat Advisory has been declared, and remains in effect until the Heat Advisory is lifted.

Table 2 below highlights the number of days the moratorium was in place for utilities for third and fourth quarter 2019 (pre-pandemic) and quarter three from the beginning of disconnections.

³⁸ *Ibid.*

Table 2 - Severe Weather Moratorium Days (Based on utility reporting)

	2019						2021		
	Aug	Sep	Oct	Nov	Dec	Jan	Aug	Sep	Oct
PGE	1	0	0	0	0	0	3	0	0
PAC	2	0	0	0	3	2	2	0	0
IPCO	NA	NA	NA	NA	NA	NA	NA	NA	NA
NWN	0	0	0	0	2	2	0	0	1
CNG	0	0	10	12	11	12	0	0	0
Avista	5	0	0	5	1	1	5	0	0
Avista*							23	10	0

Avista* - In 3rd Quarter 2021, Avista suspended disconnections on days where the Air Quality index exceeded 100 as directed in Commission Order No. 21-236
<https://apps.puc.state.or.us/orders/2021ords/21-236.pdf>.

Idaho Power shows as “NA” because it has a winter protection program that suspends any disconnection due to unpaid balances from December 1 to March 1. The program is available to families that have children 18 years or under, household members 62 years or older, or persons whose health or safety would be seriously impaired by the loss of service. The total amount due for winter energy use is due on March 1.³⁹

As can be seen from Table 2, the severe weather moratorium, with the exception of Cascade Natural Gas, was in effect on very few days.

In its September 27, 2021, letter to the Commission, Joint Stakeholders stated that the severe weather moratorium must evolve into a health-based approach. Specifically:

- Permanently incorporate air quality and wildfire impacts as conditions that trigger a moratorium.
- The moratorium should begin when a severe heat or winter weather event watch and warning is forecasted or expected (i.e. when a watch is declared or when high or low enough temperatures reasonably expected to trigger a watch are in the forecast), and when AQI higher than 100 is forecasted.

³⁹ www.idahopower.com.

- People disconnected prior to a severe weather event should be reconnected, at least temporarily, and regardless of payment.
- Outreach to disconnected people or share that information of who is disconnected with local fire and emergency management.⁴⁰

In his September 29, 2021, email to Parties, the DEI Director suggested the following concerning severe weather moratoriums:

- Add three days before and after 32 degrees.
- Add three days day before and after a heat advisory.
- Potentially add a reconnection rule for customers recently disconnected.

Generally, the utilities did not support the three days prior and three days after both a Heat Advisory and the 32 degree temperature standard. In comments, Pacific Power stated:

PacifiCorp notes that the severe weather moratorium was adopted in 2017 and has been useful in protecting customers from having service disconnected for non-payment on forecasted days of very low and high temperatures.⁴¹

Add three days before and after 32 degrees

On this suggestion, Pacific Power goes on to state:

PacifiCorp does not support adding three days before or after a forecasted 32-degree day. OAR 860-021-0407 was recently adopted and was based on collaborative efforts of the Commission, the utilities, and the stakeholders to provide sufficient protection for customers on forecasted cold days, defined as being at or below 32 degrees. Adding three days before and after a 32-degree day is not practical due to the change in forecasted weather from day-to-day, and would require much more tracking and changing of utility resources and plans on a daily basis. PacifiCorp believes the protection in place for the forecasted 32-degree day in question is sufficient protection.

⁴⁰ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

⁴¹ Pacific Power, November 8, 2021, UM 2114—PacifiCorp's Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

Add three days before and after a heat advisory

Similar to above, Pacific Power states:

PacifiCorp does not support adding three days before or after a heat advisory, for the same reasons listed above for not supporting three-day protection before and after a 32-degree day.⁴²

As Staff examined weather data, Staff realized a problem with the 3-day lead up is that forecasts change constantly. If a moratorium day is called three days ahead of a forecast daily high of say 31, then the next day the weather changes and temperatures never go below freezing, a moratorium will occur even if the temperatures never go below freezing.

Likewise, if a weather forecast does not give three days' notice of impending temperatures below freezing, disconnects might still be allowed even if the high temperatures drop below freezing. As a result, Staff agrees that it may be too difficult to manage, resulting in unintended consequences.

