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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE INVESTIGATION)
OF ATLANTA POWER COMPANY'S RATES) CASE NO. ATL-E-03-1
AND CUSTOMER SERVICE.)
)
)
) COMMENTS OF THE
) COMMISSION STAFF
)**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Lisa D. Nordstrom, Deputy Attorney General, and in response to the Notice of Proposed Order and Notice of Comment Deadline issued on April 10, 2003, submits the following comments.

On September 11, 2000, the Commission received a petition from residents of Atlanta, Idaho, enumerating their concerns about the electric service being provided by Atlanta Power Company (Atlanta Power; Company). The petition requested "a formal investigation into the reliability of electrical service for the Atlanta townsite." In October 2000, Staff proposed to "audit the Company, compile outage information, identify potential improvements and associated costs and survey customers concerning their desire to improve service reliability and the amount they are willing to pay to do so." The Commission approved Staff's recommendation that the customer complaints initially be processed on an informal basis.

STAFF ANALYSIS AND RECOMMENDATIONS

Staff worked with the Company and its customers during a two-year informal review period that culminated in actions to address the concerns expressed in the residents' petition. In March 2003, Staff submitted a report that identified these improvements as including the hiring of a third person who lives in Atlanta to assist with system problems and the establishment of a local telephone number to keep customers informed of planned outages and progress on repairs when the system is out of service. Staff recommended no formal action in these areas.

Staff also recommended that Atlanta Power continue to bring in a leased generator for a multi-day outage rather than purchase a new one for several reasons. First, a survey of the 65 Atlanta Power customers indicates that only one of the 50 responding customers is willing to pay substantially higher rates to have Atlanta Power own an on-site backup generator. Second, nearly a third of Atlanta Power customers have already invested in personal backup generators. Moreover, a Company-owned backup generator cannot provide electricity to all customers under all outage scenarios.

STAFF RESPONSE TO CUSTOMER COMMENTS

As of April 30, 2003, the Commission had received 5 comments, one of which was signed by approximately 10 customers of record and 6 other interested parties. Staff has reviewed these comments and reaffirms the results of its investigation and its recommendations. However, Staff wishes to provide additional information in response to certain statements contained in the customer comments dated April 26, 2003.

The individuals that drafted the comments were concerned that "again, most customers have not been notified of the telephone number to call." The Notice of Proposed Order and Notice of Comment Deadline to which the interested parties were responding contained the local telephone number (864-2228) that was established to keep customers informed of planned outages and progress on repairs when the system is out of service. This Notice was mailed to the customers of Atlanta Power on April 10, 2003.

The comments also ask in part why they were "virtually ignored by the P.U.C. for over two years since the petition." As noted in previous Staff documents, Staff has had significant ongoing communication with the individuals who wrote these customer comments.

The comments also state in part that it took “over two years to do an audit.” While the investigation as a whole took that amount of time, the audit did not. Also, the individuals who wrote these customer comments seem to perceive the over-earnings estimated in the audit as overcharges to the Company’s customers. This is not the case. In addition, no generator rental costs were paid during the test year of the audit. Based upon invoices reviewed for subsequent rentals, a month’s generator rental is more than \$3,000. During the course of the audit, Staff also reviewed the Company’s bank statements, returned checks, invoices for the test year and subsequent years, and obtained financial documentation from organizations with which the Company had such a relationship.

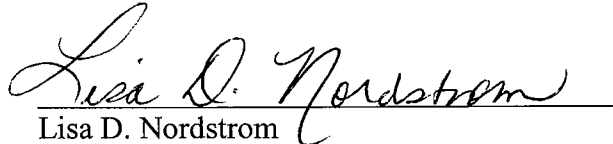
The individuals who wrote these customer comments also suggest other options to provide electrical service, such as allowing the town access to the lines and revenues of the Company to purchase and continuously run a diesel generator. Staff continues to believe that Atlanta Power Company is the most realistic alternative to provide affordable and reliable electrical service to the residents of Atlanta.

The comments also take issue with the number of Atlanta Power customers of record identified in the signatures to the petition submitted to the Commission in September 2000. As noted in the October 2000 Decision Memorandum, “Staff reviewed the many signatures on the petition and identified the names of six **customers of record**. Some of the others apparently are not customers while others are members of households where one member is the customer of record.” We note that the Commission’s Utility Customer Relations Rule 5 defines a customer as “having applied for, been accepted, and is currently receiving service from a utility or is assuming responsibility for payment of service provided to another.”

PROCEDURAL RECOMMENDATION

Before the Commission renders a final decision in this case, Staff would like the opportunity to respond directly to customers in writing regarding issues raised in the comments. Staff further recommends that the Commission schedule a public workshop in Atlanta in early June so that Staff may discuss its response and/or resolve any remaining customer concerns in person. Following the workshop, the Commission may wish to allow interested parties to file supplemental comments before the Commission issues a final Order.

Respectively submitted this ^{1st} day of May 2003.



Lisa D. Nordstrom
Deputy Attorney General

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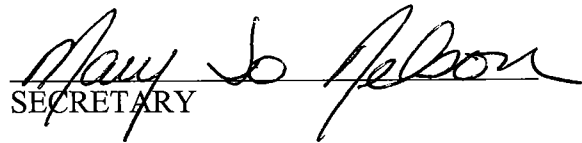
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 1ST DAY OF MAY 2003, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. ATL-E-03-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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