

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS RATES) CASE NO. IPC-E-03-13
AND CHARGES FOR ELECTRIC SERVICE)
TO ELECTRIC CUSTOMERS IN THE STATE)
OF IDAHO.)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

THERESA DRAKE

1 Q. Please state your name and business address.

2 A. My name is Theresa Drake. My business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what
5 capacity?

6 A. I am employed by Idaho Power Company as a
7 Senior Pricing Analyst.

8 Q. Please describe your educational background
9 and work experience.

10 A. In May of 1990 I received Bachelor of Science
11 Degree in Marketing with emphasis in Finance from
12 Jacksonville State University in Jacksonville, Alabama.
13 From June 1990 through February 1993, I was employed by the
14 Federal Reserve Bank in Birmingham, Alabama. During
15 February 1993, I relocated to Boise and was employed by West
16 One Bank managing the Marketing Customer Information System,
17 researching customer purchase behavior and designing
18 marketing campaigns around customers' needs. I also formed
19 a marketing database consulting firm prior to becoming
20 employed by Idaho Power. I joined Idaho Power in January
21 1997 as a Pricing Analyst. In July 2001 my position evolved
22 into a Senior Pricing Analyst. My duties as a Senior
23 Pricing Analyst include involvement in preparing the cost-
24 of-service studies, unbundling studies, development of the
25 Company's tariffs, and managing the Company's Green Power

1 Program. I also act as a regulatory liaison for customer
2 service related issues.

3 Q. What is the purpose of your testimony?

4 A. My testimony addresses proposed updates and
5 changes to several of the Company's service provisions,
6 including numbering and organization changes and changes to
7 non-recurring charges, such as service establishment,
8 reconnection, returned checks and customer deposits.

9 Q. Have you prepared any exhibits?

10 A. Yes, Exhibit No. 50 explains how the proposed
11 charges relating to service establishment and reconnection
12 were derived.

13 Q. Do you intend to discuss every proposed
14 change to the tariff at this time?

15 A. No. While a few of the changes I discuss are
16 substantive in nature, a significant number of changes are
17 "form" or "housekeeping" in nature only and do not change
18 the scope, effect or application of the various tariffs.
19 The specific changes to the service provisions I address are
20 detailed in Ms. Brilz's Exhibit No. 48, pages 1 through 52.
21 These revisions are shown in legislative format in Exhibit
22 No. 48 so that parties reviewing them will be able to
23 readily identify the proposed changes.

24 Q. Let's begin with the changes being proposed
25 to the numbering of the Company's General Rules and

1 Regulations. Would you please explain the nature of the
2 changes and why the Company is proposing them?

3 A. First, on pages 1 through 52 of Ms. Brilz's
4 Exhibit No. 48, the Rules and Regulations have been more
5 specifically separated by category than in the previous
6 tariff. The change in format is intended to make specific
7 topics easier to locate by creating more categories in the
8 Rules and Regulations.

9 Second, Rule F is now labeled, "Service
10 Establishment and Discontinuance" and clearly identifies
11 activities involving initiating and ceasing service.
12 Billing-related items have been moved to Rule G, formerly
13 "Corrected Billing", which is now labeled "Billings".
14 Deposit provisions have been assigned a separate rule,
15 Rule L.

16 Q. What are the substantive changes proposed to
17 the Company's "General Rules, Regulations, and Rates"?

18 A. The current Account Processing Charge,
19 Reconnect Fee, and Field Collection Charge have been updated
20 to reflect current costs. In addition, the Company has
21 elected to adopt deposit criteria for large commercial and
22 special contract customers as provided in IDAPA 31.21.01
23 Rule 601.

24 Q. What provisions are included under Rule F,
25 Service Establishment and Discontinuance?

1 A. Requirements described in Rule F include
2 Service Establishment, Service Reconnection, Discontinuance
3 of Service, Termination Practices, and Field Collection.

4 Q. Please describe Service Establishment.

5 A. Service establishment describes the condition
6 where a customer desires to activate an account with the
7 Company and the service is currently energized. When a
8 customer contacts the Company and requests service at a
9 specified service point, the Company will determine if the
10 requested service point is currently energized. If the
11 service point is energized, the Company performs the work
12 necessary to complete the transaction; the customer's name,
13 address, and other pertinent information are entered or
14 updated into the Customer Information System and the Company
15 dispatches personnel to the service point to collect an
16 initial meter read. The proposed Service Establishment
17 Charge reflects the costs of performing these tasks.

18 Q. Does the Company currently have a charge
19 associated with establishing service?

20 A. Yes. The Account Initiation Charge is
21 currently assessed. However, no distinction is currently
22 made regarding whether the line is currently energized or
23 not.