As shown above, the existing severe weather moratorium results in very few days where service cannot be disconnected. As a possible solution to make the severe weather moratorium more effective, Staff will propose that the severe weather moratorium also occur when a Winter Storm Warning is issued by the National Weather Service for a particular area of the state.⁴³ This suggestion will protect customers during severe winter events (high winds, snow, and other dangerous winter elements) even if the temperature does not fall below 32 degrees.

It is also important to note that the existing rule allows a utility to offer a Winter Protection Plan to protect customers who are unable to pay their bill from being disconnected during the winter period.

⁴² *Ibid.*

⁴³ Winter Storm Warnings are usually issued when dangerous winter weather is expected, occurring, or imminent. The weather can become life-threatening. Criteria includes snowfalls of 6 inches or more in 12 hours, 8 inches in 24 hours, or lower amounts if accompanied by strong winds or a combination of dangerous winter elements, <https://www.weather.gov/>.

Severe Weather Reconnection Rule

Concerning adding a reconnection rule, Avista states:

With regard to the institution of a reconnect rule during periods when it is forecasted to be below 32 degree, such a rule may helpful to customers. If such a rule is entertained, recently disconnected customers (i.e., those disconnected in the past 24 hours) should be required to contact the utility to have their service reconnected and a minimum payment should be required. Not requiring a minimum payment not only conflicts with the existing rule outlined in OAR 860-021-0335(2), but it also results in discriminatory treatment of similarly situated residential customers in different times of the year.⁴⁴

NW Natural believes that a reconnection rule should not apply to gas utilities.⁴⁵

Staff understands the difficulty of natural gas companies in attempting to reconnect customers. Staff, during rulemaking, will recommend such a rule for natural gas companies that includes some type of minimum payment to be reconnected on a day subject to the severe weather moratorium.

Concerning electric utilities, both PGE and Pacific Power have the ability to reconnect customers remotely. During a rulemaking, Staff will propose that customers of an electric utility using AMI be reconnected remotely during a severe weather event in order to help prevent any casualties that may occur during extreme weather.

Add Air Quality Index (100 and above (or 150 and above)) to the rule

With the exception of NW Natural that recommends an AQI of 150 and above,⁴⁶ utilities and Joint Stakeholders were supportive of developing a rule that places a moratorium on disconnections when the AQI is 100 or higher.⁴⁷

NW Natural in its November 1, 2021, letter stated:

⁴⁴ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

⁴⁵ NW Natural, November 1, 2021, UM 2114 – NW Natural’s Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

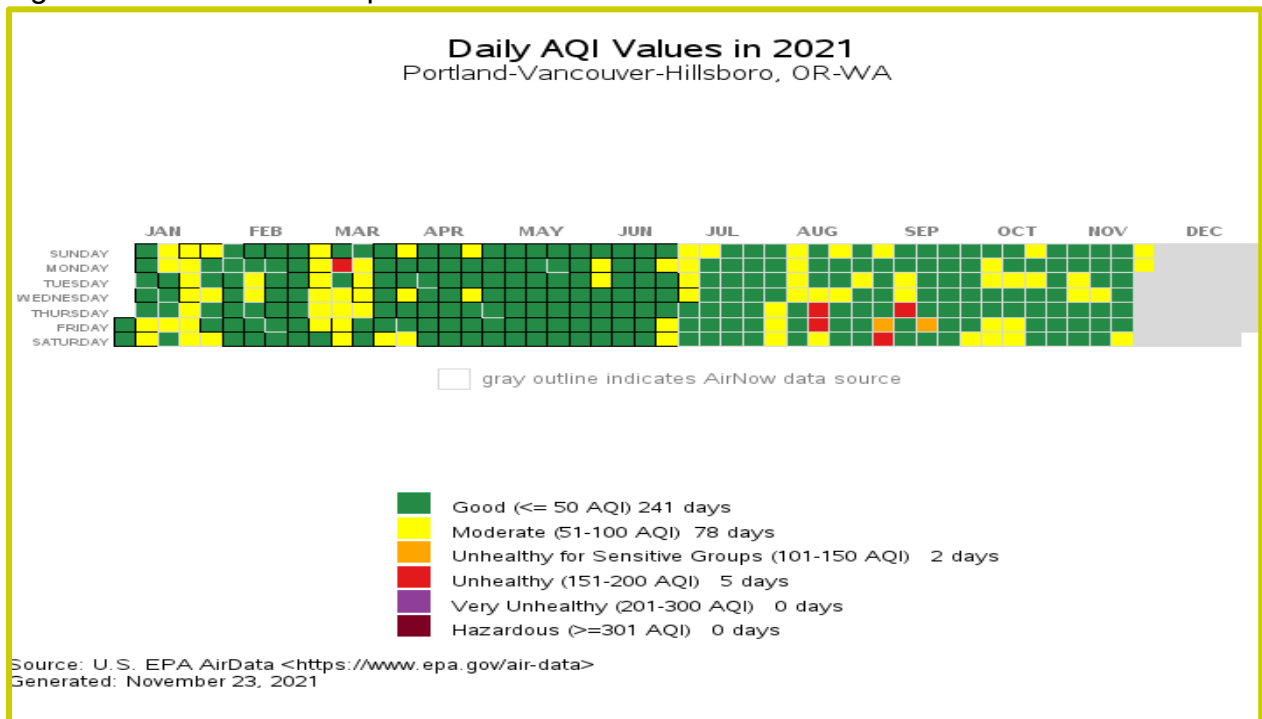
⁴⁶ Some members of the general public may experience health effects; members of sensitive groups may experience more serious health effects.

