

January 11, 2019

VIA ELECTRONIC FILINGPublic Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: Advice No. 19-001—Schedule 11—Fixed-Bill Pilot for Residential Non-Standard Metering and Schedule 300—Charges as Defined by the Rules and Regulations

In compliance with ORS 757.205, OAR 860-022-0025, and OAR 860-022-0030, PacifiCorp d/b/a Pacific Power submits for filing with the Public Utility Commission of Oregon (Commission) the following proposed tariff sheets associated with Tariff P.U.C. OR No. 36, which sets forth all rates, tolls, charges, rules, and regulations applicable to electric service in Oregon. PacifiCorp respectfully requests an effective date of March 1, 2019.

Eighth Revision of Sheet No. INDEX-4	Tariff Index	Table of Contents - Schedules
Original Sheet No. 11-1	Schedule 11	Fixed-Bill Pilot for Residential Non-Standard Metering
Original Sheet No. 11-2	Schedule 11	Fixed-Bill Pilot for Residential Non-Standard Metering
Third Revision of Sheet No. 300-1	Schedule 300	Charges as Defined by the Rules and Regulations

Purpose

The purpose of this filing is to implement a Fixed-Bill Pilot for customers opting out of non-standard metering.

The company proposes this pilot in response to customer feedback to the monthly meter reading fee for customers who elected to opt out of the company's installation of smart meters. The pilot will mitigate the financial impacts of the \$36 monthly meter reading fee by reducing the number of annual meter reads while protecting customers from the potential for high catch-up bills when energy is used but is not billed in between meter reads.

Background

In advance of its planned advanced metering infrastructure (AMI) deployment, on January 4, 2017, PacifiCorp filed Advice No. 17-001 to add language to Rule 8 to provide an accommodation, or opt-out, to customers that do not wish to have the company's standard metering device (a radio frequency, or AMI meter) installed at their residence or attached to their

home. In addition, a section was added to Schedule 300 to address the costs associated with the AMI meter opt-out.

Advice No. 17-001 was approved by the Commission at the March 21, 2017 public meeting, as memorialized in Order No. 17-113.¹ After receiving feedback from our customers concerned about paying a fee for future removal charge, PacifiCorp filed Advice No. 18-006 on August 3, 2018, to remove the initial \$137 fee associated with future replacement of a non-standard meter with a standard, digital radio frequency meter. Advice No. 18-006 was approved during the August 14, 2018 public meeting and memorialized in Order No. 18-301.²

Since deployment began, the company has received feedback directly from customers regarding the fees associated with opting out from AMI meters. PacifiCorp continues to solicit and to receive feedback from customers about the financial impact of the fees. Customers are requesting an alternative meter reading methodology and flexibility with the frequency of monthly meter reading. In response, PacifiCorp is requesting to implement a pilot program for customers with non-standard meters that will reduce the number of meter reads per year while offering protection from the potential for high catch-up bills when meters are read after multiple months of estimated bills.

Proposed Changes

Fixed-Bill Pilot

PacifiCorp proposes to implement a Fixed-Bill Pilot for qualified customers with non-standard meters. Customers would pay a fixed dollar amount each month with no annual reconciliation against the customer's energy consumption. It is a level payment plan with no annual "true-up". The monthly payment will include an average of the customer's most recent 12 months of energy usage billed on the applicable rate schedule, a 7.5 percent adjustment to account for various risks, and a triannual meter reading fee. The Fixed-Bill Pilot mitigates the financial impact of reducing the frequency of meter reads while offering customers stable pricing.

An eligible customer will pay the same amount each month and have their meter read three times per year. Prior to the end of 12 months, the customer will receive a new offer for the next 12-month period and has the option to continue participation in the pilot. Because the offer is based on the previous 12-months history, the customer is incentivized to conserve energy during the pilot to receive a lower fixed payment offer for subsequent years of the pilot. The customer may discontinue participation in the pilot at any time during the 12 months and will return to a monthly meter reading schedule and any unbilled energy will be billed at the applicable tariff rate.

¹ *In the Matter of PacifiCorp dba Pacific Power, Advice No. 17-001 (ADV 495), Revisions to Rule 8 and Schedule 300 Related to Pacific Power's Transition to Advanced Metering Infrastructure.* Docket No. UE 322, Order No. 17-113 (Mar. 21, 2017).