24 Q. Will the Service Establishment Charge apply
25 if a customer requests service establishment at a non-

1 metered service point?

2 A. The Service Establishment Charge is not
3 applicable to non-metered service points. Non-metered
4 service points such as cable TV power supplies, telephone
5 booths, street lighting, etc., are unique in respect to the
6 degree of account establishment work, as described above,
7 the Company may perform. In particular, no meter reading is
8 required. Therefore, the costs to establish service for non-
9 metered accounts are recovered through the standard service
10 schedule charges.

11 Q. What if the customer requests service at a
12 location where the service line is not currently energized?

13 A. Service Reconnection describes the condition
14 where service was once energized, has been disconnected, and
15 is presently requested by the customer to be re-energized.
16 The Service Reconnection Charge reflects the costs of tasks
17 performed to physically reconnect the service and update the
18 pertinent information in the Customer Information System.

19 Q. Will a customer be charged both the Service
20 Establishment Charge and the Service Reconnection Charge?

21 A. No. The Service Reconnection Charge includes
22 the costs associated with the tasks of service establishment
23 plus the costs of physically reconnecting a service line.

24 Q. What are the fees associated with these
25 transactions?

1 A. The Service Establishment Charge as detailed
2 on page 140 of Ms. Brilz's Exhibit No. 48, is \$20 for all
3 metered service points. The Service Reconnection Charge,
4 also detailed on page 142 of Exhibit No. 48, varies with the
5 skill level required of the employee dispatched to perform
6 the work. The skill level required is determined by the
7 line voltage typically serving the customer class.
8 Customers taking service under Schedules 1, 7, and 9
9 requesting reconnection during normal business hours will be
10 charged \$20. Customers taking service under Schedules 15,
11 19, 24, 25, 40, 41, and 42 requesting reconnection during
12 normal business hours will be charged \$40. The higher fee
13 for the latter schedules represents the required expertise
14 of the dispatched employee to work with the typically higher
15 voltage at the point where service is reconnected. Exhibit
16 No. 50, page 2, details the derivation of these charges.

17 Q. Can reconnection service be obtained outside
18 of normal business hours?

19 A. Yes. The charges by rate schedule outlined
20 on page 142 of Exhibit No. 48 include two additional block-
21 hours and associated charges. The block-hour structure is
22 the same as that currently in place. However the charges
23 have been updated to reflect current costs.

24 Q. Please explain why the Company proposes the
25 block-hour charges.

1 A. As detailed on Exhibit No. 50, page 2, the
2 charge has been updated in two ways; first, to delineate by
3 the type of skilled employee required to perform the work
4 and second, to recognize the higher cost to serve those
5 customer requests for reconnection after normal working
6 hours due to the overtime hourly rate paid to employees. In
7 most cases, during the third block-hours of 9:01 p.m. to
8 7:29 a.m., two employees are dispatched for safety reasons.
9 The proposed charges reflect the costs to serve the customer
10 requests based on the time the customer requests service
11 reconnection.

12 Q. In looking at the second and third block-
13 hours for reconnection of customers taking service under
14 Schedules 1, 7, and 9 on page 1 of Exhibit No. 50, the
15 current costs are slightly lower than the charges currently
16 approved. Please explain why you are proposing the charges
17 remain unchanged.

18 A. Service provided during the after-hour time
19 frames poses safety concerns for our employees. The Company
20 proposes keeping the charges at their current level to
21 encourage Reconnection Service during the lower-priced first
22 block-hours.

23 Q. Are any changes made to the Termination
24 Practices section?

25 A. No. The Termination of Service provision

1 remains unchanged from our current tariff. The provision
2 states the termination practices as provided by the IPUC
3 Utility Customer Rules and Regulations will be enforced.

4 Q. What updates have been made to the Field
5 Collection provision?

6 A. The Field Collection Charge is designed to
7 recover the costs incurred when Company personnel are
8 dispatched to terminate service and the Customer elects to
9 make a payment or payment arrangement to the dispatched
10 personnel to avoid termination. If the customer chooses not
11 to pay the necessary amount to avoid termination, the
12 dispatched Company personnel will perform the termination of
13 service at no charge. The Field Collection Charge as
14 detailed on page 1 of Exhibit No. 50, has been updated to
15 account for the variation of skill level required of the
16 employee dispatched to perform the work. The skill level
17 required is determined by the line voltage typically serving
18 the customer class.

19 Q. In his testimony on page 14, Mr. Obenchain
20 refers to an adjustment to other revenue to recognize
21 additional revenue to be collected from the Service
22 Establishment Charge, Service Reconnection Charge, and the
23 Field Collection Charge. Would you please explain the basis
24 for this adjustment?

25 A. Yes. Page 3 of Exhibit No. 50 details the

1 difference in revenues from the current charges to the
2 proposed charges.

