

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSION SECRETARY
LEGAL
WORKING FILE**

FROM: DANIEL KLEIN

DATE: JULY 2, 2015

**RE: IDAHO POWER COMPANY TARIFF ADVICE NO. 15-06
MODIFICATIONS TO RULE I, BUDGET PAY PLANS**

On June 4, 2015, Idaho Power submitted Tariff Advice 15-06 to revise Idaho Power's Rule I, Budget Pay Plans. The Company requests that the proposed revisions become effective July 8, 2015.

BACKGROUND

The Company is requesting to revise Rule I to increase transparency regarding Idaho Power's Budget Pay Plan. To ensure the Company has sufficient billing information to calculate an accurate Budget Pay amount for residential customers, a minimum of nine months of billing history is needed. The Company requests to update Rule I to clarify the Budget Pay enrollment eligibility requirements and align Rule I with the Company's current practice.

The Company's billing system recalculates the Budget Pay amount at the 12-month anniversary of the first bill that was generated after the Customer enrolled in the Budget Pay Plan, as opposed to when the Customer began paying the Budget Pay amount. This is done because the initial Budget Pay amount is calculated when the Customer enrolls in the Budget Pay Plan, which can be weeks before the Customer begins making the payments. To clarify the application of the anniversary date and corresponding recalculation to the Budget Pay amount, the Company requests to update Rule I to include this information.

STAFF REVIEW AND RECOMMENDATION

Staff reviewed the tariff advice and analyzed the underlying methodology for establishing Budget Pay Plans. The Company's new billing system calculates Budget Pay amounts quite differently than the old billing system. Staff believes the new methodology will accurately estimate Budget Pay amounts using historic billing data. Using at least nine months of billing data for residential customers should be sufficient to reasonably determine a Budget Pay amount. The change in anniversary date from sign up date to bill date also seems reasonable. Staff recommends approval of Idaho Power's proposed changes to Rule I, Budget Pay Plans.

COMMISSION DECISION

Does the Commission wish to approve the changes set forth in this Tariff Advice with an effective date of July 8, 2015?



Daniel Klein

Udmemos/Idaho Power Budget Pay Plans dec memo

RULE I
BUDGET PAY PLANS

1. Residential Budget Pay Plan - Schedules 1, 4 and 5. A Budget Pay Plan is available to Residential Customers desiring to levelize payments for electric service. If a Customer has more than one electric service on the account, each electric service charge will be levelized individually. A Customer may sign up for the Budget Pay Plan at any time during the year. In order to be eligible for the Budget Pay Plan, the Customer's account must not be in arrears and the customer must have received service at the same location for a minimum of nine months.

The levelized payment will approximate the average of 12 monthly billings based on either the historical charges, or an estimate of future charges. The Budget Pay amount for each electric service on the account will be adjusted to the next higher dollar. Budget Pay amounts will be recalculated at the 12-month (or 365-day) anniversary of the date first bill that was generated after the Customer began paying the most current Budget Pay amount(s) enrolled in the Budget Pay Plan. The new monthly payment will be the recalculated Budget Pay amount(s). A Customer's Budget Pay amount(s) may decrease, increase, or remain the same.

Customers with a negative balance in their Budget Pay Plan account at the time of recalculation will have monthly Budget Pay charges equal to the recalculated Budget Pay amount plus one-twelfth of the negative balance. At the Customer's request, a negative balance may be paid in full. Customers with a positive balance in their Budget Pay Plan account at the time of recalculation, or upon termination of the agreement after all charges for services have been paid, will be refunded at the Customer's request. If no request for refund is made, the monthly Budget Pay charges will be equal to the recalculated Budget Pay amount reduced by one-twelfth of the positive balance. Upon the Customer's request, a positive balance for one Budget Pay electric service may be transferred to the balance of another Budget Pay electric service on the account.

Any estimates furnished by the Company with such Budget Pay Plan should not be construed as a guarantee that the total actual charges will not exceed the estimates. The Company, because of rate changes or other requirements, may at any time submit a revised estimate to the Customer and require that the Customer pay the revised monthly Budget Pay installment as a condition to the continuation of the Budget Pay Plan for the Customer.

The Budget Pay amount(s) will be billed on the regular service bill each month. Once established, the Budget Pay Plan will remain in effect from year to year until the Customer notifies the Company not less than 30 days prior to the desired date of cancellation or unless the Customer fails to pay the agreed amounts.

2. Small General Service Budget Pay Plan - Schedule 7. A Budget Pay Plan is available to Small General Service Customers receiving service on Schedule 7. If a Customer has more than one electric service on the account, each electric service charge will be levelized individually. If a Customer transfers to another schedule (other than Schedules 1, 4 or 5), the Budget Pay Plan will not be available. A Customer may sign up for the Budget Pay Plan at any time during the year.

In order to qualify, the Customer must have been receiving service at the same location, under the same ownership and account number, and with all monthly billings paid on or before the past due date for at least 12 months prior to applying for the Budget Pay Plan. The Customer must maintain the payment status as described above or the Customer will be removed from the Budget Pay Plan on the next monthly billing and all past due balances will become immediately due and payable.

RULE I
BUDGET PAY PLANS
(Continued)

2. Small General Service Budget Pay Plan - Schedule 7 (Continued)

The levelized payment will approximate the average of 12 monthly billings based on historical charges. Budget Pay amounts will be recalculated at the 12-month (or 365-day) anniversary of the date first bill that was generated after the Customer began paying the most current Budget Pay amount(s) enrolled in the Budget Pay Plan. The Budget Pay amount for each electric service on the account will be adjusted to the next higher dollar. The new monthly payment will be the recalculated Budget Pay amount(s). A Customer's Budget Pay amount(s) may decrease, increase, or remain the same.

Customers with a negative balance in their Budget Pay Plan account at the time of recalculation will have monthly Budget Pay charges equal to the recalculated Budget Pay amount plus one-twelfth of the negative balance. At the Customer's request, a negative balance may be paid in full. Customers with a positive balance in their Budget Pay Plan account at the time of recalculation, or upon termination of the agreement after all charges for services have been paid, will be refunded at the Customer's request. If no request for refund is made, the monthly Budget Pay charges will be equal to the recalculated Budget Pay amount reduced by one-twelfth of the positive balance. Upon the Customer's request, a positive balance for one Budget Pay electric service may be transferred to the balance of another Budget Pay electric service on the account.

Any estimates furnished by the Company with such Budget Pay Plan should not be construed as a guarantee that the total actual charges will not exceed the estimates. The Company, because of rate changes or other requirements, may at any time submit a revised estimate to the Customer and require that the Customer pay the revised monthly Budget Pay installment as a condition to the continuation of the Budget Pay Plan for the Customer.

The Budget Pay amount(s) will be billed on the regular service bill each month. Once established, the Budget Pay Plan will remain in effect from year to year until the Customer notifies the Company not less than 30 days prior to the desired date of cancellation or unless the Customer fails to pay the agreed amounts.