² *In the Matter of PacifiCorp dba Pacific Power, Advice No. 18-006 (ADV 821), Revisions to Rule 8, and Schedule 300.* Docket No. UE 348, Order No. 18-301 (Aug. 16, 2018).

Eligibility will be limited to only customers with 12 months of billing history at the site with a non-standard meter. Obtaining an accurate representation of the customer annual energy costs is critical to calculating the fixed dollar amount. Customers who participate in net metering, time of use pricing, or have a demand register on their meter will not be eligible for the pilot. A monthly meter read is essential for these customers to benefit from their respective schedules and receive accurate bills. In addition, customers with monthly energy consumption in excess of 3,000 kilowatt hours (kWh) per month will not be allowed to participate in the pilot as the intent is to benefit customers with an average usage pattern and not to subsidize high energy consumers. A recent sample of existing opt-out customers' monthly energy usage indicated 71 percent of these customers did not exceed 1,500 kWh per month, and 14 percent averaged in excess of 2,000 kWh per month. A cap of 3,000 kWh a month will allow the majority of opt-out customers to participate in the pilot.

While on the Fixed-Bill Pilot, customers exceeding 30 percent of the average historic energy consumption may not be able to continue participation in the pilot. The cap on increased energy consumption is necessary to discourage customers from significantly increasing energy use under the pretense the bill will not increase, and to establish a manageable threshold for any additional risk. A cap on increased energy consumption is a feature that is being used by other utilities running similar programs. For example, Georgia Power instituted a cap at a 50 percent increase in energy usage from the same billing period, and Duke Energy and DTE Energy proposed a cap at a 30 percent increase for comparison for continued eligibility. PacifiCorp is requesting a conservative approach to reduce high-catch up bills for customers no longer eligible for the pilot, to manage unbilled energy usage, and to maintain a reasonable risk profile as described below. As the Fixed-Bill Pilot progresses, the threshold will be closely monitored and reviewed, and any modifications to threshold would be presented to the Commission for consideration.

To further protect non-participating customers from additional costs for energy used but not included in the fixed monthly payment, a 7.5 percent adjustment to mitigate risk is included in the monthly payment. The amount is calculated at the onset of the customer participation in the pilot, and will not change until the next 12 month offer is calculated. The percentage is determined by applying PacifiCorp's net power costs to the allowed 30 percent overage to remain on the pilot. The assumption is based on applying the net power cost of \$0.027229 cents to 270 kWh or 30 percent of the average monthly usage of 900 kWh for a residential customer. The amount calculated from this formula or \$7.35, and is 7.5 percent of the 900 kWh net monthly bill amount of \$98.52. While some customers may use more or less, PacifiCorp believes using the average energy usage as the basis of the calculation strikes a balance between recovering costs to provide energy that may not be included in the fixed bill amount and still offering customers a cost effective option.

A comparison of other utilities found a "risk" adder is a common protection in place to adjust for increases in weather-related consumption or other non-related risks. Georgia Power recalculates the risk adder throughout the year, but customers will only pay the applicable risk adder at the time of enrollment for the one year contract. The tariff commits the risk adder to be no greater than 10 percent of the annual usage.

The Fixed-Bill monthly payment will also include a meter reading fee. The monthly amount is calculated by using the existing cost-based fee of \$36 multiplied by the three meter reads and collected over the year, which averages to \$9.00 a month.

Below is an example of a monthly bill on the pilot:

Average bill:	\$80.00
7.5% Adder:	\$6.00
<u>Meter Reading Fee:</u>	<u>\$9.00</u>
Monthly Payment:	\$95.00

The customer pays \$95.00 each month, and in 12 months, a new offer is calculated and the customer has the option to continue participating for the next year. Included in this filing are changes to Schedule 300 to add the triannual meter reading fee to the existing tariff.

PacifiCorp proposes a ramp-in participation cap of 200 participants for the first six months the Fixed-Bill Pilot tariff becomes effective, with an increase to 600 after the first six months, and no cap after the end of the first full year. The ramp-in participation cap will protect the company and non-participating customers from risks relating to any unforeseen costs. Consistent with the provisions of OAR 860-021-0120 (3), PacifiCorp will make pilot participants aware and request customer approval to conduct meter reads less frequently than once a month. The company will be closely monitoring the real time application of this pilot, and will provide a report to the Commission annually with a more expansive summary at the end of three years. Key metrics to evaluate the success of the pilot include monitoring the satisfaction of participating customers, finding a reasonable balance between the costs and the risks, and identifying any unforeseen consequences. Close collaboration with the Commission, our customers, and other stakeholders is imperative to delivering an option benefiting all of our customers.

