

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

SOUTH ELMORE IRRIGATION COMPANY,)	
)	CASE NO. IPC-E-07-16
COMPLAINANT,)	
)	
v.)	
)	ORDER NO. 30507
IDAHO POWER COMPANY,)	
)	
RESPONDENT.)	

On August 21, 2007, South Elmore Irrigation Company filed a "formal" complaint against Idaho Power Company. South Elmore Irrigation Company ("South Elmore" or "customer") disputes a rebilling in the amount of \$916,702.24 for energy usage. Due to an Idaho Power employee's error, the customer was billed for one-half of the energy consumed from November 18, 2002 to April 26, 2007 (53 months). Idaho Power rebilled for the usage occurring in the 36-month period preceding discovery of the billing errors.

The Commission in this Order dismisses the complaint of South Elmore Irrigation Company and orders Idaho Power Company to make a reasonable payment arrangement for the past-due amount.

Background

Idaho Power acknowledges that there was a billing error with regard to usage at South Elmore's Flying H pump station. That pump station is 1 of 18 service points included on a summary bill.¹ According to Idaho Power, a load profile meter was replaced with a regular meter at the conclusion of a load profile study. Shortly after the meter change, a meter technician changed the billing constant from 12,000 to 6,000 in error. The error was discovered during an Idaho Power meter inspection in May 2007. The customer was correctly billed for usage prior to December 2002. Following identification of the error, the customer was correctly billed starting in May 2007.

¹Summary billing allows customers who have multiple meters and/or service locations to consolidate charges onto one billing statement each month. Billing detail is provided for each service point and a total amount owing identified.

A summons was issued on September 18, 2007 and Idaho Power filed its Answer on October 9, 2007. South Elmore did not file a reply. Idaho Power requests that South Elmore's complaint be dismissed and that pursuant to the provisions of Commission Utility Customer Relations Rule 204.03 (Inaccurately Billed Service Under Correct Tariff Schedule – Failure to Bill for Service) and *Idaho Code* § 61-313 (Schedule Charges Only Permitted), South Elmore be ordered to pay Idaho Power \$916,702.24 for electric service received for the three-year period between May 26, 2004 and April 26, 2007.

Idaho Power contends that the Company's billing practices are governed by *Idaho Code* § 61-313, promulgated pursuant to the legislative authority vested in the Commission by *Idaho Code* § 61-507 (Determination of Rules and Regulations); and the Commission's rules, specifically Utility Customer Relations Rule 204 (IDAPA 31.21.01.204. These rules, the Company contends, require that the utility prepare a corrected billing for bills that were inaccurately prepared. South Elmore's actual energy usage is known, and the inaccuracy in its billing was the result of Idaho Power's application of the wrong billing multiplier. Thus, Idaho Power contends that its issuance of a corrected billing for the three years prior to the error's discovery are in keeping with the Customer Relations Rules and established Commission practice. See Order Nos. 28212 (Mountain Mart Exxon), 28298 (Lisa Kimball) and 30431 (Jerrene Phillips) (finding utility properly rebilled customers for the maximum three-year period after use of an incorrect billing multiplier was discovered.)

Commission Findings

The Commission has reviewed and considered the filings of record in Case No. IPC-E-07-16 including the underlying complaint of South Elmore and Idaho Power's answer. We have also reviewed the Commission's Utility Customer Relations Rule 204.03, *Idaho Code* §§ 61-313 and 61-315 and the Commission's recent Order No. 30431 in Case No. IPC-E-07-01 (Jerrene Phillips).

The Commission finds Idaho Power's recital of facts as set forth in the Company's answer is undisputed. The inaccurately billed energy use in this case is the result of an incorrect meter multiplier. The result was that South Elmore was billed for only half of its actual energy usage at the Flying H pump station. The Commission finds that Idaho Power's issuance of a corrected billing for the three years prior to the discovery of the billing error (i.e., the three-year period 05-26-2004 through 04-26-2007 in the amount of \$916,702.24) is in keeping with the

corrected billing requirement of Utility Customer Relations Rule 204.03 and *Idaho Code* § 61-313 and the Commission's practice as reflected in Order No. 30431 (September 17, 2007), Case No. IPC-E-07-01 (Jerrene Phillips). We find that if all of the billings over the four-year period during which the error occurred had been corrected, the total dollar amount of the rebilling would have been approximately \$1,344,000.

The filed rate doctrine is a basic principle of utility regulation that is embodied in *Idaho Code* §§ 61-313 (Schedule Charges only Permitted) and 61-315 (Discrimination and Preference Prohibited). The filed rate doctrine states that a utility may charge only the approved rates and charges it has on file with its regulatory body, i.e., its approved tariff on file with the Commission. It means the utility cannot charge more, and also that it cannot charge less than its filed rate. We find that *Idaho Code* § 61-313 and 61-315 and the filed rate doctrine prohibit any reduction in the rebilled amount because the actual usage is known (not estimated), and the tariff rate must be applied. The amount of the rebilling cannot be compromised. The relief requested by South Elmore constitutes prohibited preferential treatment. The Commission thus finds it reasonable to dismiss the complaint of South Elmore Irrigation Company in Case No. IPC-E-07-16.

Rule 204 provides that an under-billed customer, such as South Elmore, must be given the opportunity to make payment arrangements under Rule 313. IDAPA 31.21.313.03. Rule 204 also provides that the term of the payment arrangements may extend for the length of time that the under-billing accrued, in this case three years. *Id.* Idaho Power has offered to extend the repayment period beyond the three years discussed in Rule 204 to ease any financial hardship. We direct the Company to offer South Elmore reasonable payment arrangements for the under-billed amount that may exceed three years

CONCLUSIONS OF LAW

Idaho Power Company is an electric corporation pursuant to *Idaho Code* § 61-119 and a public utility pursuant to *Idaho Code* § 61-129. The Idaho Public Utilities Commission has jurisdiction of Idaho Power Company and this matter pursuant to Title 61, Idaho Code, as well as the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

After examining the record in this case including the Complaint and Answer, the Commission finds that an evidentiary hearing in this matter is not required. The relief requested

by South Elmore Irrigation Company is preferential treatment prohibited by *Idaho Code* §§ 61-313 and 61-315.

ORDER

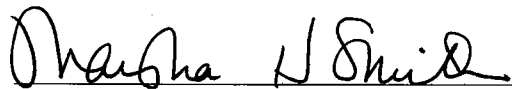
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the complaint of South Elmore Irrigation Company v. Idaho Power Company, Case No. IPC-E-07-16, is dismissed.

IT IS FURTHER ORDERED that Idaho Power Company make reasonable payment arrangements with South Elmore Irrigation Company, which may exceed the three-year repayment period set forth by Utility Customer Relations Rule 204.03.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of February 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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