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 IDAHO PUBLIC
 UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF AVISTA CORPORATION,) | CASE NO. GNR-U-14-01 |
| IDAHO POWER COMPANY, AND) | |
| PACIFICORP DBA ROCKY MOUNTAIN) | COMMENTS OF COMMUNITY |
| POWER'S PETITION FOR AN EXEMPTION TO) | ACTION PARTNERSHIP |
| CUSTOMER RELATIONS RULES) | ASSOCIATION OF IDAHO |
| 311(4) AND (5).) | |
| _____) | |
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INTRODUCTION

Pursuant to the Commission's Notice of Petition, Modified Procedure, and Order No. 33157, the Community Action Partnership Association of Idaho (CAPAI) hereby submits its Comments in response to the Joint Petition filed by Idaho Power Company, AVISTA Corporation, and PacifiCorp, dba Rocky Mountain Power, on September 30, 2014.

SUMMARY

CAPAI believes that while the suspension of UCRR 311 does present certain advantages to the joint companies and their customers to a very limited extent, it also presents significant risks to vulnerable customers. CAPAI respectfully submits that any approval of the Joint Petition should include certain safeguards to address those risks and be made conditional based

upon a re-assessment of the impacts that the suspension of the rules in question have had on customers on the whole after a year's time.

ANALYSIS

1. Low Income Impacts

The Joint Petition and supporting testimonies provide almost no analysis of how the proposed rule suspension will impact low income customers compared to non-low income. According to U.S. Census data, the poverty rate in Idaho is at least 15.1%. In light of the fact that Avista and Idaho Power specifically targeted customers with higher field visit trips for the purpose of disconnection, and given that the reason for these field visits is most often non-payment, it is intuitive that the customers most likely affected by the Joint Petition will be low income. CAPAI submits that any proposal such as the one at hand that affects rates and service and is discriminatory in nature, is unlawful (Idaho Code Section 61-301 and 1315). CAPAI further submits that the Joint Petitioners have failed to identify sufficient benefits to low income customers to offset the negative consequences of the proposed UCRR rule exemption.

2. Employee Safety

All three petitioners point to employee safety as a basis to suspend Utility Customer Relations Rule 311. In fact, this is the only stated basis for Rocky Mountain Power's position. CAPAI does not question the need to provide adequate safeguards to protect employee safety to the greatest extent reasonably possible and nothing contained in these comments should be construed as any disregard for the importance of that safety. But the fact is that the Joint Petitioners made references to threatening encounters, there has been no reported harm to utility employees reported resulting from knocking on the doors of customers at the time of disconnect.

Incidentally, even though the petitioners rely heavily on the safety rationale, the fact is that the vast majority of customer meters are not capable of being disconnected remotely. Rocky Mountain has none and Idaho Power and Avista have a very small fraction of their meters with remote disconnect capability. Thus, regardless of whether the Joint Petition is granted, the petitioners will still have to send employees to the premises to enter the customer's property and physically disconnect the meters. Avista intends to continue knocking on the door because it believes that it is safer to explain to customers why someone is on their property. Idaho Power has indicated that it will continue to knock on doors during the winter moratorium. Thus, unless and until the point in time when the majority of customers have remote disconnect meters, the safety argument is questionable at best.

The Joint Petitioners fail to note the double-edged nature of the safety concern. CAPAI's concerns about the Joint Petition relate to the most vulnerable of the low income population of customers including the poorest, most elderly, and physically and mentally impaired. As discussed in these comments, an increasing number of customers are living on the thinnest of margins. Some of these customers live in remote areas with extreme weather conditions, many suffer from disabling health conditions, some are elderly and might lack the fullest extent of mental acuity, many lack a car or any reliable means of transportation, some might not have a functioning telephone, and family members or third persons to care for them, some do not have bank accounts as discussed below, and so on.

To further exacerbate matters, low income customers are known to rely more heavily on electric heat making them highly vulnerable during cold weather months. Other customers might have become suddenly and gravely ill with no person caring for them. For these hardest of cases, the final knock on the door and ability to make payment can literally be life-saving. It is

understandable that the utilities do not provide any statistics for such customers, but they fail to even note the impact that the rule suspension might have such as disconnecting someone in the most vulnerable of conditions in the middle of winter depriving them of heat and the means to survive. CAPAI does not suggest that one person's health and safety is any more or less important than another's. CAPAI does query, however, whether the likelihood of harm to an employee from knocking on a person's door is any more likely to lead to physical harm than disconnecting an infirm elderly person who has electric heat during cold weather.