⁴⁷ Members of sensitive groups may experience health effects. The general public is less likely to be affected.

For future rulemakings, NW Natural would encourage setting this threshold consistent with proposed Oregon OSHA rules (currently proposed at 150 AQI). NW Natural suggests that any rule should reference the Oregon OSHA rule without specifying an exact AQI level to promote consistency between the rules and avoid confusion for utility operations.⁴⁸

Staff understands NW Natural’s suggestion to align Commission rule with OSHA rule; however, the current moratorium has worked effectively and should be continued. The following figure highlights 2021 AQI in the Portland Metropolitan Area.

Figure 1 – Portland Metropolitan Area 2021 AQI



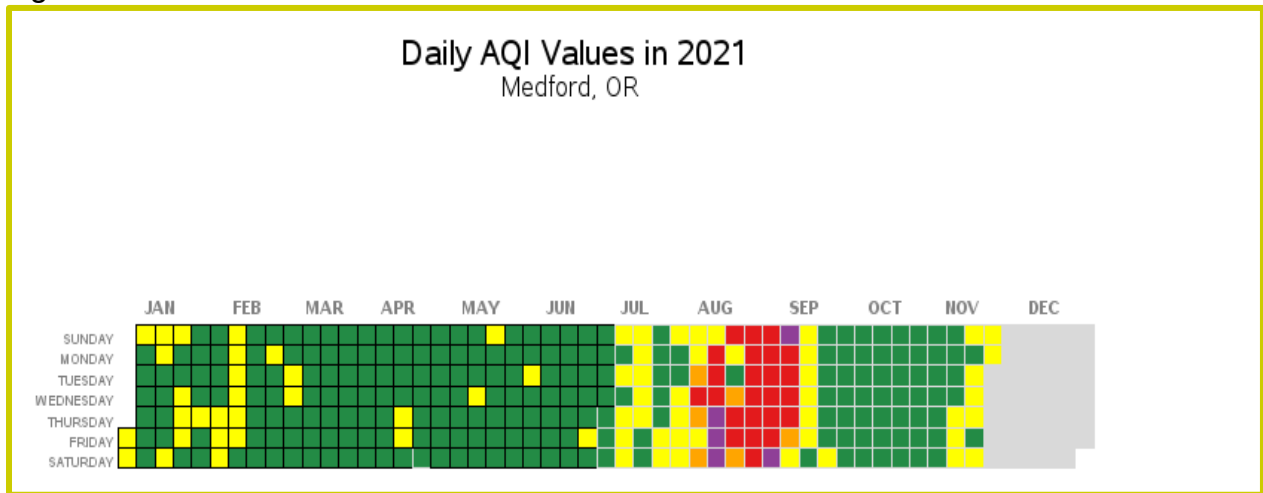
As Figure 1 demonstrates, there were only two days of AQI being between 101 and 150. Additionally, these two days were on Fridays where the customer would probably not have been disconnected according to OAR 860-021-0329, Disconnection of Service on Weekends and holidays, which states:

⁴⁸ NW Natural, November 1, 2021, UM 2114 – NW Natural’s Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

Utility service shall not be disconnected for nonpayment on a weekend or a state- or utility-recognized holiday. Utility service shall not be disconnected for nonpayment on a Friday or the day before a state- or utility-recognized holiday unless mutually agreed upon by the customer, utility, and the Commission’s Consumer Services Division.⁴⁹

Figure 2 below examines AQI in Medford, where there was significant 2021 wildfire activity and is serviced by both Pacific Power and Avista.

