

Docket No. 20000-\_\_-ER-20  
Witness: Melissa S. Nottingham

BEFORE THE WYOMING PUBLIC SERVICE  
COMMISSION

ROCKY MOUNTAIN POWER

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Direct Testimony of Melissa S. Nottingham

March 2020

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name, business address, and present position with PacifiCorp**  
3 **d/b/a Rocky Mountain Power (the “Company”).**

4 A. My name is Melissa S. Nottingham and my business address is 825 NE Multnomah  
5 Street, Suite 2000, Portland, Oregon 97232. I am currently employed as Manager,  
6 Customer Advocacy and Tariff Policy. I am testifying for the Company.

7 **Q. Please describe your education and professional experience.**

8 A. I have a Bachelor of Arts in English from Arizona State University. I began working  
9 for the Company in 1996, and worked in various positions with progressive  
10 responsibility for the past 20 years. For the past 10 years, I have been the Manager of  
11 Customer Advocacy and Tariff Policy in the Company’s Regulation department.

12 **Q. Please describe your current duties.**

13 A. My current duties include overseeing a team of regulatory analysts who respond to  
14 consumer commission complaints, sponsoring tariff changes, ensuring compliance  
15 with the Company’s tariff rules, and participating in general rate cases and other  
16 regulatory proceedings for the Company’s six state service territory. In addition, I  
17 oversee a team of business analysts responsible for the administration of the contracts  
18 for new electrical load and the implementation and operation of the Company’s  
19 customer guarantee program. As my team supports the Company’s tariff rules in each  
20 state, we also support changes to Schedule 300, which are the charges associated with  
21 the implementation of the rules.

22 **Q. Have you appeared as a witness in other regulatory proceedings?**

23 A. Yes. I have testified in proceedings before the California Public Utilities Commission,

1 the Oregon Public Utility Commission, and the Washington Utilities and Transportation  
2 Commission.

3 **II. PURPOSE OF TESTIMONY**

4 **Q. What is the purpose of your testimony in this case?**

5 A. My testimony supports proposed updates to charges in Schedule 300 and a proposal for  
6 customers to receive a credit for selecting paperless billing. Additionally, I propose  
7 housekeeping changes to Schedule 300 regarding the referenced rules.

8 **Q. Why are you proposing these changes?**

9 A. The proposed changes reflect the Company's continued commitment to keep costs  
10 lower for our customers, update charges to align with current labors costs, and to  
11 empower customers to control their monthly bills.

12 **Q. Please provide a summary of your testimony and the proposed changes.**

13 A. My testimony proposes an update to several customer charges in Schedule 300. The  
14 Company reviewed the costs associated with Schedule 300 charges and identified areas  
15 where costs have changed. A variety of factors, including automation of returned  
16 checks and increased labor costs, have contributed to a change in actual costs to  
17 perform work. Accordingly, the Company is proposing to align customer charges to  
18 more accurately reflect current costs.

19 My testimony also proposes to implement a monthly bill credit for customers  
20 who choose paperless billing ("Paperless Bill Credit"). The proposed Paperless Bill  
21 Credit will incentivize customers to either remain on or select this lower cost option  
22 and pass the cost savings to those customers. The credit is reflected in proposed tariff

1 changes to Rule 8 and Schedule 300, which are included in Mr. Robert M. Meredith's  
2 Exhibit RMP\_\_\_(RMM-11) and Exhibit RMP\_\_\_(RMM-12).

3 All of the proposed changes are a continuation of PacifiCorp's ongoing  
4 commitment to provide fair and reasonable charges by closely managing expenses  
5 while still meeting customers' increasing expectations.

6 **III. SCHEDULE 300**

7 **Q. Please describe the changes the Company is proposing to the Schedule 300**  
8 **charges.**

9 A. Table 1 shows the rule, a description of the charge, the current charge, and the proposed  
10 charge.

11 **TABLE 1<sup>1,2</sup>**

<b>Rule</b>	<b>Description of Charge</b>	<b>Current</b>	<b>Proposed</b>
R. 8-2	Returned Payment Charge	\$30	\$12
R. 10-5	Pole Cut Disconnect/Reconnect Charge: Normal Business Hours	\$100	\$200
R. 10-5	Pole Cut Disconnect/Reconnect Charge: All other times	\$175	\$275
R. 12-20	Temp Service Charge - Single Phase	\$170	\$205
R. 12-20	Temp Service Charge - Three Phase	\$170	\$205

12 **Returned Payment Charge**

13 **Q. Please describe the Returned Payment Charge.**

14 A. If a customer presents a payment that is returned by the customer's bank, the Company  
15 incurs a cost to process the returned payment. Payments can be returned for a variety

<sup>1</sup> The Company proposes to include the specific Rule Sheet No. in Schedule 300 as demonstrated in the Housekeeping section of this testimony below.

