

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: MARILYN PARKER

DATE: JANUARY 6, 2012

RE: STAFF COMPLAINT AGAINST ROCKY MOUNTAIN POWER:
BILLING UNDER AN INAPPROPRIATE RATE SCHEDULE
(UTILITY CUSTOMER RELATIONS RULE 203.01(c)).

PAC-E-12-01

After investigating an informal complaint against Rocky Mountain Power, Staff believes that Rocky Mountain violated Utility Customer Relations Rule 203.01(c). In pertinent part, this Rule requires that a customer billed under an inappropriate tariff be rebilled and refunded the difference. The Company does not accept the Staff's proposed resolution; consequently, Staff brings this matter to the Commission.

BACKGROUND

On November 2, 2011, Staff spoke with Ted Orchard, owner of Idaho Travertine in Idaho Falls. Mr. Orchard said he was fairly certain that Rocky Mountain Power (RMP; Company) had assigned him to the wrong rate schedule - Schedule 6 (General Service - Large Power) - when he had "taken back" his business on April 14, 2010.¹ Sometime after he resumed ownership, Mr. Orchard visited RMP's local office, where he was told that no one there could help him and that he needed to call the Company's 800 number to discuss the rate assignment issue. Mr. Orchard did not call because at that point contact was initiated with the Commission. Mr. Orchard indicated to Staff that he did not elect to be on Schedule 6 in April 2010, nor has he ever opted to be on Schedule 6 as evidenced by an informal complaint he had filed with the Commission several years ago.

¹ Mr. Orchard sold his business in March 2008 but resumed ownership in 2010. During the period when the business was owned and operated by another party, electric service was provided to a customer named Rocky Mountain Travertine.

1. Prior Informal Complaint

In 1997, Mr. Orchard filed an informal complaint with the Commission regarding his rate schedule assignment. At that time, he was receiving service under Schedule 6. Following Staff's investigation, it was determined that Schedule 23 (General Service) would provide a more favorable rate for Idaho Travertine. The Company agreed to switch him to Schedule 23. At that time, the Commission Staff did not require RMP to provide a refund to the customer for the difference between Schedule 23 and Schedule 6 rates.

Rocky Mountain Power now indicates that its records show that both Idaho Travertine and Rocky Mountain Travertine were billed under Schedule 6 for as far back as RMP's account records go (December 1997). Neither the customer nor the Company can provide documentation to prove whether Idaho Travertine's account was actually changed to Schedule 23 in March of 1997 pursuant to RMP's agreement to resolve the original 1997 complaint. However, Staff has determined that as of December 1997, Idaho Travertine was billed under Schedule 6, despite the fact that it had been determined earlier that year that Schedule 6 was an inappropriate rate schedule.

2. Current Complaint

To resolve the current informal complaint, Staff requested that in accordance with Customer Relations Rule 203.01(c), Idaho Travertine be moved to Schedule 23 and provided a refund from the time when service was reestablished in the name of Idaho Travertine (April 2010) to the point at which service was switched to Schedule 23 from Schedule 6 (November 2011), i.e., 18 months. Staff's position is that there is sufficient evidence to indicate that the customer was assigned to an inappropriate rate schedule when he came back on service in 2010.

Rule 203 generally provides that the customer be rebilled if the customer was billed under an inappropriate tariff. This Rule states:

203. BILLING UNDER INAPPROPRIATE TARIFF SCHEDULE

01. Rebilling Required. If a customer was billed under an inappropriate tariff schedule, the utility shall recalculate the customer's past billings and correctly calculate future billings based on the appropriate tariff schedule. A customer has been billed under an inappropriate tariff schedule if:

- ...
- c. The customer, who is eligible for billing under more than one (1) tariff schedule, was billed under a schedule contrary to the customer's election, or the election was based on erroneous information provided by the utility.

IDAPA 31.21.01.203.01 (attached). Staff maintains that this customer is entitled to a refund of \$15,952.31 because Rocky Mountain Power assigned the customer to the incorrect rate schedule on April 14, 2010. See rate comparison spreadsheet - Attachment No. 2.

RMP agreed to move the customer to Schedule 23 but declined to provide the customer with a refund. According to the Company, RMP's responsibility is to provide rate information to its customers and to respond to customer requests for review of rate schedule assignment. RMP does not monitor customer accounts to determine whether a customer could be assigned to a different, less expensive rate schedule.

STAFF COMMENTS

Rocky Mountain Power's tariff includes two general service rate schedules for commercial customers: Schedules 23 (General Service) and Schedule 6 (Large Power). See Attachment No. 3. Neither schedule has specific eligibility criteria related to demand or energy usage. According to RMP, at the time of initial connection of a new business building, the Company, in consultation with the customer, determines what the appropriate rate should be.