The company wants all customers to receive the benefits of the AMI technology. However, in order to balance these benefits with the feedback received from customers, community leaders, and local governments, PacifiCorp proposes the Fixed-Bill Pilot to provide another option for customers while at the same time instituting consumer protections against financial impacts caused by estimated bills. Georgia Power has offered a flat bill option since 2001 and reports increased customer satisfaction for participating customers and a high retention for their product. Customers appreciate the predictability of their energy costs, and it provides customers more control over monthly budgets. Customers also appreciate access to more billing options and removing seasonal fluctuations. The company benefits from the program because it provides stability regardless of weather, produces fewer high bill calls, and increases customer satisfaction.

In compliance with OAR 860-022-0025, the company states that the tariff changes proposed in this filing will affect those customers that choose a non-AMI meter and choose to participate in the program described above; therefore the number of customers affected is not known at this time.

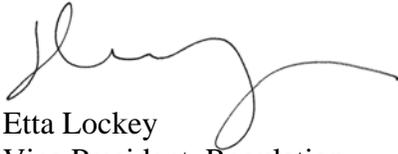
It is respectfully requested that all formal data requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal inquiries regarding this filing may be directed to Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583 or Melissa Nottingham, Manager, Customer Advocacy and Tariff Policy, at (503) 813-5136.

Sincerely,

A handwritten signature in black ink, appearing to read 'Etta Lockey', with a long, sweeping horizontal line extending to the right.

Etta Lockey
Vice President, Regulation

Enclosures

Proposed Tariffs

Schedule No.

OTHER	
8	EEAST On-Bill Repayment Program
9	Residential Energy Efficiency Rider – Optional Weatherization Services – No New Service
10	Voluntary On-Bill Repayment Program
11	Fixed-Bill Pilot for Residential Non-Standard Metering (N)
60	Company Operated Electric Vehicle Charging Station Service
73	Large Customer Curtailment Option
105	Irrigation Load Control Program
115	Commercial and Industrial Energy Efficiency Retrofit Incentives – 20,000 Square Feet or Less– No New Service
116	Commercial and Industrial Energy Efficiency Retrofit Incentives– No New Service
125	Commercial and Industrial Energy Services– No New Service
135	Net Metering Service – Optional for Qualifying Consumers
136	Net Metering Option Volumetric Incentive Rate Pilot – Optional for Qualifying Customers
137	Competitive Bid Option Volumetric Incentive Rate Pilot – Optional for Qualifying Customers
300	Charges as Defined by the Rules and Regulations
400	Special Contracts
600	ESS Charges

FIXED-BILL PILOT FOR RESIDENTIAL NON-STANDARD METERING

Page 1

Purpose

To implement an optional fixed-bill pilot program for residential Consumers who have chosen to opt out of the Company's standard metering and the metering installed requires a manual meter read.

Available

In all territory served by the Company in the State of Oregon.

Applicable

Optional for Consumers who have chosen to opt out of the Company's standard metering and are metered by a nonstandard meter as described in Rule 8 of this tariff, and who are otherwise eligible for service under Schedule 4 Residential Service or have a meter without a demand register and eligible for service under Schedule 23 General Service, Small Non-Residential. This schedule is not available for service in conjunction with net metering or time-of-use schedules. The Consumer must have taken service from the Company at the same site for the most recent 12 months. This schedule is not available to Consumers with an average monthly energy usage over 3,000 kilowatt-hours for the most recent 12 months.

Monthly Billing

The Monthly Billing shall be an equal dollar amount each month for the 12 months of the annual contract period. The monthly dollar amount will be calculated for each individual Consumer as follows:

1. The average of the 12 most recent months' actual energy usage as billed on the applicable rate schedule including all rates and adjustments applicable to that schedule, **plus**
2. 7.5% of the average of the 12 most recent months' actual energy usage as billed on the applicable rate schedule including all rates and adjustments applicable to that schedule, **plus**
3. A charge for the triannual nonstandard meter reading as shown in Schedule 300.

