

DECISION MEMORANDUM

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

FROM: DONOVAN E. WALKER

DATE: JANUARY 21, 2005

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. Because of the significant changes proposed by the Company, the Commission Staff recommended processing the proposed changes using Modified Procedure with a comment period. In Order No. 29679 the Commission ordered the use of Modified Procedure with a comment period ending January 19, 2005. The only comments received were those of the Commission Staff.

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 COMMENTS

Staff commends the Company on its willingness to continue monitoring its performance in several key areas. By establishing standards and guarantees, the Company has reinforced its commitment to maintaining and, where possible, improving customer relations and network service quality. Staff prepared “Attachment A” to its comments which summarizes the relevant merger commitments made by the Company, its performance with respect to those commitments, and how the proposed commitments compare to the existing commitments.

Staff recommends that the Commission accept the Company’s proposal, with four relatively minor changes/additions. First of all, in the Staff’s Comments, Staff recommends that the Commission not approve the proposed revision regarding the definition of a “major event”. (*Staff Comments*, p. 5, Recommendation 4). However, subsequent to the filing of Staff Comments the Company provided additional information that the proposed definition is actually an accepted and officially adopted definition by the Institute of Electrical and Electronics Engineers, Inc. (IEEE). Therefore, Staff’s recommendation is that Section 3, on Sheet 25R.4 refer to the “IEEE Guide for Electric Power Distribution Reliability Indices, Standard 1366tm-2003.” (Please see, Attachment 1 to this Memorandum).

With regard to the Company’s proposed changes to Customer Guarantees, Staff recommends approval of the changes provided that: 1) rather than stating that the Guarantees “are applicable to all active metered residential, Schedule 23 and Schedule 23A Customers” that sheet 25R.1 be modified to list each schedule – Schedule 1, 6A, 10, 23, 23A, and 36, in order to clarify the customer classes that the Guarantees apply to; and 2) rather than stating “two days” (Customer Guarantee 7 – Notifying of Planned Interruptions) as proposed by the Company, that Sheet 25R.3 be modified to specify “two calendar days” in order to clarify the time period and to be consistent with other Guarantee provisions which reference “two working days” and “two calendar days.”

With regard to the Company’s proposed changes to Network Performance Standards, Staff recommends approval of the changes, including the elimination of the standard relating to Momentary Average Interruption Frequency Index (MAIFI) provided that the Company

develops its alternative plan for full-system momentary detection and provides a specific proposal to Staff as soon as possible. The Company has been measuring this index by breaker counts and has found that this does not result in an adequate measurement of MAIFI. The Company also believes that adding momentary detection to each circuit is cost-prohibitive and data-intensive to investigate using current technology. The Company proposes to manage momentary events within the delivery system and will rely on customer feedback to identify high momentary outage activity. The Company has assured the Staff that it remains committed to improving the network performance and customer concerns related to momentary events, and will delineate cost-effective methods for full-system momentary detection deployment.

STAFF RECOMMENDATION

Staff recommends that the Commission accept the Company's proposal provided that the following changes are made: (Attachment 1 shows the Staff's recommended changes/additions)

1. That all Customer Guarantees apply to customers served under Schedules 1, 6A, 10, 23, 23A, and 36 and that Sheet 25R.1 be modified to list those schedules.
2. That the Customer Guarantee regarding notification of planned interruptions (Sheet No. 25R.3) be modified to specify "two calendar days."
3. That the Company provides a specific proposal to continue monitoring momentary events as soon as possible.
4. That Sheet 25R.4, Section 3 regarding the definition of "major event" refer to the "IEEE Guide for Electric Power Distribution Reliability Indices, Standard 1366tm-2003."

COMMISSION DECISION

Does the Commission wish to approve the Company's proposed revisions to its Customer Guarantees and Performance Standards to take effect on April 1, 2005, and expire on March 31, 2008?

If so, does the Commission wish to adopt Staff's proposed changes to the Company's proposed revisions?


Donovan E. Walker

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I.P.U.C. No. 28

First Revision of Sheet No. 25R.1
Canceling Original Sheet No. 25R.1

ELECTRIC SERVICE REGULATION NO. 25

STATE OF IDAHO

**GENERAL RULES AND REGULATIONS
CUSTOMER GUARANTEES**

This Rule provides general terms and conditions for the Company's Customer Guarantees which are applicable to all active metered ~~residential, Schedule 23 and Schedule 23A~~ Customers or Applicants utilizing the services of the Company. *Schedule 1, 6A, 10, 23, 23A and 36*

1. CUSTOMER GUARANTEE CREDIT:

For failure to meet a Customer Guarantee for Customer Guarantees 1 and 7, Customers must make a claim for compensation. Valid compensation claims for Customer Guarantees 1 and 7 submitted within 30 days of the date of an outage will be credited to the Customer's account. If the Company fails to meet a Customer Guarantee for Customer Guarantees 2 through 6 and ~~Customer Guarantee 8~~, the credit will automatically be applied to the Customer's account. Where a Customer Guarantee applies to an Applicant, the Company will mail the guarantee payment to the Applicant. See Schedule 300 for a description of the Customer Guarantee credits.