<sup>2</sup> The Company proposes to consolidate the single phase and three phase into one Temporary Service Charge, with the same charge amount.

1 of reasons, including, but not limited to, insufficient funds, incorrect account numbers,  
2 or closed accounts.

3 **Q. What is the current Returned Payment Charge?**

4 A. The current Returned Payment Charge is \$30.

5 **Q. What is the proposed change to the Returned Payment Charge?**

6 A. The Company proposes to reduce the Returned Payment Charge from \$30 to \$12.

7 **Q. Why is the Company proposing this change?**

8 A. Banks are now able to electronically transfer money from one bank to another bank  
9 with less human interaction. This automation of a portion of the return payment process  
10 has led to reduced costs to the Company when a payment is returned. Each time the  
11 Company's bank receives a returned item, the bank assesses a fee to the Company.  
12 These fees account for the majority of the cost to the Company when a customer's  
13 payment is not acknowledged as valid. The fee can vary from \$11 to \$16 based on the  
14 bank presenting the returned payment, the amount of the payment, and the number of  
15 times the payment is presented for payment.

16 While processing these payments has become more automated, labor costs are  
17 not completely eliminated. Each returned item requires that a Company employee  
18 update the account information and reverse the payment if the billing system has  
19 already posted the payment to the account. The labor costs range from \$1 to \$6 per  
20 transaction. The Company proposes \$12 as it closely represents the low-end of the  
21 average costs of both the labor and the bank fees associated with these returned  
22 payments. See Exhibit RMP\_\_\_(MSN-1) for the calculation of the proposed charge.

1 **Pole Cut Disconnect/Reconnect Charge**

2 **Q. Please describe the Pole Cut Disconnect/Reconnect Charge.**

3 A. The charge applies to customers involuntarily disconnected for either non-payment for  
4 bills, tampering with facilities, access issues to the meter, or other actions taken by the  
5 customer requiring the electric service to be disconnected at the transformer as opposed  
6 to disconnect the electric service at the meter.

7 **Q. What is the current Pole Cut Disconnect/Reconnect Charge?**

8 A. The current charge is \$100 during normal business hours and \$175 all other times.

9 **Q. What is the proposed change to the Pole Cut Disconnect/Reconnect Charge?**

10 A. The Company is proposing to increase the charge to \$200 during normal business hours  
11 and \$275 for all other times.

12 **Q. Why is the Company proposing to raise the Pole Cut Disconnect/Reconnect  
13 Charge?**

14 A. The work is conducted by specialized employees, linemen, who are trained to work on  
15 the power lines. The increased charge represents an increase in the load labor costs for  
16 a lineman to complete the work. The business hours rate is based on the availability of  
17 employees. During routine business hours, linemen are readily available to perform the  
18 work, resulting in lower labor costs. The after business hours rate is based on a  
19 classification for union employees, which requires a two hour minimum call out for  
20 work performed during afterhours. Accordingly, the after business hours rate is based  
21 on the labor rate for two hours and represents the lowest possible costs to perform after  
22 business hour's work. The increases in the charges better align with updated labor costs  
23 to perform the work.

1 **Temporary Service Charge**

2 **Q. Please describe the Temporary Service Charge.**

3 A. A Temporary Service Charge applies when a customer requests the energization of a  
4 temporary pedestal for temporary electric service. Temporary pedestals are typically  
5 needed for periods when a premise is under construction. The Temporary Service  
6 Charge covers the labor cost to bring either a single-phase or three-phase service line  
7 to the temporary pedestal and energize the service. Once the service is energized, the  
8 requesting customer is billed for the energy used. After the structure is completed, the  
9 temporary service is de-energized and the meter is relocated to the permanent meter  
10 base.