3 Q. Other than consolidating the billing related
4 items into one rule, are there any other changes to Rule G,
5 Billings?

6 A. Yes. The Company is proposing to include a
7 description of its policy dealing with checks or other
8 payments returned non-paid by a customer's financial
9 institution. The Company has an established returned check
10 policy operated in conformance with the provisions of the
11 Idaho Code, and includes notification of the applicable
12 charge to customers on the monthly billing statement. By
13 listing the Returned Check Charge within the Company's Rules
14 and Regulations, the provision is clarified for customers
15 and is easier to reference for PUC staff and Company
16 employees. The corresponding Returned Check Charge of \$20
17 is listed in Schedule 66 (page 142 of Exhibit No. 48).

18 Q. You mentioned earlier a new Rule L was
19 developed to address customer deposits. In addition to
20 creating a new Rule for deposits, has the criteria for
21 deposits changed?

22 A. Rule L was created to isolate and identify
23 deposit provisions for residential, small commercial, large
24 commercial, and special contract customers. Other than
25 moving the language from Rule F to Rule L, the provision for

1 residential and small commercial customers has not changed.
2 However, the Company has elected to establish deposit
3 criteria for large commercial customers and special contract
4 customers as provided under IDAPA 31.21.01 Rule 601.

5 Q. Briefly describe the deposit criteria for
6 existing large commercial and special contract customers.

7 A. For existing commercial and special contract
8 customers, a deposit may be required when the customer fails
9 to make a payment on the due date or the current status of
10 the customer's business does not pass an objective credit
11 screen.

12 Q. What are the deposit condition criteria for
13 new large commercial and special contract applicants?

14 A. A deposit may be required for service if the
15 applicant is applying for service for the first time, or the
16 nature of the applicant's business is speculative or is the
17 type of business that is subject to a high incidence of
18 failure, or if the applicant has an outstanding prior
19 service account debt with the Company.

20 Q. What is the proposed deposit amount?

21 A. The requested deposit amount will not exceed
22 two times the customer's actual or the applicant's estimated
23 highest monthly bill and is payable in two installments.

24 Q. Why is the Company now seeking to implement
25 the deposit provision for large commercial and special

1 contract customers?

2 A. In recent years, the Company has become
3 increasingly exposed to the effects of certain businesses
4 falling delinquent on paying their accounts and to an
5 increased number of businesses claiming bankruptcy. Some
6 instances have occurred where an existing business customer
7 who has historically made consistent timely payments has
8 filed for bankruptcy and ceased business. Even one month's
9 worth of unpaid billing can amount to a sizable impact on
10 uncollectible amounts. For these reasons, the Company plans
11 to implement deposit criteria for large commercial and
12 special contract customers.

13 Q. Has the Commission previously approved
14 similar deposit provisions for any other utility serving
15 customers in Idaho?

16 A. Yes. Utah Power and Light has a similar
17 Commission approved provision listed under Sheet No. 9R.1-2
18 in the UP&L tariff.

19 Q. Are there any other updates to non-recurring
20 charges?

21 A. Yes. "Fractional Period Minimum Billings"
22 specifies the minimum bill requirements for each service
23 schedule when service is taken for a partial month. The
24 minimum bill amounts have been updated to be more reflective
25 of the costs associated with bill preparation. While the

1 minimum bill amounts do not equal the total cost of
2 preparing, producing, and delivering a bill and recording
3 subsequent payments, they reflect a portion of those costs
4 associated with providing service. The specific minimum
5 bill amounts for each service schedule are detailed on page
6 143 of Exhibit No. 48.

7 Q. Please explain the proposed change to Rule B.

8 A. Rule B, Definitions, includes clarification
9 of what is considered to be a normal Billing Period. While
10 a typical billing period is 30 days, the normal billing
11 period is considered to be 27-33 days.

12 Q. Is 27-33 days new for a normal billing
13 period?

14 A. No. The Company has a long standing practice
15 of considering a normal billing period to be 27-33 days.
16 The Company proposes to add language to the definition so
17 that this practice is explicitly stated.

18 Q. Is there any other change proposed to Rule B?

19 A. Yes. The definition of Connected Load
20 currently included in Rule B is pertinent only to Schedule
21 72. Therefore, the definition is moved to Schedule 72.

22 Q. Are any changes proposed to Rule D, Metering?

23 A. The only proposed update is to state that the
24 Company has the right to modify meter reading schedules as
25 required by changing conditions. Certain events can trigger

1 a meter reading schedule to be modified, such as holidays or
2 the alignment of meter read routes for better operating
3 efficiencies. The update to Rule D provides clarification
4 to customers.

5 Q. Does this conclude your testimony?

6 A. Yes.