Figure 2 – Medford Area 2021 AQI



Based on the higher occurrence of 100+ AQI in areas prone to wildfires, Staff will recommend that in any rulemaking, the 100+ AQI moratorium be maintained.

Wildfire Displacement

The DEI Director in his September 29, 2021, email to parties included two suggestions concerning wildfire displacement:

- Add wildfire displacement (no disconnects during an evacuation order; or the day of and day after the order has been lifted) to the rule.
- Potentially add a reconnection rule for customer’s impacted by wildfires and recently disconnected, i.e. last 72 hours.⁵⁰

There was generally support for these two suggestions. As Avista stated in its October 29, 2021, letter to the Commission:

⁴⁹ OAR 860-021-0329.

⁵⁰ DEI Director email, September 29, 2021.

Avista supports a wildfire displacement rule where no disconnects can occur the day of and the day after an evacuation order is lifted. The Company also supports the addition of a reconnect rule for customers impacted by wildfires who were recently disconnected. While Avista supports the addition of a wildfire displacement rule, there is not currently an official notification system through which the Company is made aware of evacuation orders, especially in instances where the evacuation impacts minimal customers. This lack of an evacuation specific notification system may cause scenarios where the Company is unaware of an evacuation order, rendering it unable to comply with the above disconnection/reconnection provision. If these wildfire displacement guidelines are imposed, Avista is committed to implementing these provisions to the best of its abilities, given the notification impediments described above.⁵¹

In any rulemaking, Staff will propose a wildfire displacement rule where no disconnects can occur during an evacuation order; or the day of and day after the order has been lifted. Additionally, Staff will propose an addition of a reconnect rule for customers impacted by wildfires who were recently disconnected.

Winter Protection Plan

The DEI Director in his September 29, 2021, email to parties included the following suggestions for incentives for a winter protection plan.

Add an incentive for utility to have a winter protection program, potentially incentivizing a program that would ban disconnections from Dec 1st – March 1st for customers receiving energy assistance, any customer having difficulty paying their bill if the household has children under 18 years old, people 62 years or older, or people whose health would be threatened by the loss of service. (This would be in lieu of the 32 degree protection listed above).⁵²

In their September 27, 2021, letter to the Commission, Joint Stakeholders discuss the importance of a winter moratorium and state:

⁵¹ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

⁵² DEI Director email, September 29, 2021.

In the last months, we have identified important and necessary improvements to the existing severe weather moratorium rules, like air quality and wildfire impacts. Additionally, we as Advocates have come to understand that halting disconnections starting on the day that an excessive weather event is forecasted may be too late, and that a moratorium should begin the moment a severe weather event is in the forecast. Similarly, we learned that we must prioritize reconnecting those who have been disconnected prior to a severe weather event, at least temporarily and regardless of payment. Additionally, we should recognize that utilities will likely be the only organizations with up to date information on who is disconnected and should either do outreach to those people or share that information with local fire and emergency management.⁵³

Both Avista and Idaho Power have winter moratoriums in place for Idaho customers. Avista in its October 29, 2021, comments to the Commission provides information on the program:

The Company has a similar moratorium in place for its Idaho customers and based on the historical data, Avista does not believe the moratorium is in the best interest of the customers it serves. While it may provide protection from disconnection of service for nonpayment during the winter months, it also serves to exponentially amplify customers' past due balances to—in many cases—an unsurmountable debt. Under this moratorium, Avista's Idaho residential customers who declare they are unable to pay their bill in full and have children, elderly, or infirm in the household, qualify for a winter moratorium starting December 1st lasting through the end of February. On March 1st, payment is required for the balance in full.⁵⁴

⁵³ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

⁵⁴ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

Avista goes on to state:

...414 customers who enrolled in the 2020-2021 winter moratorium still have arrears in mid-October that are over 120 days past due. Even more notable, some customers within this data set are still dealing with arrears from their enrollment in winter moratorium during the 2019-2020 heating season.⁵⁵

Idaho Power also addresses a winter moratorium:

The Company currently offers a Winter Protection Program which protects Eligible Customers from being disconnected for nonpayment from December 1st through the end of February. Although the Company believes Winter Protection Programs should be in place to protect the health of medically at-risk customers or occupants, it does not support including receipt of energy assistance as a qualifying measure for program participation for medically healthy households.