2. DESCRIPTION OF CUSTOMER GUARANTEES:

(a) Customer Guarantee 1: Restoring Supply After An Outage

In the event of an outage, the Company will restore a Customer's electric supply within 24 hours of being notified except where:

- (1) The Customer agreed to remain without supply;
- (2) The Company offered the Customer a generator as an alternative means of supply;
- (3) There were problems or safety-related issues with the Customer's internal equipment; or
- (4) Specialized equipment was required to restore the supply. *

*Also see General Exceptions.

(Continued)

Submitted Under Advice No. 04-1000-04

ISSUED: December 2, 2004 ~~May 11, 2000~~

EFFECTIVE: April 1, 2005 ~~July 1, 2000~~

2 DESCRIPTION OF CUSTOMER GUARANTEES: (continued)

~~(d) Customer Guarantee 4: Estimates For New Supply (continued)~~

- ~~(3) The Company was unable to contact the Customer or Applicant at the address or telephone number provided by the Customer or Applicant; or~~
~~(4) The Company rescheduled the appointment with at least 24 hours of notice.*~~

*Also see General Exceptions.

(e) Customer Guarantee 5: Responding To Bill Inquiries

The Company will respond to most billing inquiries at the time of the initial contact from the Customer. For those inquiries that require further investigation, the Company will investigate and respond to the Customer as soon as possible or at least within 10 working days.

(f) Customer Guarantee 6: Resolving Meter Problems

The Company will investigate and respond to reported problems with a Customer's meter, or conduct a meter test and report the results to the Customer, within 10~~5~~ working days. If more than one requested test is made in twelve months, the Customer will pay in advance a charge as specified in Schedule 300.

(g) Customer Guarantee 7: Notifying Of Planned Interruptions *calendar*

The Company will provide the Customer with at least two ~~working~~ *calendar* days notice prior to turning off power for planned interruptions except where:

- (1) The Customer agreed to less than two ~~working~~ *calendar* days notice;
(2) The interruption was due to work on meters or a meter test;
(3) The interruption was a momentary interruption of less than 5 minutes;
(4) Permanent repairs were carried out within three working days of completing temporary repairs following an unplanned interruption;
(5) The Customer was notified of a planned interruption which did not occur; or
(6) The safety of the public, Company personnel or imminent failure of Company equipment is a factor leading to an immediate interruption to carry out repair work.*

*Also see General Exceptions

(Continued)

2 — ~~DESCRIPTION OF CUSTOMER GUARANTEES: (continued)~~

To receive a credit, a Customer must make a claim for compensation within 30 calendar days of the date of the planned interruption.

~~(h) Customer Guarantee 8: Responding To Power Quality Complaints~~

~~The Company will begin an investigation of a power quality complaint and respond to the Customer within seven working days or explain a known problem to the Customer within five working days.~~

3. **GENERAL EXCEPTIONS:**

Payment for the failure to meet a Customer Guarantee shall not be made if any of the following general exceptions occur:

- (1) The Customer or Applicant canceled the request and/or did not keep the appointment. This will include the Customer or Applicant notifying the Company they did not want the Company to start action, or take any further action.
- (2) The Customer or Applicant agreed that the action taken by the Company met the requirements of the guarantee.
- (3) The Customer or Applicant did not provide necessary information or supplied incorrect information.
- (4) Inability to access Company, Customer or Applicant's facilities beyond the control of the Company.
- (5) An action or default by someone other than a Company employee that is outside of the Company's control, for example, road closures.
- (6) Major events, such as storms, ⁱⁿ as currently defined by the Institute of Electrical and Electronics Engineers, Inc. (IEEE) *Guide for Electric Power Distribution*
- (7) Instances where resources required to meet the guarantees were re-deployed to restore supplies during a major event in another operating area or utility.
- (8) Safety-related issues which preclude the Company from meeting the guarantees.
- (9) Causes related to force majeure, which include but are not limited to: injunction or other decree or order of any court or governmental agency having jurisdiction, strikes or other labor disputes such as lockouts, slowdowns or work stoppages, sabotage, riot insurrection, acts of the public enemy, fire, flood, explosion, extraordinary action of the elements, earthquake or other acts of God, or accidental destruction of or damage to facilities.

Reliability Indices, Standard 1366 tm - 2002

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