

CONSUMER ASSISTANCE



Commission grants utilities' request for waiver from rule requiring face-to-face bill collection

Case No. GNR-U-14-01, Order No. 33229

Feb. 20, 2015 – State regulators have granted a request by Idaho's three major electric utilities to be exempted from a requirement that they attempt to make face-to-face contact with a customer to either collect payment or terminate electric service for nonpayment.

A section of the Commission's Customer Relations Rules requires that utilities try to meet customers at their homes or businesses to give them a final chance to pay a past-due bill to avoid disconnection and also tell customers how they can later have their service restored if they do not pay.

However, Avista Utilities, Idaho Power Company and Rocky Mountain Power say advances in metering, communication and electronic payments negate the need for face-to-face visits and bill collection. Automated meters give utilities the ability to disconnect and re-connect customers from a remote location. Re-connection is quicker with automated metering and customers avoid the extra charge that is imposed – up to \$20 – when an on-site visit is required. The utilities say waiver from the rule will reduce operating costs for customers and increase the safety of utility employees without sacrificing customer service.

Customers already receive multiple notices prior to disconnection, including mailed past-due notices seven days and again three days before disconnection. Twenty-four hours before disconnection, customers receive a telephonic notice or an in-person visit.

Avista and Idaho Power's waiver rule applies to those customers with remote metering capability. But even with the waiver, Avista, which operates in northern Idaho, and Idaho Power, in southern Idaho, are still required to knock and leave a door hanger at businesses and residences that are not equipped for remote disconnection.

Rocky Mountain Power, which operates in eastern Idaho, does not have the type of meters that allow for remote disconnect capability, so it must leave a door hanger notifying customers of upcoming manual disconnect. The waiver does exempt all three utilities from being required to make face-to-face contact and collect payments, per each company's implementation plan.

Idaho Power has installed 14,500 meters with automated connect-disconnect ability. The utility claims that its one-time investment of \$1 million in automated connect and disconnect meters will reduce operating expenses by about \$700,000. Avista has done the same in its north Idaho territory with 600 meters. PacifiCorp, parent company of Rocky Mountain Power, has already discontinued taking payments at the door in Utah, Wyoming, Oregon and California and reports no escalated customer service issues or increased complaints.

The commission attached conditions to the waiver, including the following:

- Utilities must “diligently” attempt to notify customers by phone or in person at least 24 hours before disconnection. The commission declined to quantify “diligent” with a precise number of attempts, but commended Avista for its practice of trying to call customers up to seven times.
- Utilities must educate their personnel and customers about the changes that will occur under the exemption. Idaho Power and Avista must submit a revised plan within 30 days that details how they will notify customers and train employees. The commission accepted Rocky Mountain Power’s plan.
- Idaho Power and Avista must reduce their reconnection charges to reflect the lower cost to utilities to reconnect without having to dispatch field personnel.
- Utilities’ must notify a third-party designated by the customer at least one week before an impending disconnection.

The Community Action Partnership Association of Idaho (CAPAI) said the commission should deny the utilities’ petition, but, if granted, should do only under limited conditions. CAPAI claimed the utilities were not able to meet the rules’ requirement to prove that the rules create an “unreasonable hardship” and that the change discriminates against low-income customers.

CAPAI argued that utilities did not present evidence of physical harm to employees who were trying to collect overdue payments. However, PacifiCorp (Rocky Mountain Power’s parent company) reported 13 physical incidents in its six-state territory during 2012-13 including employees being spit upon, one employee’s leg slammed in a company truck door, one involved in a pit bull attack, one customer attempting to engage an employee in a fistfight, one customer turning a hose on an employee and eight employees involved with customers brandishing firearms. In Idaho, the company reports nine sites where “aggressive customer behavior” was documented. All utilities report aggressive dogs are sometimes used to deter utility personnel.

Waiver from the rule, the commission said, will reduce safety risks to both utility employees and customers and allow customers to realize the benefits of modern metering technologies. The current rule, for example, forces Avista and Idaho Power customers to unnecessarily incur labor and transportation costs, expense that will be avoided through remote disconnection and reconnection. Idaho Power, for example, estimates to save \$700,000 each year. Customers will also avoid the field visit charge, \$16 for Avista customers and \$20 for Idaho Power and Rocky Mountain customers.

CAPAI’s claim that a waiver from the rule discriminates against low-income customers is not borne out by an Idaho Power statistic that only 8% of its 12,743 remote connect/disconnect customers are installed at locations where customers were receiving low-income heating assistance.

The commission did grant CAPAI requests to monitor the exemption's effects on low-income persons as part of their monthly report to the commission and that a third-party designee is contacted at least a week prior to disconnection.

All three utilities claim they have expanded payment methods beyond traditional U.S. mail or payment at local offices. Online and payment-by-telephone options allow customers to make payments from their homes, from any Internet connection or through their mobile phones. The vast majority of customers now make their payments by mail or by online banking methods. Commission staff noted that few customers pay at the door to avoid disconnection, with only 20% of Avista and Idaho Power customers and 14% of Rocky Mountain Power customers paying at the door during a disconnection visit in 2013.

Commission issues annual consumer assistance report

The Consumer Assistance staff responded to 1,747 complaints, and inquiries in calendar year 2014, of which 93 percent were from residential customers.

Breakdown by type of utility:

Contacts regarding telecommunications companies:	25 percent
Contacts regarding energy (electric, gas) companies:	49 percent
Contacts regarding water companies:	11 percent
Misc.:	15 percent

(CenturyLink had 46 percent of telecommunication complaints; Idaho Power had 60 percent and Intermountain Gas 16 percent of energy utility complaints and United Water had 39 percent of water complaints.)