One advantage that the final door knock provides customers is that utility employees who are trained to identify situations involving the type of extreme circumstances listed above, report them to the appropriate authorities. The Joint Petitioners have noted that, on occasions, such employees have deferred disconnection until the matter can be investigated. This local knowledge and expertise of the field visit personnel is priceless to the most vulnerable customers. Suspension of the final door knock rule will terminate this last safeguard and despite what the petitioners intend their practices to be at this point in time, once UCRR 311 has been suspended, they can stop knocking on the door and stop accepting payments immediately without any further notice to anyone and without any further approval from the Commission.

As proposed below, the UCRR 307 third party notification rule is something that the utilities can and should provide education to customers about before any suspension of Rule 311.

3. Payment Options

The petitioners note the various methods by which a customer can pay a bill short of payment at the door prior to disconnect. The one common denominator that these payment methods have, and the critical assumption they rest on, is that all customers have bank accounts and/or transportation. As difficult as it might be to imagine, 5.4% of households in Idaho have

no bank accounts. These customers, referred to as "unbanked," rely on cash to pay for all of life's necessities. For them, a debit card is a just a concept.

Furthermore, 19% of Idaho households do not have adequate bank services to take advantage of the various payment options listed by the petitioners. For these customers, referred to as "under-banked," the ability to set up an auto-withdrawal payment method is equally conceptual.

Finally, some customers do not own a car or have reliable transportation to travel to pay stations or other locations where they can pay their bills in cash.

CAPAI recognizes that it is focusing on a small percentage of customers who are the most vulnerable, but it is precisely those customers who most need the protection that UCRR 311 has provided. For some customers, the payment at the door is their only viable opportunity to pay their past balance due and avoid disconnection.

The availability of pay stations is something that deserves particular attention. To the extent that these locations are relatively accessible, they do provide a certain unique advantage to customers but one problem that has been noted in other states and that should be investigated in Idaho is whether the pay stations instantaneously submit the complete data regarding the payment to the utilities who then are able to instantaneously transmit this to their personnel. As an example, if a customer pays his/her full amount due on the morning that disconnection is scheduled later that day, but the pay station or the utility data center that receives information of payment does not instantly post this payment, the customer remains at risk of disconnection. Given the near-light speed that financial transactions are conducted today, it seems that instantaneous transmission of payment data to all relevant personnel is a reasonable thing to expect.

Another aspect of pay stations that deserves attention is whether there are sufficient numbers of these stations in critical areas. The Commission does not regulate this and if Rule 311 is suspended, there is no guarantee of much of anything, including that pay stations will continue to be made available, particularly in Idaho's many rural areas.

4. Benefits of Rule Suspension Questionable

CAPAI questions whether the proclaimed benefits of suspending the rules requiring final door knock and acceptance of payment will be shared with customers, or are entirely for the benefits of the petitioners and their employees.

The issue of employee safety is of unquestionable importance and inherent value, though it obviously does not have any effect in terms of cost savings or other financial benefits.

The cost savings declared by Joint Petitioners in terms of cost savings related to the retirement and non-replacement of personnel due to decreased field visits seems questionable in light of the fact that, as of this point in time, the vast majority of disconnects will still require a field visit in order to disconnect. As noted, Avista has stated that it will continue to perform door knocks for safety and customer relations reasons and does not disconnect during the winter moratorium. Furthermore, it seems that Joint Petitioners have failed to note that the utilities impose a field visit charge to recover their costs. Thus, all that will change as a result of the suspension of UCRR 311 is that the petitioners are no longer obligated to knock on the door prior to disconnect and accept payment.

Given that even with a suspension of Rule 311, all of the costs currently incurred by the joint petitioners will continue to be incurred, with the exception of the small fraction of remote disconnect meter customers, the claims of cost savings are puzzling to CAPAI. CAPAI is aware that Avista intends to install more remote disconnect meters while Idaho Power has indicated

that it will do so only based on the sole criterion of customers who receive two or more field visits per year. Rocky Mountain has no current plans to install remote disconnect meters. To the extent that these customers can be disconnected at a reduced cost avoiding a field visit altogether, it is apparent that there are cost savings.

5. Risk of Increased Disconnection

As noted in the testimonies of Joint Petitioners' witnesses, the petitioners do occasionally receive payment at the door. Though it is a small percentage of customers who pay in this manner, it does present a final opportunity that, as noted earlier, can literally be life-saving. Idaho Power reported receiving over 11,000 payments at the door during the test period. The ability to pay at the door also provides a benefit to other customers if a customer can avoid disconnection and the often unrecovered costs which are passed along to other customers. The Joint Petitioners have not provided any calculations of those costs. If those relatively few customers who have not been able to bring their past due balances current through conventional means are deprived of this final opportunity, it stands to reason that there will be increased disconnections.

