Q.Please state your name and business address for the record.

A.My name is Beverly Barker.  My business address is 472 West Washington Street, Boise, Idaho.

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

A.I am employed by the Idaho Public Utilities Commission as Director of Consumer Assistance.

Q.What is your educational background and relevant employment history?

A.I received a Bachelor of Arts Degree in Political Science and Sociology from Indiana University in 1974.  I am a Certified Professional Mediator.  I have attended the NARUC Regulatory Studies Program and have taken many professional and graduate-level courses on public administration, management, conflict resolution and consumer affairs.  I have served on the faculty of the Center for Public Utilities at New Mexico State University and the NARUC Regulatory Studies Program at Michigan State University.  I served as Chair of the NARUC Staff Subcommittee on Consumer Affairs from 1990-1993 and am still a member of that subcommittee.  I have been employed by the Commission since December 1976 and have been in my present position since January 1983.

Q.What matters do you intend to address in your testimony?

A.I address several tariff changes proposed by Idaho Power.  I have compared the Company’s current   Rule H (the tariff section that articulates the Company’s line extension policy) with its proposal as contained in Exhibit No. 1 of Company witness G.W. Said’s testimony filed in this case.  The purpose of my comments is to bring to the attention of the Commission several proposed omissions from the current Rule H.  I also recommend changes to the Company’s proposal with respect to service attachment charges.  Finally, I briefly discuss the nature of complaints, comments, and inquiries received by the Commission from Idaho Power customers.

Q.What has the Company omitted from its proposed Rule H that merits further scrutiny?

A.Idaho Power proposes to eliminate provisions contained in its existing tariff with respect to Fire Protection Facilities (Section 4J) and Line Extension Agreements (Section 8).  Section 4J states that fire protection facilities must pay the full cost of line extensions or upgrades and that allowances are not applicable.  Section 8 addresses circumstances where allowances equal or exceed $75,000.  Staff Exhibit     No. 112 shows the current tariff language.  Originally, these sections were omitted because the Company’s initial proposal did not provide for line extension allowances.  Both the Company’s revised proposal and the Staff’s proposal include allowances, however, making it necessary to retain the provisions previously omitted.  Therefore, the language from Sections 4J and 8 of the current tariff should be incorporated into the tariff ultimately approved by the Commission.

Q.Has the Company omitted a provision contained in its current tariff covering local improvement districts?

A.Yes, it has.  Section 7 was added to Rule H at the Company’s request following passage of state legislation dealing with local improvement districts for electric and communication facilities.  In essence, Section 7 briefly summarizes the applicable law.  Staff Exhibit No. 112 shows the current tariff language.  Since the Company is obligated to comply with state law whether or not it is mentioned in the tariff, removal of this section will have no practical effect.  For that reason, I do not oppose removing Section 7.

Q.Is the Company proposing to omit an existing provision which requires the Company to pay interest on construction payments it holds if construction does not commence within 30 days?

A.Yes, Section 4M of the current Rule H provides for payment of interest beginning on the 31st day after receipt of funds from an applicant, additional applicant or subdivider and ending when construction actually begins.  (See Staff Exhibit No. 112.)  The Company cites its desire to simplify the administration of Rule H as justification for the change, but it has provided no evidence as to why this provision has proved to be burdensome.  The interest requirement serves as a financial incentive to the Company to begin construction within 30 days, and provides some compensation to applicants if construction is delayed beyond normal construction intervals.  I recommend that Section 4M be retained.

Q.What comments do you have with respect to the Company’s proposed service attachment charge in Section IV.A?

A.For underground service cable, Schedule 1 (residential) customers must pay a base charge that varies according to whether the service cable is attached to an underground line or an overhead line and whether the customer provides the trench and conduit for the cable.  This pricing concept is unchanged from the existing tariff.  However, the component prices have changed due to the proposed shift away from the average unit pricing methodology used in the past.

Under the Company’s revised proposal, there is only a slight difference ($5.00) between the base charges assessed for installations where the customer provides the trench and conduit and those where the Company does all the necessary work.  In the Company's original proposal, the price differential was much greater since the base charge included up to 100 feet of service cable.  The applicant would be charged on a per- foot basis for an extension exceeding the allowance built into the base charge.  The revised proposal eliminated the allowance so that the base charge recovered only fixed costs.  Disaggregating the distance-sensitive and non-distance-sensitive cost components resulted in a much smaller variance in the base charge, and, in my opinion, eliminated the need to distinguish between Company installations and those where the customer provides the conduit and trench.  I recommend that base charges vary only by connection type (overhead line to underground service or underground line to underground service).  Reducing the number of base charges from four to two will simplify the tariff and make it easier to administer.

I also propose that the pricing components be described in a narrative style, which would be easier for customers to understand.  My proposed wording, which would replace in part the Company's proposed language under Section IV.A, is as follows:

Schedule 1

Overhead Service Cable is supplied at no cost to the customer.  The cost of Underground Service Cable is the sum of the applicable base charge and distance charge.

Base Charge

  Underground service from underground line $30.00

  Underground service from overhead line $250.00

Distance Charge (per foot)

  Company installed facilities    $5.05

  Customer provided trench & conduit  $1.05

Q.Please discuss the kind of concerns expressed by customers with regard to Idaho Power’s current line extension policy.

A.Predictably, cost is the most frequent cause of complaints, inquiries and comments.  Unfortunately, there is not a general public awareness of what line extensions, upgrades, or relocations cost, so it is not unusual for new applicants to question or protest the cost quote provided by the Company.  The proposal to have new customers pay a greater share of the cost of line extensions will probably increase the number of complaints filed with the Commission.

Idaho Power’s line extension policy, including the vested interest and refund provisions, are another significant area of concern.  The five-year limit on refunds has been the subject of many informal and two formal complaints (IPC-E-92-24 and IPC-E-94-12) in the past.  The most recent formal complaint (IPC-E-94-12), filed by James W. and Gail D. Tucker against Idaho Power, illustrates the type of problem encountered in undeveloped subdivisions.  The Tuckers were unsuccessful in their attempts to get other property owners to contribute to the cost of extending electric service within a 573 acre subdivision in Cascade.  They paid $17,331 for extending service to their property in 1992.  No additional property owners applied for service in the months following completion of the Tucker line extension, causing them to become concerned about the possibility they would not recover even a portion of their investment.  In 1994, the Tuckers requested a five-year extension of time during which they would be eligible to receive a refund, citing a belief that “the majority of parcel owners, and possibly all, will simply wait out the five-year period to avoid paying their fair share of the cost of electrical service to the area.”  In Order      No. 25717, the Commission declined to grant an extension, expressing reluctance to make a retroactive change to a valid line extension agreement that was made in accordance with the tariff.

Q.In his testimony, Staff witness Rick Sterling recommends extending the refund eligibility period from five to 10 years for line extensions within platted, undeveloped subdivisions.  Do you agree with his recommendation?

A.Yes, I do.  Although that proposed change will probably not eliminate complaints about the eligibility criteria for refunds, it represents a significant step towards resolving one of the thorniest problems encountered in the past.

Q.What other concerns have customers expressed regarding Idaho Power's line extension policy?

A.Other issues prompting customers to contact the Commission include construction delays, line location, pole placement, and utility easements.  Neither the Staff nor the Company’s proposals change existing policy and practices regarding these issues.

Q.Does that complete your testimony?

A.Yes, it does.