

Deferred Payment Plans

February 1, 2021

Arrearage Management Workshop

Avista

- ▶ Avista can implement Deferred Payment Plans by April 1, 2021. Avista's existing IT workforce could address the development of a DPP.
- ▶ Would need to start immediately. Costs to implement DPPs will be approximately \$11,000 (100% Oregon-allocated).
- ▶ Customer Care and Billing (CC&B) system has existing functionality that can be used to support offering DPPs, although the functionality was not designed for this purpose (Dispute Resolution). This dispute service process will be duplicated through configuration and repurposed to offer DPPs.
- ▶ Any customer who has an arrearage balance would qualify for a DPP, similar to all other forms of required time payment arrangements.
- ▶ Avista does not see much of a benefit of offering DPPs. If a customer has been unable to pay their current charges, which lead to the arrearage debt they are facing, it is unlikely they will be able to pay their current charges while on a DPP.
- ▶ Because of seasonality with natural gas use, DPPs would have differing benefits.

Cascade Natural Gas

- ▶ Cascade cannot implement a DPP by April 1, 2021. Cascade estimates a 6-month implementation period from the date any order is issued requiring the company to establish a DPP. This estimate is based on the complexity of the systems changes and testing.
- ▶ The company settled on the total upfront, one-time cost estimate of \$163,609 (100% Oregon-allocated) based on experience with making previous payment/billing related systems changes in CC&B.
- ▶ System Development and Testing activities require the most extensive work and hours.
- ▶ Cascade estimates that DPPs may help 286 residential customers and 419 customers.
- ▶ Cascade does not see a benefit of offering a DPP given the extended proposed TPA after consideration of an upfront debt forgiveness program.

NW Natural

- ▶ NW Natural teams developed a timeline and sequencing that indicate a total of a minimum of 61 business days to develop a DPP. NW Natural prioritized the AMP to fulfill the requirement before the April 1 disconnect resumption date as agreed to in UM 2114. As such, the AMP will undergo development during the January-March timeframe.
- ▶ NW Natural's conservative estimate of the cost for developing the DPP is about \$290,000 (100% Oregon-allocated). This estimate was based upon the expected hours of programming, testing and project management by internal and external resources.
- ▶ NW Natural's understanding that the DPP could be made available to all commercial and residential customers with a past due balance. Per NW Natural's updated RG 94 COVID-19 data report for November 2020, there are approximately 53,440 residential and 3,826 commercial customers with past due balances that could participate in the DPP.
- ▶ NW Natural finds the benefits of the DPP to be limited on its own and particularly in comparison with the AMP and existing flexible payment plan options, NW Natural does not recommend or anticipate offering the DPP.

Idaho Power

- ▶ Idaho Power estimates the work necessary to implement the DPP would require 12-16 weeks to implement from the time requirements are finalized. As such, a DPP would most likely not be ready by April 1, 2021.
- ▶ Maximum estimate of \$141,158 (100% Oregon-allocated) includes all customers who might qualify for the DPP plus an additional manual process cost of \$16.79 per customer due to manual intervention once a customer is enrolled.
- ▶ As of November 2020, Idaho Power's estimate of the number of customers who could qualify for a DPP based on active accounts 31+ days in arrears in each of the referenced classes are as follows:
 - ▶ a. Residential: approximately 1,462 customers
 - ▶ b. Small Commercial: approximately 132 customers
- ▶ Because implementing a DPP will result in an increase of overall costs, Idaho Power believes that working with customers to determine payment arrangement terms that offer additional time to pay down balances may provide more flexibility and benefit to customers than deferring past due balances to a future point in time.

PGE

- ▶ PGE will not be able to have a successful DPP program in place by April 1, 2021. If there were agreement to stand up a DPP program, PGE would need six months to successfully implement the program.
- ▶ PGE estimates that the cost of implementing a DPP program is approximately \$500,000; 100% of the cost would be allocated to Oregon. Most of work to implement a DPP would have to be done by 3rd party contractors.
- ▶ PGE believes the best approach to the DPP would be an automated approach for the two-year duration of the program. Manually managing a DPP will not allow for any bill (paper/electronic) changes, which could negatively affect customers and require additional staffing resources to administer.
- ▶ Any residential and small commercial customer (defined as Schedule 32 & 83) 31 or more days in arrears with the ability to make regular monthly payments would qualify for a DPP.
- ▶ PGE does not recommend a DPP program and believes customers are better served by other options, like PGE's Bill Assistance options (PGE's AMP) or time payment options.

PacifiCorp

- ▶ PacifiCorp will offer customers a deferred payment plan by April 1, 2021.
- ▶ PacifiCorp has a short term and temporary process (manual workaround) ready to deploy the first quarter of 2021. In order to fully automate the process, including updating the billing system, the interactive voice response, and the website, the costs are unknown at this time.
- ▶ Residential customers who have an arrears balance will be eligible for a DPP. Small Commercial customers who have an arrears balance will be eligible for a DPP.
- ▶ The number of customers, residential and small commercial, who are eligible will be determined by the number of customers who have arrearages in April, 2021 but as of November 2020, over 81,000 residential customer accounts and 7,200 non-residential accounts had an arrears balance.
- ▶ PacifiCorp intends to conduct further analysis of the success and benefits of DPPs once the Company has had an opportunity to provide DPPs to customers and review the results.