

REDACTED

Case No. PAC-E-21-07

Exhibit No. 37

Witness: Michael G. Wilding

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Michael G. Wilding

GRID Model NPC Report

May 2021

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF ROCKY) CASE NO. PAC-E-21-07
MOUNTAIN POWER FOR)
AUTHORITY TO INCREASE ITS) Direct Testimony of Melissa S. Nottingham
RATES AND CHARGES IN IDAHO)
AND APPROVAL OF PROPOSED)
ELECTRIC SERVICE SCHEDULES)
AND REGULATIONS)**

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-21-07

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TABLE OF CONTENTS

I. INTRODUCTION AND QUALIFICATIONS 1

II. PURPOSE OF TESTIMONY 2

III. SCHEDULE 300 3

 Returned Check Charge 3

 Temporary Service Charge 5

 Paperless Bill Credit 6

IV. HOUSEKEEPING 7

V. CONCLUSION 7

ATTACHED EXHIBITS

Exhibit No. 38—Calculations Supporting Proposed Charges and Credit

1
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I. INTRODUCTION AND QUALIFICATIONS

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Rocky Mountain Power (the “Company”).

A. My name is Melissa S. Nottingham and my business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. I am currently employed as Manager, Customer Advocacy and Tariff Policy. I am testifying for the Company.

Q. Please describe your education and professional experience.

A. I have a Bachelor of Arts in English from Arizona State University. I began working for the Company in 1996, I and worked in various positions with progressive responsibility for the past 20 years. For the past 10 years, I have been the Manager of Customer Advocacy and Tariff Policy in the Company’s Regulation department.

Q. Please describe your current duties.

A. My current duties include overseeing a team of regulatory analysts who respond to consumer commission complaints, sponsoring tariff changes, ensuring compliance with the Company’s tariff regulations, and participating in general rate cases and other regulatory proceedings for the Company’s six state service territory. In addition, I oversee a team of business analysts responsible for the administration of the contracts for new electrical load and the implementation and operation of the Company’s customer guarantee program. As my team supports the Company’s tariff regulations in each state, we also support changes to Schedule 300, which are the charges associated with the implementation of the regulations.

1 **Q. Have you appeared as a witness in other regulatory proceedings?**

2 A. Yes. I have testified in proceedings before the California Public Utilities Commission,
3 the Oregon Public Utility Commission, the Washington Utilities and Transportation
4 Commission, the Utah Public Service Commission, and the Wyoming Public Service
5 Commission.

6 **II. PURPOSE OF TESTIMONY**

7 **Q. What is the purpose of your testimony in this case?**

8 A. My testimony supports proposed updates to charges in Schedule 300 and a proposal for
9 customers to receive a credit for selecting paperless billing. Additionally, I propose
10 housekeeping changes to Schedule 300 regarding the referenced regulations.

11 **Q. Why is the Company proposing these changes?**

12 A. The proposed changes reflect the Company's continued commitment to keep costs
13 lower for our customers, update charges to align with current labor costs, and to
14 empower customers to control their monthly bills.

15 **Q. Please provide a summary of your testimony and the proposed changes.**

16 A. My testimony supports the Company's proposal to update several customer charges in
17 Schedule 300. The Company reviewed the costs associated with Schedule 300 charges
18 and identified areas where costs have changed. A variety of factors, including
19 automation of returned checks and increased labor costs, have contributed to a change
20 in actual costs to perform work. Accordingly, the Company is proposing to align
21 customer charges to more accurately reflect current costs.

22 My testimony also supports the Company's proposal to implement a monthly
23 bill credit for customers who choose paperless billing ("Paperless Bill Credit"). The

1 proposed Paperless Bill Credit will incentivize customers to either remain on or select
2 this lower cost option and pass the cost savings to those customers. The credit is
3 reflected in proposed tariff changes to Regulation 8 and Schedule 300, which are
4 included in Company witness Mr. Robert M. Meredith's Exhibit No. 49.

5 All of the proposed changes are a continuation of PacifiCorp's ongoing
6 commitment to provide fair and reasonable charges by closely managing expenses
7 while still meeting customers' increasing expectations.

8 III. SCHEDULE 300

9 **Q. Please describe the changes the Company is proposing to the Schedule 300**
10 **charges.**

11 A. Table 1 shows the regulation, a description of the charge, the current charge, and the
12 proposed charge.

13 **Table 1¹**

Regulation	Description of Charge	Current	Proposed
8R.2	Returned Check Charge	\$20	\$12
12R.11	Temp Service Charge - Single Phase	\$85	\$200
12R.11	Temp Service Charge - Three Phase	\$115	\$200

14 **Returned Check Charge**

15 **Q. Please describe the Returned Check Charge.**

16 A. If a customer presents a payment that is returned by the customer's bank, the Company
17 incurs a cost to process the returned payment. Payments can be returned for a variety

¹ The Company proposes to consolidate the single phase and three phase into one Temporary Service Charge, with the same charge amount.

1 of reasons, including, but not limited to, insufficient funds, incorrect account numbers,
2 or closed accounts.

3 **Q. What is the current Returned Check Charge?**

4 A. The current Returned Check Charge is \$20.

5 **Q. What is the proposed change to the Returned Check Charge?**

6 A. The Company proposes to reduce the Returned Check Charge from \$20 to \$12.

7 Additionally, the Company proposes to change the name of the Returned Check Charge
8 to Returned Payment Charge in Regulation 8R.2. As noted above, payments are made
9 in multiple different ways besides a check and can be returned by a financial institution.
10 The change brings the charge in line with current payment activities.

