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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF ROCKY)	
MOUNTAIN POWERS PETITION FOR)	DOCKET NO. 15-035-_____
LIMITED WAIVER OF R746-200-7(G)(1),)	
NOTICE OF PROPOSED TERMINATION)	
OF SERVICE)	
)	

**ROCKY MOUNTAIN POWER’S PETITION FOR
LIMITED WAIVER OF R746-200-7(G)(1)**

Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”) files this Petition pursuant to the provisions of R746-200-1(F)(2). Rocky Mountain Power seeks an order from the Utah Public Service Commission (“Commission”) granting a limited waiver of R746-200-7(G)(1), Notice of Proposed Termination of Service, for customers electing to receive electronic communications and billings from the Company. R746-200-7(G)(1) addresses the requirement for an energy utility to provide a 10 calendar day notice of disconnection to a customer either in person or by first-class mail. Rocky Mountain Power respectfully requests a waiver of R746-200-7(G)(1) to allow the Company to provide the first notification of past due amounts subject to termination of service to customers by electronic notification for customers who have selected a paperless billing method. For example, customers who choose to receive paperless communications and billings would receive an email

notification of the past due balance and the past due (10-day) notice is available for viewing online.

I. Background

Advances in computer and telephone technology have created new and convenient ways for companies and customers to communicate with one another; including the use of facsimile, cell phones, email, texting, blogging, websites, smart phones, tablet computers and even social networking sites like Facebook and Twitter. Utilities can share new programs and incentives through these electronic channels, including social media outlets. Rocky Mountain Power has incorporated technological advancements into its interactions with customers. For example, customers can obtain utility bill information using their phones and make payments through the Company's website.

Receiving bill notifications electronically is main-stream and customers now expect online services and paperless communications to be readily available through their utilities. Demographic changes and the increased reliance on mobile technology will further increase customers' desire to receive electronic bills and notifications. Companies are progressively moving away from communicating with customers through the U.S. Postal Service ("US Mail") and incorporating newer technology methods to keep up with new generations of customers.

II. Rocky Mountain Power Paperless Billing

Rocky Mountain Power began offering "paperless billing" in 2001. In Utah, Rocky Mountain Power currently has 288,167 paperless billing customers, representing approximately one-third of Rocky Mountain Power customers in the state.

Customers choose paperless billing by activating their Rocky Mountain Power accounts through the Company's website (or "online") and authorizing paperless billing.¹ To complete enrollment in paperless billing, customers must provide a valid email address and agree to the terms of paperless billing, acknowledging they will receive electronic bill notifications rather than paper bills through US Mail. With paperless billing, customers receive an email each billing cycle notifying them their bill is available for viewing online. Customers then log into their secure online account to view their bill, with the option to also pay through the online account. Increased mobility with today's electronic devices such as smart phones, tablets, eReaders and laptops, allow customers to access their email remotely, with or without the internet at home.

III. Governing Authority

Commission rules require two notices of pending disconnection be given to residential customers prior to disconnect; one notice to be given at least 10 calendar days prior to disconnect² and the other at least 48 hours prior to disconnect.³ At issue in this Petition is the 10-day notice and the requirement to provide it to the customer either in person or by first-class mail.

R746-200-7(G)(1) provides in pertinent part:

(1) At least 10 calendar days before a proposed termination of residential utility service, a public utility shall give written notice of disconnection for nonpayment to the account holder. The 10-day time period is computed from the date the bill is postmarked. The notice shall be given by **first class mail or delivery** to the premises and shall contain a summary of the following information:" (Emphasis added.)

¹ Rocky Mountain Power offers a variety of customer service features on its website, such as online payment. This Petition focuses on paperless billing.

² R746-200-7(G)(1).

³ R746-200-7(G)(2).

IV. Specific Request

The Company offers online account management options, including “paperless” communications and billing. With paperless communications, customers receive almost all communications, such as bill availability notifications, newsletters and bill inserts, from Rocky Mountain Power through electronic means. The Company makes customer bill information, including copies of the current billing statement and up to 24 months of past billing statements, readily available for viewing on Rocky Mountain Power’s website 24 hours a day, seven days a week.

