

RECEIVED
2008 DEC -3 PM 3:43
IDAHO PUBLIC
UTILITIES COMMISSION

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-08-10
AND CHARGES FOR ELECTRIC SERVICE.)
_____)

IDAHO POWER COMPANY
DIRECT REBUTTAL TESTIMONY
OF
MAGGIE BRILZ

1 Q. Please state your name.

2 A. My name is Maggie Brilz.

3 Q. Are you the same Maggie Brilz that has
4 previously presented direct testimony?

5 A. Yes, I am.

6 Q. Have you had the opportunity to review the
7 pre-filed direct testimony of Commission Staff witnesses
8 Ms. Parker and Mr. Thaden and CAPAI witness Ms. Ottens?

9 A. Yes, I have.

10 Q. What is the scope of your rebuttal
11 testimony?

12 A. My testimony will focus on the issue of
13 convenience fees for credit card and check-by-phone
14 payments raised by Ms. Parker, the issue of payment
15 arrangements raised by Mr. Thaden, and the recommendation
16 made by Ms. Ottens that a monthly arrearage report be
17 prepared and provided to all interested parties.

18 Q. Are you sponsoring any exhibits with your
19 direct rebuttal testimony?

20 A. No.

21 **CONVENIENCE FEES**

22 Q. Ms. Parker recommends that the Company
23 explore alternatives to requiring customers to pay
24 convenience fees and report its findings to the Commission

1 Staff. Has the Company previously explored alternatives to
2 convenience fees?

3 A. Yes. As Ms. Parker noted in her testimony,
4 Idaho Power has recently negotiated with a new vendor to
5 provide credit and debit card and check payments beginning
6 in January 2009. At the time the project to select a new
7 vendor was undertaken, Idaho Power was interested in
8 pursuing a "no fee" credit card, debit car, and electronic
9 check payment service for its customers. However, as the
10 project evolved, it became clear that offering a no-fee
11 service had potential negative consequences, including
12 increased payment processing costs that would be passed on
13 to all customers. As a result, the Company chose not to
14 offer a no-fee service at this time.

15 Q. What are the various payment methods that
16 customers can use?

17 A. Customers can pay their bills by mailing a
18 check to the Company's payment processing center, using the
19 Company's automatic bank debiting program PreferredPay,
20 using the Company's e-bill on-line payment option, making a
21 payment at a pay station, and using the third-party credit
22 and debit card and check payment options either over the
23 phone or via the Company's Web site. In addition,

1 customers can pay their bills using on-line bill payment
2 offered through their banks.

3 Q. How do the costs associated with credit card
4 and check-by-phone payments compare to the costs associated
5 with other forms of payment?

6 A. The costs associated with credit card
7 payments are estimated to be more than two times more
8 expensive than the costs associated with processing a pay
9 station payment (currently the most expensive payment
10 processing method for which the Company pays the fee) and
11 almost twenty times more expensive than the costs
12 associated with processing a mailed-in check.

13 Q. Were there concerns other than increased
14 costs associated with credit card processing that were
15 considered by the Company?

16 A. Yes. During the investigation, concerns
17 were raised about the potential for customers who normally
18 pay their bills through a lower-cost method to use their
19 credit cards to pay their bills in order to earn benefits
20 such as air miles and rebates. Such a practice under a
21 "no-fee" option would have the potential to significantly
22 increase the Company's costs for processing payments.

23 Q. Is the Company aware of any utility that has
24 offered a "no-fee" credit card payment option?

1 arrangements. What is Idaho Power's approach to payment
2 arrangements?

3 A. When customers find themselves in the
4 situation in which service is scheduled to be disconnected
5 due to non-payment of their bills, Idaho Power prefers to
6 make reasonable and workable payment arrangements with them
7 in order to avoid the costs associated with terminating
8 service as well as to recover the revenue associated with
9 providing service. When customers who are unable to pay
10 their bills contact the Company, or are contacted by the
11 Company through our out-bound calling process, Idaho
12 Power's customer service representatives ("CSRs") work with
13 them to identify mutually agreeable payment arrangements
14 that allow them to continue receiving service. In
15 addition, the Company's Meter Specialists are authorized to
16 make payment arrangements with customers who have not
17 previously done so at the time they arrive at the
18 customers' premises to disconnect service for non-payment.

19 Q. Does Idaho Power grant its employees
20 flexibility in working with its customers to make payment
21 arrangements?

22 A. Yes. Employees are granted flexibility in
23 working with customers to establish payment arrangements
24 that meet the needs of both the customer and the Company.

1 CSRs and Meter Specialists are provided general guidelines
2 as part of their training, but are also encouraged to make
3 "good" business decisions based on individual
4 circumstances. A customer's ability to pay, the account
5 balance owing, the payment history, the payment arrangement
6 history, and the length of time to pay the balance are
7 factors that are taken into consideration when working with
8 the customer. Arrangements can span the gamut from
9 extending the scheduled service termination date for a few
10 days so that the customer can pay the balance due, to
11 paying one-half the balance now with the balance due in
12 thirty days, to a levelized arrangement in which the past-
13 due balance is paid over twelve months.

14 Q. Mr. Thaden suggests that the Company provide
15 monthly customer reminder calls or provide customers a
16 payment book to reinforce the importance of making the
17 agreed upon payment. Does Idaho Power currently offer any
18 of these reminders?

19 A. Yes. Whenever a customer enters into a
20 payment arrangement, Idaho Power sends a letter to the
21 customer detailing the terms of the arrangement and
22 detailing when each payment is due and the amount of each
23 payment.

1 PacifiCorp, I would prefer to work with CAPAI (and any
2 other interested parties) to identify the information that
3 would be most helpful to it while minimizing the resources
4 and costs Idaho Power would need to devote to such an
5 endeavor. As Ms. Ottens states in her testimony, Idaho
6 Power does not track which customers are low income and
7 therefore has limited ability to provide information.
8 However, I believe a constructive discussion with CAPAI can
9 lead to the identification of information that is both
10 useful and available and that both parties find mutually
11 agreeable.

12 Q. Does this conclude your rebuttal testimony?

13 A. Yes, it does.