Summary of issues:

Billings	22 percent
Credit and collection issues	34 percent
Miscellaneous	24 percent
Utility rates and policies	8 percent
Telecommunications issues	3 percent
Line extensions and service upgrades	2 percent
Service quality and repair	7 percent

While dispute resolution remains an important task, it is hoped that by working with consumer groups, social service agencies, and utilities, persistent causes of consumer difficulties can be identified and addressed.

Consumer complaints present an opportunity for utilities and the commission to learn the effect of utility practices and policies on people. For example, the unintentional and perhaps unfair impact of a rule or regulation might be discovered in the course of investigating a complaint. In such cases an informal, negotiated remedy may not be possible, and formal action by the commission would be required. The Consumer Assistance Staff's participation in formal rate and policy cases before the commission is the primary method used to address these issues.

While the Consumer Assistance Staff is able to respond to some consumer inquiries without extensive research, about 77 percent of consumer complaints required investigation by the staff. About 52 percent of investigations resulted in reversal or modification of the utilities' original action.

Toll-Free Complaint Line

The commission has a toll-free telephone line for receiving utility complaints and inquiries from consumers outside the Boise area. The toll-free line **(1-800-432-0369)** is reserved for inquiries and complaints concerning utilities. Consumers may also file a complaint electronically via the commission's Website at www.puc.idaho.gov.

REGULATING IDAHO'S RAILROADS

More than 900 miles of railroad track in Idaho have been abandoned since 1976. Federal law governs rail line abandonments. The federal Surface Transportation Board (formerly the Interstate Commerce Commission) decides the final outcome of abandonment applications. Under Idaho law, however, after a railroad files its federal notice of intent to abandon, the IPUC must determine whether the proposed abandonment would adversely affect the public interest. The commission then reports its findings to the STB.

In reaching a conclusion, the commission considers whether abandonment would adversely affect the service area, impair market access or access of Idaho communities to vital goods and services, and whether the line has a potential for profitability.

The Idaho Public Utilities Commission also conducts inspections of Idaho's railroads to determine compliance with state and federal laws, rules and regulations concerning the transportation of hazardous materials, locomotive cab safety and sanitation rules, and railroad/highway grade crossings.

Hazardous material inspections are conducted in rail yards. In 1994, Idaho was invited to participate in the Federal Railroad Administration's State Participation Program. IPUC has a State Program Manager and two FRA certified hazardous material inspectors.

The IPUC inspects railroad-highway grade crossings where incidents occur, investigates citizen complaints of unsafe or rough crossings and conducts railroad-crossing surveys.

Railroad Activity Summary 2014

Inspections	150
Rail cars inspected	1580
Violations	1
Rail cars with defects	88
Crossing accidents investigated	28
Locomotives Inspected	7
Defects within locomotives inspected	0

REGULATING IDAHO'S PIPELINES

Idaho Code 61-515 empowers the Idaho Public Utilities Commission to require every utility to “maintain and operate its line, plant, system, equipment, apparatus, and premises in such a manner that promote and safeguard the health and safety of its employees, customers and the public.”

Pursuant to 49 U.S.C Section 60105, chapter 601, the Idaho Public Utilities Commission is a certified partner with the U.S. Department of Transportation Pipeline Hazardous Material Safety Administration. The federal/state partnership provides the statutory basis for the pipeline safety program and establishes a framework for promoting pipeline safety through federal delegation to the states for all or part of the responsibility for intrastate natural gas pipeline facilities under annual certification.

Under the certification, Idaho assumes inspection and enforcement responsibility with respect to more than 8,300 miles of intrastate natural gas pipelines over which it has jurisdiction under state law. With the certification, Idaho may adopt additional or more stringent standards for intrastate pipeline facilities provided the standards are compatible with federal regulations.

The Idaho Public Utilities Commission has a state program manager and two training and certified pipeline safety inspectors who conduct records audits and field installed equipment inspections on all intrastate natural gas pipeline operators under jurisdiction.

Pipeline Safety Activity Summary

Standard inspection days	175
Compliance inspection days	10
Damage prevention inspection days	0
Construction inspection days	8
Operator Qualification inspection days	12.5
Integrity Management Program inspection days	15
Incident/Accident inspection days	1
Operator Training inspection days	0
Compliance Enforcement Actions:	
Notice of Probable Violation	3
Notice of Amendment	2
Warning Letters	3

This report satisfies Idaho Code 61-214; this is a “full and complete account” of the most significant cases to come before the commission during the 2014 calendar year. (The financial report on Page 9 covers Fiscal Year July 1, 2014 through June 30, 2015.) Anyone with access to the Internet may also review the commission’s agendas, notices, case information and decisions by visiting the IPUC’s Web site at: www.puc.idaho.gov. Commission records are also available for public inspection at the commission’s Boise office, 472 W. Washington St., Monday through Friday, 8 a.m. to 5 p.m.

The Idaho Public Utilities Commission, as outlined in its Strategic Plan, serves the citizens and utilities of Idaho by determining fair, just and reasonable rates for utility commodities and services that are to be delivered safely, reliably and efficiently. During the period covered by this report, the commission also had responsibility for ensuring all rail services operating within Idaho do so in a safe and efficient manner. The commission also has a pipeline safety section that oversees the safe operation of the intrastate natural gas pipelines and facilities in Idaho.

Costs associated with this publication are available from the Idaho Public Utilities Commission in accordance with Section 60-202, Idaho Code, PUC 12-100-2015.

Questions:

Gene Fadness, PUC Public Information Officer
334-0339

gene.fadness@puc.idaho.gov