Additionally, the Company proposes “infirm” be used opposed to the current suggestion of “people whose health would be threatened by the loss of service.” The suggested verbiage may allow broad entrance by currently healthy individuals into the Company’s Winter Protection Program and therefore may not adequately balance protecting medically at-risk customers or occupants with mitigating the excessive accumulation of past due balances.⁵⁶

NW Natural, which currently does not have a winter moratorium, states:

NW Natural appreciates Staff bringing forward innovative approaches for consideration. Commission Staff should expand on their vision of this potential program and further clarify how it could work. NW Natural notes that such a program should also include a time payment arrangement, like the medical certificate process.⁵⁷

Staff believes that some form of winter moratorium is ripe for discussions during any rulemaking. NW Natural’s suggestion of combining time payment arrangements with

⁵⁵ *Ibid.*

⁵⁶ Idaho Power, October 29, 2021, UM 2114 – Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

⁵⁷ NW Natural, November 1, 2021, UM 2114 – NW Natural’s Response to Staff’s Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15240.pdf>.

a winter moratorium, coupled with Idaho Power's suggestion that such a program be in place to protect the medically at-risk customers or occupants offers a solid starting ground to develop a program in Oregon.

Basic Energy Allotment when customers are disconnected

The DEI Director in his September 29, 2021, email to parties included the following suggestions for basic energy allotments:

- Customers essentially wouldn't lose all access, but still retain access to a minimal (lifeline) amount of energy for a given period of time as they obtain funding to be reconnected.
- Funded through a blend of tariff/voluntary-giving programs.
- May require investments in smart/net meters or other infrastructure investments.⁵⁸

These suggestions are in line with general comments from Joint Stakeholders comments that highlight creative solutions to keep customers connected. In their September 27, 2021, letter to the Commission, Joint Stakeholders state:

We would like to better understand the idea we heard from other stakeholders about ensuring that everyone has a base level of access to energy utility service regardless of ability to pay. As we understand it, this approach would make sure that people who are "disconnected" would still have a base level of service per period.⁵⁹

Joint Stakeholders go on to state:

We need consistent and permanent programs to address energy burden and energy poverty. Despite current and temporarily increased levels of energy assistance, there is not enough energy assistance to meet the need. Besides, energy assistance is not meant to alleviate a family's energy burden or energy poverty, and it does not do that. Indeed, a lump-sum, one-time payment, does not get a family to a place where less than 6% of their budget goes to energy on a consistent basis. We need ongoing, less crisis-focused solutions to complement energy assistance, which is meant to help our community navigate

⁵⁸ DEI Director September 29, 2021, email.

⁵⁹ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>.

moments of crisis.⁶⁰

Additionally, Focus Group participants, once understanding a basic energy allotment, were supportive of the concept.

Generally, responding utilities do not support such a program. Idaho Power points out:

Customers' equipment is designed to operate within a specific voltage range and deviating outside that range would result in power quality issues including the potential for mis-operation and damage to the equipment. As such, the Company is currently not aware of a way to provide a "lifeline" amount of energy, without having control of customers' specific outlets, appliances or loads, while still being able to provide acceptable power quality. Additionally, the investment in infrastructure necessary, if such a proposal were possible, would likely far outweigh any program benefits achieved. Therefore, the Company does not support a basic energy allotment program after a customer has been disconnected.⁶¹

Pacific Power, which has a sophisticated Advanced Metering Infrastructure (AMI) states:

PacifiCorp does not support providing customers with partial power or a minimal amount of energy. This option is not currently available to customers as it would be unsafe. Additionally, PacifiCorp does not believe this is a technologically feasible option.⁶²

Staff agrees that innovative solutions should be researched and proposed. However, Staff believes that the collaborative and ongoing work in HB 2475 is the ideal forum for such discussion and should be a priority for Utility Program Staff and Parties.

