

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DONOVAN E. WALKER

DATE: DECEMBER 23, 2004

SUBJECT: PACIFICORP'S APPLICATION FOR APPROVAL OF REVISIONS TO THE COMPANY'S CUSTOMER GUARANTEE RULE 25 AND SCHEDULE 300, CASE NO. PAC-E-04-7

On December 2, 2004, PacifiCorp submitted by electronic filing various changes in customer guarantees and performance standards using a tariff advice proceeding. The Company requests an effective date of the revisions to Rule 25 and Schedule 300 of April 1, 2005. Additionally, the Company requests approval of the proposed changes by January 31, 2005 to allow sufficient time to implement the revisions by the requested April 1, 2005 effective date. Because of the significant changes proposed by the Company, the Commission Staff recommends suspending the tariff advice, assigning a case number, and processing the proposed changes using Modified Procedure with a comment period.

BACKGROUND

At the time of the merger between PacifiCorp and ScottishPower, the Company agreed to implement seven Performance Standards and eight Customer Guarantees. *See*, Case No. PAC-E-99-1. The Company committed to a five-year term for the program which expires on March 31, 2005. According to the Company's current Application, the Customer Guarantee Program has been very successful with a success rate in meeting the guarantee commitments in Idaho of 99.9%. The Company now proposes to continue both the Customer Guarantee Program and the Performance Standards Program citing: positive customer, employee, and regulatory feedback regarding the service standards; the process improvements that have resulted from the service standards; and the desire to maintain the Company's focus on providing excellent customer service.

THE APPLICATION

The Company requests an effective date for the proposed revisions of April 1, 2005, as the current standards expire on March 31, 2005. Additionally, the Company requests approval of the proposed revisions by January 31, 2005 in order to train employees and make the necessary system changes to implement the revisions.

Customer Guarantee Program

The Company is proposing several improvements to the current customer guarantees and the elimination of one guarantee. The Company proposes a three-year duration for the modified program, with an expiration date of March 31, 2008, and including an efficacy review of the program by the Company and Commission Staff at that time to determine what modifications should be made in the future.

Under the modified program the Company will guarantee the following services: 1) restoring supply after an outage; 2) meeting appointments; 3) connecting new service; 4) providing an estimate; 5) responding to billing inquiries; 6) resolving meter problems; and 7) providing notice on planned interruptions. The Company seeks to eliminate the existing Customer Guarantee No. 8, Responding to Power Quality Complaints.

Network Performance Standards

The Company proposes to retain four Network Performance Standards and eliminate one. According to the Application the Company proposes: 1) to improve SAIDI (system average sustained interruption duration index) results by 6% within the three years to achieve a target of SAIDI of no more than 206.3 minutes; 2) to improve SAIFI (system average sustained interruption frequency index) results by 6% within the three years to achieve a target of SAIFI of no more than 2.34 events; 3) to select five under-performing circuits in Idaho on an annual basis and undertake corrective measures to reduce the CPI (circuit performance indicator) by 20% within two years; and 4) to restore power outages due to a loss of supply or damage to the Company's distribution system on average to 80% of customers within three hours. The Company seeks to eliminate the network performance standard relating to MAIFI (momentary average interruption frequency index).

Customer Service Performance Standards

The Company is proposing changes in the telephone performance standard and the complaint performance standard. The Application proposes to adjust the service level for

telephone response from 80% of calls answered in 20 seconds, to 80% of calls answered in 30 seconds, and to focus on the quality of service that customers receive by monitoring customer satisfaction with the Company's Customer Service Associates and the quality of response the customers receive. The Company is also proposing changes to the complaint performance standard to indicate that the Company will respond to at least 95% of Commission complaints within 30 days.

STAFF RECOMMENDATION

Staff recommends that, rather than process this matter as a tariff advice as submitted by the Company, this application should be processed by modified procedure within the time frame requested by the Company.

COMMISSION DECISION

Does the Commission wish to process this case by modified procedure with a comment period of 21 days?

Donovan E. Walker