11 **Q. Why is the Company proposing this change?**

12 A. Banks are now able to electronically transfer money from one bank to another bank
13 with less human interaction. This automation of a portion of the return payment process
14 has led to reduced costs to the Company when a payment is returned. Each time the
15 Company's bank receives a returned item, the bank assesses a fee to the Company.
16 These fees account for the majority of the cost to the Company when a customer's
17 payment is not acknowledged as valid. The fee can vary from \$11 to \$16 based on the
18 bank presenting the returned payment, the amount of the payment, and the number of
19 times the payment is presented for payment.

20 While processing these payments has become more automated, labor costs are
21 not completely eliminated. Each returned item requires that a Company employee
22 update the account information and reverse the payment if the billing system has
23 already posted the payment to the account. The labor costs range from \$1 to \$6 per

1 transaction. The Company proposes a \$12 Returned Payment Charge as it closely
2 represents the low-end of the average costs of both the labor and the bank fees
3 associated with these returned payments. See Exhibit No. 38 for the calculation of the
4 proposed charge.

5 **Temporary Service Charge**

6 **Q. Please describe the Temporary Service Charge.**

7 A. A Temporary Service Charge applies when a customer requests the energization of a
8 temporary pedestal for temporary electric service. Temporary pedestals are typically
9 needed for periods when a premise is under construction. The Temporary Service
10 Charge covers the labor cost to bring either a single-phase or three-phase service line
11 to the temporary pedestal and energize the service. Once the service is energized, the
12 requesting customer is billed for the energy used. After the structure is completed, the
13 temporary service is de-energized and the meter is relocated to the permanent meter
14 base.

15 **Q. What is the current Temporary Service Charge?**

16 A. The current Temporary Service Charge is \$85 for single-phase service and \$115 for
17 three-phase service.

18 **Q. What are the proposed changes to the Temporary Service Charge?**

19 A. The Company proposes to increase the Temporary Service Charge to \$200 for all
20 temporary service installations and combine all phases into one charge. The \$200
21 charge is based on the current loaded rate for one hour and 30 minutes of journeyman
22 time, which is the average time to install temporary service for customers.

1 **Q. Why is the Company proposing a change to the Temporary Service Charge?**

2 A. The Temporary Service Charge has not been regularly updated and does not reflect the
3 Company's current cost to provide this service. See Exhibit No. 38 for a summary of
4 the cost calculation.

5 **Paperless Bill Credit**

6 **Q. Please describe the Paperless Bill Credit.**

7 A. The Company proposes to add a credit to Schedule 300 and Regulation 8 to provide
8 customers a monthly credit if they have enrolled in paperless billing.

9 **Q. What is the proposed amount of the Paperless Bill Credit?**

10 A. The proposed monthly credit is \$0.50.

11 **Q. Why is the Company proposing a monthly credit for paperless billing?**

12 A. The Company proposes a Paperless Bill Credit that is correlated to the savings and
13 benefits of not sending a paper bill to a customer when that customer voluntarily enrolls
14 in paperless billing. Electronic delivery of the customer's monthly bill eliminates the
15 cost of the bill paper, the envelope, printing and stuffing of the envelope, and the
16 postage to mail the bill. Eliminating these costs results in savings of approximately
17 \$0.49 per metered service. By passing this savings to the customer in a \$0.50 monthly
18 credit, the Company is encouraging customers to utilize a billing option that is both
19 lower cost and more environmentally friendly. All customers, whether they are
20 currently participating in or are new to paperless billing, are eligible to receive a credit
21 as long as they are enrolled in paperless billing. Please see Exhibit No. 38 for more
22 detail on the calculation of the credit and Mr. Meredith's Exhibit No. 49 for the
23 proposed tariff changes to Schedule 300 and Regulation 8.

IV. HOUSEKEEPING

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Q. What housekeeping changes is the Company proposing?

A. The Company is proposing housekeeping changes to Sheet Nos. 300.1 and 300.2 in Schedule 300 to correct inaccurate sheet references and to Regulation 8.2 to change the name from Returned Check Charge to Returned Payment Charge. Table 2 below summarizes the proposed changes to these tariff sheets that can be found in Mr. Meredith’s Exhibit No. 49.

Table 2

Housekeeping Changes		
Sheet No. 300.1		
<u>Name of the Charge</u>	<u>Old Sheet No.</u>	<u>New Sheet No.</u>
Meter Test for Accuracy	7R.1	7R.2
Fee paid to mobile home operators who sub-meter tenants	7R.2	7R.3
<u>Name of the Charge</u>	<u>New Name of the Charge</u>	
Returned Check Charge	Returned Payment Charge	
Sheet No. 300.2		
<u>Name of the Charge</u>	<u>Old Sheet No.</u>	<u>New Sheet No.</u>
Security Deposit for New Service	9R.2	9R.4
Sheet No. 300.4		
<u>Name of the Charge</u>	<u>Old Sheet No.</u>	<u>New Sheet No.</u>
Customer Guarantee Credit 5: Responding to Bill Inquiries	25R.2	25R.3
Rule 8, Sheet 8R.2		
<u>Name of the Charge</u>	<u>New Name of the Charge</u>	
Returned Check Charge	Returned Payment Charge	

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V. CONCLUSION

Q. Please summarize your testimony.

A. The proposed changes to the Company’s Schedule 300 represent both the ongoing commitment by the Company to keep operational costs low for customers and align

1 customer charges with cost. The proposed Paperless Bill Credit creates an opportunity
2 for customers to manage costs and directly receive the benefits of their choices.

3 **Q. What is your recommendation regarding changes to Schedule 300, Regulation 8,**
4 **and the proposed Paperless Bill Credit?**

5 A. I recommend that the Commission approve the updated charges in Schedule 300, the
6 proposed Paperless Bill Credit in Regulation 8, and the identified housekeeping
7 changes.

8 **Q. Does this conclude your direct testimony?**

9 A. Yes.