



COVID-19 Workshop #1 – Questions

Please be prepared to discuss your responses to the questions below at Workshop #1 on Tuesday, June 30 from 1-5 p.m. The agenda and meeting format details will be provided soon.

If you would like to submit written comments, please do so by 8 a.m. Monday, June 29 to shelly-ann.maye@state.or.us.

Questions for All Participants

- 1. What obstacles have customers identified when dealing with utility bill arrearages? How are those obstacles unique for different customers, such as individuals without bank accounts, low-income and other vulnerable populations, and urban vs. rural customers, among others?**

In conversations with customers, they have identified delays in business openings as an obstacle, as the seasonal or high-risk businesses (i.e., hotels or bars) have not allowed employees to maintain a steady income for the last several months. This has created past due amounts that can be difficult for customers to pay.

It is important to note that since discontinuing disconnections, Idaho Power has continued collection activities in the form of outbound calls, performing field visits, and leaving door hangers; however, because the Company is not performing disconnections, we have had limited success establishing payment plans for customers who have accumulated arrearages. The Company has no way to know whether any customer would have paid had the Company been performing disconnections.

Idaho Power has not identified additional obstacles for individuals without bank accounts as these customers already utilize alternative ways to pay bills (e.g., cash, money orders, etc.). Idaho Power has been working with energy assistance agencies and making low income customers aware of available funds through these agencies.

- 2. What opportunities and resources are available, or could be made available to assist customers with their utility costs, or to assist them with utility programs? (Including voluntary assistance programs as well as increased programmatic and assistance funding; also including Energy Trust).**

In response to the current pandemic, Idaho Power has developed expanded payment arrangement options for residential, small commercial, large commercial and industrial customers. In addition to the new payment arrangements, Idaho Power's customers have the following options available to assist them with their utility bills:

- Idaho Power's Project Share program assistance: Project Share is a bill pay assistance program funded by donations of customers, and shareholders. The program is provided to low income households in Idaho Power's service area through local Salvation Army offices and Community Action Partnership ("CAP") Agencies.
- State Energy Assistance and Weatherization Assistance programs: Federally, the Low-Income Home Energy Assistance Program (LIHEAP) provides funding to all states to help low income customers pay utility bills. A portion of the funding is allotted to each state's weatherization program.
- Idaho Power's Weatherization Assistance for Qualified Customers: Idaho Power provides funding to state CAP Agencies who provide services for state Weatherization Assistance Programs. This funding is intended to provide additional weatherization services to Idaho Power customers who heat with electricity.
- Energy efficiency education and ways to save energy: Energy House Calls, Heating & Cooling Efficiency Program, Multifamily Energy Savings Program, Oregon Residential Weatherization, Rebate Advantage, Residential New Construction Pilot Program, and Simple Steps, Smart Savings.
- Oregon Care Line 2-1-1 for resources: An Oregon nonprofit organization that provides resources in communities.

3. What recommendations do you have to address past due bills? This could include debt forgiveness, not adding interest payments, multi-year payment plans, deferral of debt payments, and rate discounts, among others.

In the Company's experience, customers are more successful in re-payment when customers balances are lower. Currently, the Company has expanded payment arrangements beyond its standard practice. Idaho Power will be increasing the dollar threshold to resume collection activity from its typical business practice. Additional flexibility is being offered to customers with current broken payment arrangements in the form of a second payment arrangement option. In addition to these new offerings, Oregon customers have a variety of payment arrangement options and no longer receive late payment charges when a payment arrangement is active. It is important for the Company to have flexibility when offering payment arrangements to meet the individual customer's payment needs (e.g., ability to pay, the size of the unpaid balance, and the customer's payment history).

Idaho Power believes its expanded payment arrangement options combined with the assistance resources described in the response to No. 2 provide a sufficiently broad range of support options for customers wishing to address past due balances.

4. When should the suspension of utility disconnections, late payment notices, late fee assessments, and other temporary COVID-related measures end? What information should be considered when making these decisions, such as declining unemployment filings, Phase 3 re-opening, seasonal utility load increases, number of payments in arrears, or other economic conditions? Are there changes that should be permanently made on these topics, even once the moratorium is lifted?

Idaho Power believes customers are best situated to pay their utility bills when their balances remain low. The Company has seen an increase in average balances for

residential customers who are more than 30 days past due of approximately 17 percent when compared to the same time last year. Idaho Power is concerned that customers who are unable to catch-up prior to the winter heating season may be unable to address accumulated arrearages once the next winter moratorium ends.

While it may be reasonable to tie the end of the suspension to the state's reopening plan, it is important to note how rapidly evolving the COVID-19 situation is and how that may be varied in different parts of the state. If the OPUC ultimately determines it is appropriate to tie resuming collections to the re-opening plan, Idaho Power proposes this be done on a region-by-region basis and that it would be appropriate to resume when all counties in a utility's service area enter Phase 2.

It is also important to note that Idaho Power views disconnections as a last resort. As noted above, the Company has expanded the availability and flexibility of payment arrangements in its service area and intends to work with customers to provide options that fit their specific situation. Idaho Power is not aware of any changes that should be made permanently on these topics once the voluntary moratorium is lifted.

5. Once a utility has determined a date they will be lifting service suspensions, what customer notification should be required?