6. Benefits of Rule Suspension

CAPAI is hard-pressed to find any benefits to all customers of suspending Rule 311 with the sole exception of cost savings that will result from not having to make a field visit to those relative handful of customers with automatic disconnect meters. Furthermore, such customers who have been disconnected remotely can be reconnected far faster and at less cost. CAPAI agrees that this is a clear benefit but questions whether there will be sufficient remote disconnect/reconnect meters installed in the near future to offset the many negative consequences of suspending UCRR 311 outlined above.

STANDARD OF REVIEW

The Joint Petition cites UCRR Rules 3 and 9 as applicable to a ruling on the petition. Rule 9 provides:

If unusual or unreasonable hardships result from the application of any of these rules, any utility or customer may apply to the Commission for, or the Commission on its own motion may order, a permanent or temporary exemption.

In addressing this condition as it applies to the Joint Petition, Petitioners state: "Good cause exists to grant the Petitioners' request for an exemption which has the potential to reduce operating costs and increase the safety of utility employees benefitting customers without sacrificing customer service." *Joint Petition at p. 5.*

Even a casual reading of the Joint Petition raises a question as to whether any unusual or unreasonable hardship exists. The employee safety concern, while undeniably important and legitimate, is without any factual support in terms of actual incidents of employee harm. Rocky Mountain Power referred to a tragic incident years ago in Mississippi as support for its concern. CAPAI and its provider network deal almost daily with individuals living hard lives under hard circumstances and for whom the prospect of physical harm is a daily reality. Again, this is a very serious concern and certainly deserves consideration, but the concern works both ways.

Thus, aside from the few remote disconnect metered customers, there will be no cost savings resulting from the rule suspension. This leaves very little factual basis upon which to conclude that the petitioners are suffering unusual or unreasonable hardships and that customers will benefit from offsetting savings. The requirements of Rule 9 have simply not been satisfied by the Joint Petition and supporting testimonies.

RECOMMENDATIONS

CAPAI believes that sufficient basis exists to deny the Joint Petition outright for the reasons outlined above. Having said that, it is not CAPAI's desire to stand in the way of something that has the potential for benefits to customers, even if they won't be realized until some point in the future. But, until there are sufficient numbers of remote meters that allow disconnect/reconnect, it is CAPAI's position that the benefits of suspending the formal door knock requirements have not been met. CAPAI respectfully submits that the Joint Petition is simply premature and should be considered only when facts justify it.

In the event that the Commission is inclined to grant the Joint Petition, CAPAI proposes that a monthly report containing the following be filed by each utility:

1) CAPAI proposes that the Joint Petitioners all file a monthly report with the Commission and all interested persons similar to that already submitted by Rocky Mountain for its low income customers which includes data pertaining to:

- Number of payment agreements in place
- Number of payment agreements with moratorium declaration in past 12 month period
- Agreements with arrears
- Total arrears amount
- Number of past due notices
- Number of final notice letters
- Number of disconnection for non-payment
- Number of same day reconnects
- Number of reconnects within one week

2) CAPAI further proposes that prior to suspension of Rule 311 that the Joint Petitioners notify all customers of all details of the new policy and fully apprise them of their rights under

Rule 307 to designate a third party who must be given notice. Currently, Rule 307 does not state a specific period of time prior to disconnection by which such notice must be given or sent to the 3rd party. CAPAI proposes that the Joint Petitioners be ordered to provide such notice at least one week prior to disconnection.

3) CAPAI also proposes that prior to suspension of Rule 311 that Joint Petitioners provide a written verification to the Commission that its pay stations will have the capability of transmitting payment data to the utility instantaneously and that said information will also be transferred instantaneously to the appropriate company disconnect personnel.

4) CAPAI proposes that any approval of the Joint Petition be made conditional, similar to a pilot program, and that one year after suspension of Rule 311, a proceeding be initiated for the purpose of ascertaining the impacts, both positive and negative, that the rule suspension has had on customers. CAPAI proposes that in the course of this one-year review, the Joint Petitioners provide the following:

- Number of disconnections
- Number of reconnections
- Average length of time between disconnection and reconnection
- Payment type utilized to reconnect utility service.

5) Finally, it is unclear to CAPAI if and how the suspension of rule 311 might affect the customer deposits customers pay when connecting or reconnecting. CAPAI recommends that deposits not change as a result of the Joint Petition.

CONCLUSION

CAPAI appreciates the opportunity to provide input to this important issue and thanks the Joint Petitioners for their cooperation in responding to information requests.

RESPECTFULLY SUBMITTED, this 10th day of December, 2014.

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