With the Company’s current billing process, if any customer’s account has a past due amount owing, when the billing statement is created it will include the customer’s new monthly charges, the past due amount, and the past due (10-day) notice. For paperless billing customers, the Company sends the 10-day notice through the US Mail (R746-200-7(G)(1)) and by an email alerting the customer of the past due amount due and the past due notice/billing statement is available online.

In addition to the 10-day notice of disconnection discussed above, prior to any disconnection of service, Rocky Mountain Power also provides notice to the customer through various communication methods: a five-day notice sent by US Mail (R746-200-7(G)(2)), outbound telephone calls, and physically delivering a door hanger notice to the customer’s service address year-round.

For customers who have selected paperless communications, Rocky Mountain Power is proposing to eliminate the delivery of the paper version of the 10-day notice/billing statement by U.S. Mail or personal delivery. The 10-day notice/billing statement notification would be delivered electronically to alert customers their 10-day past due notice/billing statement is

available for viewing online. Sending a paper copy of the bill/10-day notice to customers choosing paperless communications is both redundant and negates most of the benefits of providing paperless bills.

Allowing the Company to deliver 10-day notices by electronic delivery to customers preferring electronic communications without sending a paper notice through the US Mail will be more efficient, less costly and accomplish the objective of notifying customers of past due balances in a format elected by the customer. Electronic delivery provides for almost immediate delivery and readily highlights the urgency needed for the customer to take action. The Company will continue to deliver five-day notices through the US Mail and will continue to physically deliver door hanger notices 48 hours prior to disconnection. A summary of the current and proposed notices sent to customers is found in the table below.

<p style="text-align: center;">Current Process for <u>Paperless</u> customer account with past due balance</p>	<p style="text-align: center;">Process if Waiver is Approved for <u>Paperless</u> customer account with past due balance</p>
<p>1. Email notification of availability of monthly bill (bill due in 15 business days)</p>	<p>1. Email notification of availability of monthly bill (bill due in 15 business days)</p>
<p>2.(a) Email notification of availability of monthly bill (bill includes new charges and 10 day notice of past due charges). The past due amount and associated due date of past due amount is identified in the email as well as the current month charges and associated due date of current’s month charges. The email subject line is: ROCKY MOUNTAIN POWER PAYMENT PAST DUE; and (b) <i>Send via US Mail regular monthly bill (bill includes new charges and 15 day notice of past due charges)</i></p>	<p>2. Email notification of availability of monthly bill (bill includes new charges and 10 day notice of past due charges). The past due amount and associated due date of past due amount is identified in the email as well as the current month charges and associated due date of current’s month charges. The email subject line is: ROCKY MOUNTAIN POWER PAYMENT PAST DUE.</p>
<p>3. US Mail delivery of final 5-day notice of disconnection</p>	<p>3. US Mail delivery of final 5-day notice of disconnection</p>
<p>4. Telephone call to customer, message left if voicemail available; second attempt made if no answer on first attempt</p>	<p>4. Telephone call to customer, message left if voicemail available; second attempt made if no answer on first attempt</p>
<p>5. Site visit by field representative to leave door hanger notice of pending disconnection 48 hours prior to disconnection if payment is not made</p>	<p>5. Site visit by field representative to leave door hanger notice of pending disconnection 48 hours prior to disconnection if payment is not made</p>

As a way of highlighting the importance of the past due notice, the electronic communication to the customer will include a subject line notifying the customer of a past due amount. The notification to the customer will also contain language reminding the customer of the past due balance and due date, and the need to view and pay the bill and/or contact the Company. Electronic delivery of a past due notice will also allow the customer to access the notice in various forms and in various different locations, such as through mobile electronic devices like laptops, tablets and smart phones.