11 **Q. What is the current Temporary Service Charge?**

12 A. The current charge is \$170 for single-phase service and \$170 for three-phase service.

13 **Q. What are the proposed changes to the Temporary Service Charge?**

14 A. The Company proposes to increase the charge to \$205 for all temporary service  
15 installations and combine all phases into one charge. The \$205 charge is based on the  
16 current loaded rate for one hour and 30 minutes of journeyman time, which is the  
17 average time to install the temporary service for customers.

18 **Q. Why is the Company proposing a change to the Temporary Service Charge?**

19 A. The Temporary Service Charge has not been regularly updated and does not reflect the  
20 Company's current cost to provide this service. See Exhibit RMP\_\_\_(MSN-1) for a  
21 summary of the cost calculation.

1 **Paperless Bill Credit**

2 **Q. Please describe the Paperless Bill Credit.**

3 A. The Company proposes to add a credit to Schedule 300 and Rule 8 to provide customers  
4 a monthly credit if they have enrolled in paperless billing.

5 **Q. What is the proposed amount of the Paperless Bill Credit?**

6 A. The proposed monthly credit is \$0.50.

7 **Q. Why is the Company proposing a monthly credit for paperless billing?**

8 A. The Company proposes a Paperless Bill Credit that is correlated to the savings and  
9 benefits of not sending a paper bill to a customer when that customer voluntarily enrolls  
10 in paperless billing. Electronic delivery of the customer's monthly bill eliminates the  
11 cost of the bill paper, the envelope, printing and stuffing of the envelope, and the  
12 postage to mail the bill. Eliminating these costs results in savings of approximately  
13 \$0.49 per metered service. By passing this savings to the customer in a \$0.50 monthly  
14 credit, the Company is encouraging customers to utilize a billing option that is both  
15 lower cost and more environmentally friendly. All customers, whether they are  
16 currently participating in or are new to paperless billing, are eligible to receive a credit  
17 as long as they are enrolled in paperless billing. Please see Exhibit RMP\_\_\_(MSN-2)  
18 for more detail on the calculation of the credit and Mr. Meredith's Exhibit  
19 RMP\_\_\_(RMM-11) and Exhibit RMP\_\_\_(RMM-12) for the proposed tariff changes to  
20 Schedule 300 and Rule 8.

21 **IV. HOUSEKEEPING**

22 **Q. What housekeeping changes are you proposing?**

23 A. I am proposing housekeeping changes to Sheet Nos. 300-1 through 300-3 in



1 Schedule 300 to include sheet references. Please see Mr. Meredith's  
2 Exhibit RMP\_\_\_(RMM-11) and Exhibit RMP\_\_\_(RMM-12).

3 **V. CONCLUSION**

4 **Q. Please summarize your testimony.**

5 A. The proposed changes to the Company's Schedule 300 represent both the ongoing  
6 commitment by the Company to keep operational costs low for customers and align  
7 customer charges with cost. The proposed Paperless Bill Credit creates an opportunity  
8 for customers to manage costs and directly receive the benefits of their choices.

9 **Q. What is your recommendation regarding changes to Schedule 300, Rule 8, and the**  
10 **proposed Paperless Bill Credit?**

11 A. I recommend that the Commission approve the updated charges in Schedule 300, the  
12 proposed Paperless Bill Credit in Rule 8, and the identified housekeeping changes.

13 **Q. Does this conclude your direct testimony?**

14 A. Yes.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

AFFIDAVIT, OATH AND VERIFICATION OF TESTIMONY

Melissa S. Nottingham (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

Affiant is the Manager of Customer Advocacy and Tariff Policy for PacifiCorp d/b/a Rocky Mountain Power, which is a party in this matter.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its associated attachments are true and complete and constitute the recommendations of the Affiant in her official capacity as Manager of Customer Advocacy and Tariff Policy.

Further Affiant Sayeth Not.

Dated this 27 day of February, 2020

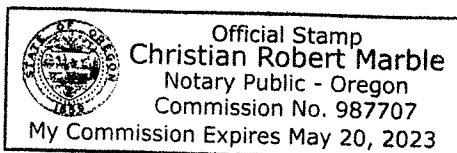
Melissa Nottingham
Melissa S. Nottingham
Manager, Customer Advocacy and Tariff Policy
825 NE Multnomah Street, Suite 2000, Portland Oregon 97232

STATE OF Oregon )
) SS:
COUNTY OF Multnomah )

The foregoing was acknowledged before me by Melissa S. Nottingham on this 27th day of February, 2020. Witness my hand and official seal.