Staff is currently in the process of engaging utilities, consumer advocates, and the environmental justice community on the HB 2475 implementation process, including the possibility of interim bill discount programs that address energy burden in the

⁶⁰ *Ibid.*

⁶¹ Idaho Power, October 29, 2021, UM 2114 – Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

⁶² Pacific Power, November 8, 2021, UM 2114—PacifiCorp's Comments Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac141651.pdf>.

near term. Any interim programs would be in advance of and in addition to a robust and in depth investigation into differential rate design and HB 2475 implementation in 2022.

Staff is confident that the rate or programmatic outcomes of HB 2475 combined with energy assistance, and extended disconnection timeframes, will have profound and permanent impacts on low-income customers' access to safe and affordable utility service.

After the investigation, implementation, and evaluation of differential rates and programs, if other designs or options, such as basic energy allotments, are deemed necessary or warranted, Staff may request to open a subsequent investigation into concepts that further address energy burden.

Voluntary Programs

The DEI Director in his September 29, 2021, email to parties included the following suggestion concerning Voluntary Programs:

We would like to introduce procedure for allowing customers to donate money to a fund for disconnection abatement. This fund will be included on every customer bill and will allow for rounding up, or making a specific donation amount. Those funds would be dispersed to customer's facing disconnection, i.e. to defray costs associated with disconnection. These funds should be dispersed to customers, with minimal (>10% of total funds being spent on administrative costs.).⁶³

Joint Stakeholders in their September 27, 2021, letter generally point out:

Utilities and CAAs should establish programs targeting households consistently at risk for disconnection and who energy assistance cannot serve as well. Most energy assistance programs are first-come, first-served, due in part to the limited funding available in relation to the need.⁶⁴

⁶³ DEI Director email, September 29, 2021.

⁶⁴ Joint Stakeholders September 27, 2021, Workshop Series - Advocates' Recommendations
<https://edocs.puc.state.or.us/efdocs/HAC/um2114hac19146.pdf>

Idaho Power in its October 29, 2021, letter states:

The Company believes its existing voluntary program, Project Share, is similar to the Public Utility Commission of Oregon program proposed by Staff and achieves the same objective. Idaho Power's Project Share 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 and can also be used to pay reconnection fees resulting from an involuntary disconnection.⁶⁵

Avista, in its October 29, 2021, letter also references its voluntary program and refers to a possible rule change:

Avista also recommends an update to OAR 860-021-0335(2) to further support its customers whose services have been disconnected. As an alternative to requiring customers to pay $\frac{1}{2}$ of the account balance plus any applicable reconnection fees to be reconnected, the Company proposes instead to require a payment for $\frac{1}{4}$ of the full account balance, plus any applicable reconnect fees, with arrangements to pay the remaining account balance over 3 months. This approach will not only reduce the amount required for reconnect, but also support customers in paying the outstanding balance over time.⁶⁶

Staff has previously updated the Commission on utilities' voluntary programs and enhancements to voluntary programs. These programs offer unique and additional help to customers facing hardships. As previously mentioned, these programs have the potential to be focused on specific needs, including reconnection charges. Staff will continue to work with utilities on these programs in future UM 2114 Paragraph 28 workshops.

Conclusion

During the past 18 months, the Commission and all Parties have worked together to make positive changes to keep customers connected. There has been a great deal of progress, many lessons learned, and tremendous opportunity for all Parties to continue to work collaboratively to help customers facing difficulties in paying utility

⁶⁵ Idaho Power, October 29, 2021, UM 2114 – Response to Staff's Request for Comments, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac15028.pdf>.

⁶⁶ Avista, October 29, 2021, UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers, <https://edocs.puc.state.or.us/efdocs/HAC/um2114hac10159.pdf>.

bills. Additionally, the Director of Diversity, Equity, and Inclusion will continue the good work being accomplished through the UM 2114 Stipulated Agreement Paragraph 28 workshops to help keep customers connected.

PROPOSED COMMISSION MOTION:

1. Open a rulemaking docket on Oregon Administrative Rules Chapter 860, Division 21 to strengthen customer protections concerning disconnections.