Annual Contract

Each Consumer contracts to the pay the fixed equal Monthly Billing amount for a 12-month period. At the end of the 12-month annual contract period, the bill is not trued up to actual charges. Before renewing the annual contract, the Company will provide the Consumer with an offer that will specify the new Monthly Billing amount for the Consumer for the next 12-month annual contract period.

Before the end of each contract period, the Company will calculate a new fixed equal Monthly Billing amount for the next 12-month annual contract period. This calculation will be based on the most recent 12 months of actual Consumer energy usage available and the applicable tariff schedules at the time of calculation. The Company will provide a new offer to the Consumer at least 30 days before the next 12-month annual contract period. To return to standard billing, the Consumer must contact the Company within 30 days after receiving a new offer from the Company. If the Consumer does not contact the Company, the Consumer will be automatically reenrolled in the Fixed Bill Pilot for the fixed equal Monthly Billing amount specified in the most recent offer provided by the Company.

(continued)

(N)

(N)

Annual Contract (continued)

If the Consumer terminates service at the site or otherwise voluntarily withdraws from this program before the end of the 12-month annual contract period or if the Company terminates the annual contract for reasons set forth in the Special Conditions of this schedule, the Consumer may be subject to true-up of energy consumed but not included in the fixed equal bill calculation based on the standard Schedule 4 or 23 tariff rates. Specifically, for Consumers on this schedule for less than the full annual contract commitment billing period, if the amount of electricity actually used results in a billing amount under standard tariff rates that is greater than the amount the Consumer actually paid under this schedule, the Consumer will be responsible to pay the difference. Consumers will not receive any refund or credit for amounts paid under this schedule if actual usage would have resulted in a lesser billing amount under standard tariff.

(N)

Special Conditions

1. In addition to the Monthly Billing amount above, Consumer will be responsible for all fees and penalties applicable to the account including, but not limited to, late fees and Schedule 300 charges.
2. Meter readings for Consumers taking service under this schedule will be triannual (three times per year). At the discretion of the Company, meter readings may be more or less frequent but will not change the Monthly Billing for the Consumer. The Consumer must provide safe access to the meter.
3. The Company reserves the right to terminate the contract under this tariff and remove a Consumer from this pilot for any of the following reasons:
 - a. The average measured energy usage of the Consumer exceeds the average energy usage assumed in the calculation of the fixed bill amount by 30%.
 - b. The Consumer is disconnected for nonpayment of bills during the program.
4. The Consumer is subject to all requirements and conditions of the otherwise applicable standard tariff unless stated otherwise in this schedule.
5. This schedule is a pilot program and may be terminated at any time if approved by the Commission.

Continuing Service

This schedule is based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a Consumer from minimum monthly charges.

Rules and Regulations

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.

(N)

**CHARGES AS DEFINED BY
THE RULES AND REGULATIONS**
Purpose

The purpose of this Schedule is to list the charges referred to in the General Rules and Regulations.

Available

In all territory served by the Company in Oregon.

Applicable

For all Consumers utilizing the services of the Company as defined and described in the General Rules and Regulations.

Service Charges

<u>Rule No.</u>	<u>Sheet No.</u>	<u>Description</u>	<u>Charge</u>	
2	R2-1	Demand Pulse Access Charge:	\$1,500.00	
2	R2-4	Portfolio Ballot Processing First ballot processed per year All other ballots processed	Free \$5.00	
6	R6-1	Meter Charges: Meter Repairs/Replacement	Actual Repair/ Replacement Cost	
8	R8-1&2	Meter Test for Accuracy: Once in twelve months Two or more times in twelve months	No Charge \$50.00 each	
8	R8-1	Meter Verification Fee	\$20.00 per unit	
8	R8-2	Interval Meter Charge Small Nonresidential Consumers	Actual Cost	
8	R8-3	Non Standard Meter Accommodation Installation of Non-Radio Frequency Meter Monthly Meter Readings Triannual Meter Readings (Sch. 11 Pilot)	\$169 \$36/month \$9/month	(T) (N)
9	R9-1	Deposit: Normal office hours Residential Established high risk Nonresidential No established credit or established high risk	 1/6 estimated annual billing 1/6 estimated annual billing	

(continued)