Christian Robert Marble
Notary Public

My Commission Expires: 5/20/2023



Rocky Mountain Power  
Exhibit RMP\_\_ (MSN-1)  
Docket No. 20000-\_\_-ER-20  
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Exhibit Accompanying Direct Testimony of Melissa S. Nottingham

Schedule 300 Charge Review

March 2020

Schedule 300 Fee Summary

Rule	Charge	Times Charged 7/1/18-6/30/19	Current Charge	Actual Cost	Proposed Charge	Comments
R. 8-2	Returned Payment Charge	2,849	\$30.00	\$11.25 to \$16.25	\$12	The fees charged by the company's banks when a payment is returned and the labor to process returned payments on customer accounts. The fees vary based on the bank and how many times the same payment is processed.
R. 10-5	Pole Cut Disconnect/Reconnect Charge: Normal Business Hours	10	\$100.00	\$277.64	\$200	Increase in labor costs. Proposed \$200 fee to reflect low volume of requests, incremental increase for less impact to customers. Cost to perform disconnect/reconnect at the pole after hours requires a call out but a pole connect during routine business hours utilizes active resources and does not require a minimum call out fee. Intent is to increase the charge to align with existing costs while not making the charge cost prohibitive to customers.
R. 10-5	Pole Cut Disconnect/Reconnect Charge: All other times	1	\$175.00	\$277.64	\$275	Increase in labor costs, calculated at 2 hours of the loaded labor cost for the type of employee performing the work. Minimum after hour call out is two hours.
R. 12-20	Temp Service Charge - Single Phase	250	\$170.00	\$208.23	\$205	Increase in labor costs, calculated at 1.5 hours of the loaded labor cost for the type of employee performing the work.
R. 12-20	Temp Service Charge - Three Phase	10	\$170.00	\$208.23	Remove	Three phase temporary service is rarely used by our customers as the type of service lends itself to permanent installations. Recommend removing this cost and merging the two temporary service charges into one.
NEW	Paperless Bill Credit	-	-	\$0.49	\$ .50 Bill Credit	Each month, customers participating in paperless billing will receive a credit directly correlated to the savings and benefits of this option.

**Customer Services Response**  
**Test Period: Forecast test year ending December 31, 2021**

Charge	Current Fee in Effect	Number of times fee assessed during the test period	Employee classification completing work	Average time for employee to perform the work	Activity Rate	Cost	Cost*
Returned Payment Charge	\$20.00	2892	Bank Charge	N/A	\$5 to \$10	\$5.00	\$10.00
			CCO	0.0041667	\$36.24	\$0.15	\$0.15
			Payment Support	0.08666667	\$55.56	\$4.82	\$4.82
			Customer Care	0.03333333	\$38.58	\$1.29	\$1.29
						\$11.25	\$16.25

\*Bank fees vary depending on the bank and the submissions. Costs are a range.

**T&D Operations Responses**  
**Test Period: Forecast test year ending December 31, 2021**

Charge	Current Fee in Effect	Number of times fee charged during test period	Employee classification completing work	Activity Rate of Employee	Average time for employee performing the work	Average travel time for employee performing the work	Actual Cost
Pole Cut Disconnect/Reconnect Charge: Normal Business Hours	\$100.00	10	Journeyman	\$138.82	2 hours		\$277.64
Pole Cut Disconnect/Reconnect Charge: All other times	\$175.00	1	Journeyman	\$138.82	2 hours		\$277.64
Temporary Service Charge for Service Drop and Meter Only Single Phase	\$170.00	250	Journeyman	\$138.82	1.5 hours		\$208.23
Temporary Service Charge for Service Drop and Meter Only Three-Phase	\$170.00	10	Journeyman	\$138.82	1.5 hours		\$208.23

Rocky Mountain Power  
Exhibit RMP\_\_ (MSN-2)  
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Exhibit Accompanying Direct Testimony of Melissa S. Nottingham

Paperless Bill Credit Calculation

March 2020

**Proposed Paperless Credit Calculation**

Average Cost of One Sheet Paper Bill

Paper	\$0.0107
Envelope	\$0.0382
Printing and Mailing	\$0.0562
Postage	<u>\$0.3910</u>
Total Cost	\$0.4961

Proposed Paperless Credit