In addition to the required customer notification (as prescribed in OAR 860-021-0405), Idaho Power plans to increase communications to past-due customers via dialer campaign, encouraging them to call Customer Service or go to idahopower.com to set up a payment arrangement. Idaho Power's Customer Service Representatives will also perform outbound calls to residential customers with large past-due balances to help set up a payment arrangement. Idaho Power believes these actions will provide additional customer notice of scheduled disconnection such that additional prescriptive requirements are unnecessary.

5. What recommendations do you have to improve programs for low-income utility customers?

Idaho Power recommends having consistent qualification criteria and applications for each county. Streamlining this process may make it easier for one family to be eligible for multiple community programs instead of each program having its own requirements or application for assistance.

6. If the PUC had the legal authority to allow differential rates for low-income and/or energy-burdened customers, what recommendations do you have on how rates should energy-burdened be structured and administered?

Idaho Power remains concerned about the potential financial impact that its Oregon residential customers may experience as a result of this type of solution. Idaho Power has approximately 13,500 residential customers in Oregon, primarily residing in Malheur County. According to the United States Census Bureau, Malheur County has

a poverty rate of approximately 21 percent.¹ If 100 percent of the federal poverty level is used as a basis for determining eligibility, nearly a quarter of Idaho Power's residential customers would be eligible for low-income differential rates. The burden of that shortfall in revenue collection would be subsidized by the remaining 75 percent of customers, a large portion of whom may be close to the poverty rate. Based on an analysis performed in docket UM 1787, the Company determined that approximately half of its Oregon residential customers residing in Malheur county have an income lower than 150 percent of the federal poverty level.

8. Do you have any additional regulatory mechanisms that you would recommend be implemented during the time of dealing with a pandemic or similar situation? This could include decoupling, power cost mechanisms, deferrals, adjustment clauses, or other.

On March 24, 2020, Idaho Power filed an application seeking authorization to defer the costs incurred from the COVID-19 public health emergency. Idaho Power attempts to reduce the spread of costs amongst customers, however, a deferral seems reasonable in unusual situations, like a pandemic.

9. What data is currently available to evaluate changes over time and effectively maintain situational awareness? What additional data is needed that's not currently available?

Idaho Power is currently maintaining situational awareness by utilizing current and historic arrears data to assess customer impact and bad debt risk. For example, the May 30, 2020 Oregon residential arrears² balances increased 13% and the average balance per customer has increased 17%, compared to May 30, 2019.

10. What current rules or practices need to be amended or added to allow utilities increased flexibility in assisting customers during this pandemic?

As of the date of this response, Idaho Power is not aware of any rules that need to be amended to allow for increased flexibility in assisting customers during this pandemic, as evidenced by Idaho Power being able to expand its payment arrangements.

¹ Data derived from <https://www.census.gov/quickfacts/fact/table/malheurcountyoregon/PST045219> as of July 1, 2019.

² Customers with a past due balance of more than 30 days.

Additional Questions for Utility Service Providers

- 1. How many of your customers are currently in arrears by 30, 60, and 90 days? Additionally, please break down this data by customer classes (residential, commercial, industrial). How does that compare to 2019?**

The number of accounts that are in arrears by 30, 60 and 90 days, as of May 31, 2019 and May 31, 2020 are as follows:

	May 31, 2019		
	31- 60 Days	61-90 Days	91+ Days
Residential	1,462	499	410
Commercial	128	32	11
Irrigation	37	19	25
Industrial	0	0	0
Total	1,627	550	446
	May 31, 2020		
	31- 60 Days	61-90 Days	91+ Days
Residential	1,428	837	421
Commercial	149	68	37
Irrigation	46	20	15
Industrial	0	0	0
Total	1,623	925	476

- 2. What accommodations are you offering to assist customers with past-due balances? This could include enhanced time payment agreements, applying deposits to bills, or others.**

Idaho Power believes its expanded payment arrangement options combined with the assistance resources described in the response to No. 2 provide a sufficiently broad range of support options for customers wishing to address past due balances.

- 3. What is your current uncollectible rate? How does it compare to historical and in current rate cases?**

Idaho Power has not been writing off balances since mid-March due to COVID-19. It is also important to note that not all customers had caught up from the past due balances they accumulated during winter moratorium (which expired February 29, 2020). Because of the voluntary suspension of collection activity, the Company doesn't have an "uncollectable rate" quantified. However, due to the growing arrearages the Company anticipates the 2020 uncollectable rate will be at least double what it was in 2019. Until Idaho Power has an opportunity to resume collection activity, the full impact will not be known.

- 4. How does the CARES Act or other federal or state stimulus funds or insurance proceeds factor into utilities' financial impacts caused by the pandemic?**

Idaho Power is not aware of any direct benefits it will receive due to the CARES Act or other federal or state stimulus funds or insurance proceeds. However, LIHEAP has received additional federal funding from the CARES Act, which Idaho Power expects will help reduce qualifying customer's arrears.

5. How has your utility been financially impacted by the pandemic?

The Company is still evaluating the overall impacts from COVID-19, all of which may not be immediately known or quantified. Generally, the Company has experienced some reductions in load, which impacts the collection of the fixed costs of providing service to the Company's customers. The Company has also experienced an increase in its reserve for bad debt, largely driven by entering a voluntary moratorium on disconnections in mid-March. On the other hand, there have also been some reductions in operating expenses associated with reductions in travel and related expenses. The Company will continue to track and quantify these impacts and will provide information to the OPUC in Docket No. UM 2067 or another forum, as requested.