The Company has conducted customer focus groups to learn customers' preferences for communications. In response to suggestions from customers, the Company is exploring further cost-effective communications channels to add to the notifications discussed above, such as additional emailed due date reminders, outbound telephone messaging, text messaging and development of a smart phone application. The Company also recognizes the need to fashion messages and notices so they are user friendly and easily viewable for smart phone users, and provides the appropriate sense of urgency. A waiver of the requirement to deliver 10-day notices using personal delivery or first-class mail would make the potential of use of all of these communication methods more robust and continue to improve customer service by offering communications in formats preferred by customers.

V. Support

In April 2010, Javelin Strategy and Research conducted a survey of paperless billing customers to assess such customers' perceptions of paperless programs and their overall effectiveness. The simplicity of the paperless bills and environmental concerns were the driving forces behind customers switching to paperless billing. Reasons for switching included a

reduction in clutter, helping the environment by reducing paper waste and ease of receiving historical records online.

While there is potential for customers to not receive electronic communications, such as emails “bouncing back” (or undelivered) or getting caught in a spam filter, no delivery method is perfect. Paper delivery also has its drawbacks. Paper notices can be lost, thrown away, misplaced and even forgotten. The likelihood of a customer not receiving a past due notice through either method is very low. With electronic communications, at the very least customer bills will remain available for viewing online 24 hours per day, seven days per week, and at locations other than the delivery address.

The Company issued 296,788 past due notices to Utah paperless customers in 2014. The cost of sending out a paper past due notice to a customer costs approximately \$0.52 per notice. The Company has already incurred initial, nominal start up expense to automate email notices with specific customer information and the incremental cost to send email notices will be \$0. Electronic past due notices in Utah would achieve costs savings of approximately \$154,330 annually.

In accordance with R746-200-7(G)(1), the Company will continue to deliver Past Due Notices (10-day notices) either by US Mail or in-person delivery to customers who have not chosen paperless communications. Additionally, the Company will continue to deliver 48-hour disconnect notices to all customers either by US Mail or in-person delivery in accordance with R746-200-7(G)(2), however, the Company will do so year-round.⁴

⁴ Mandatory during winter period of November 1 through March 31 in accordance with IDAPA 21.11.01, Section (306)(3).

VI. Experience in Wyoming, Idaho and Oregon

Rocky Mountain Power began providing paperless past due notices in the same manner as being proposed here in the states of Wyoming and Idaho since July 2013. In Oregon, after receiving a limited waiver of the rules, Pacific Power followed suit in June 2014. The Company has not had any consumer complaints filed with the state commissions of Idaho, Wyoming or Oregon concerning this practice.

The Company has reviewed information regarding past due notices, final notices and disconnections for Wyoming, Idaho and Oregon for both paperless and paper billing customers. While the data shows the number of past due notices has increased, it also shows that a smaller percentage of paperless billing customers have actually been disconnected for nonpayment than paper billing customers. Rocky Mountain Power believes that paperless billing customers are more likely to use the technology to schedule a payment closer to the disconnection date, and that the customers are aware of the timing required to avoid disconnection.

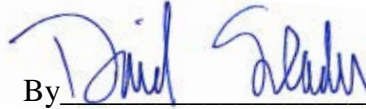
VII. Waiver

Commission Rule R746-200-1(F)(2) allows the Commission to grant waivers of residential utility service rules “[u]pon a showing that specified portions of these rules impose an undue hardship and provide a limited benefit to its customers”. Rocky Mountain Power respectfully seeks waiver of the specific provisions of R746-200-7(G)(1) requiring 10-day disconnect notices to customers be delivered in person or by first-class mail. Based upon advances in technology, this rule provides limited benefit to the customers, and good cause exists to grant the Company’s request for waiver. As more fully explained above, the Company desires to electronically deliver 10-day disconnect notification to those customers who have chosen to receive paperless bills and communications from the Company. Such a waiver would allow

Rocky Mountain Power the ability to more quickly deliver the notices in a format preferred by customers.

Dated this 25th day of February, 2015.

Respectfully submitted,



By _____
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