After initial assignment of a rate schedule to a service location, both existing and subsequent customers will stay on that same rate schedule until the customer contacts the Company to change service requirements or question rates. Although Staff agrees that the Company does provide some information to customers regarding rates, many customers lack full awareness of their options. Even if they are aware of options, they may not realize that a change in rate schedule might result in significant savings. In addition, customers may not have sufficient expertise or resources to compare rates. It may be difficult for customers who are eligible for more than one rate schedule to conduct a comprehensive billing analysis in order to determine the least cost rate option. Since Schedule 6 and 23 have no specific eligibility criteria, there is no way to determine the appropriateness of a rate schedule assignment without doing such an analysis.

In Mr. Orchard's case, he assumed at the time he signed up for service again in 2010 that he would be assigned by RMP to the most favorable rate. The customer service representative's statement that "optional rate schedules" were available didn't prompt him to ask for a rate schedule comparison at that time. Staff believes that Mr. Orchard's assumption regarding rate

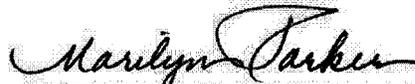
schedule assignment was certainly reasonable given the resolution of his informal complaint regarding that same issue in 1997.

STAFF RECOMMENDATION

Neither Staff nor the customer were satisfied with the outcome of the informal complaint and Staff has taken this action to file a Formal Complaint on behalf of the customer. Rule 24. Staff recommends that the Commission issue a summons to Rocky Mountain Power and direct the Company to file a response to the Commission. Rule 54.05.

COMMISSION DECISION

Does the Commission find there is probable cause to accept Staff's formal complaint?
Does the Commission wish to issue a Summons?



Marilyn Parker

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Attachment # 1

203. BILLING UNDER INAPPROPRIATE TARIFF SCHEDULE (Rule 203).

01. Rebilling Required. If a customer was billed under an inappropriate tariff schedule, the utility shall recalculate the customer's past billings and correctly calculate future billings based on the appropriate tariff schedule. A customer has been billed under an inappropriate tariff schedule if: (7-1-93)

a. The customer was billed under a tariff schedule for which the customer was not eligible; or (7-1-93)

b. The customer was billed under a tariff schedule based upon information supplied by the customer but the customer's actual demand is insufficient to meet the minimum eligibility requirements for the selected tariff schedule; or (4-2-08)

c. The customer, who is eligible for billing under more than one (1) tariff schedule, was billed under a schedule contrary to the customer's election, or the election was based on erroneous information provided by the utility. (7-1-93)

02. Exceptions. The utility shall not be required to adjust billings when it has acted in good faith based upon available information or when the customer was given written notice of options under the tariff schedules and did not make a timely election to exercise available options. (7-1-93)

03. Rebilling Time Period. When the customer has been overcharged, the period for rebilling shall not exceed three (3) years as provided by Section 61-642, Idaho Code. When the customer has been undercharged, the period for rebilling shall be limited to six (6) months unless a reasonable person should have known of the inappropriate billing, in which case the rebilling period may be extended for a period not to exceed three (3) years. Utilities shall implement procedures designed to monitor and identify customers who may be billed under an inappropriate tariff schedule. (4-2-08)

04. Refunds and Additional Payments. The utility shall promptly prepare a corrected billing indicating the refund due the customer or the amount due the utility. (4-2-08)

a. A customer who has been undercharged shall be given the opportunity to make payment arrangements under Rule 313 on the amount due. At the customer's option, the term of the payment arrangement may extend for the length of time that the undercharge accrued. (4-2-08)

b. The utility shall promptly calculate refund amounts overpaid by the customer and issue a credit on the customer's next bill. Any remaining credit balance may be credited against future bills, unless the customer, after notice from the utility, requests a refund. The utility shall advise the customer of the option to have any remaining credit balance refunded to the customer. (4-2-08)

**Billing Analysis
Meter Read History**

Customer Name: Idaho Traverline Corp

3935 N Yellowstone Hwy, Idaho Falls,
Idaho

Service Address:

Billing Month	Read Date	Read Type	Source *	Days	kW Read	kW Usage	kWh Read	kWh Usage	kVArh Read	kVArh Usage	Actual Invoice Amount on Schedule 6	Invoice Amount If Billed On Schedule 23
	4/14/2010	Opening Read	Office Estimate		263	0	2070	0	2843	0		
May	5/11/2010	Regular Read	Iron	27	212	68	2080	3200	2863	6400	\$979.54	\$251.65
June	6/10/2010	Regular Read	Iron	30	243	78	2098	5760	2893	9600	\$1,378.23	478.655
July	7/13/2010	Regular Read	Iron	33	167	53	2117	6080	2921	8960	\$992.83	\$506.37
August	8/11/2010	Regular Read	Iron	29	309	99	2137	6400	2954	10560	\$1,721.97	\$535.37
September	9/10/2010	Regular Read	Iron	30	285	91	2166	9280	3008	17280	\$1,736.51	\$769.82
October	10/11/2010	Regular Read	Iron	31	297	95	2203	11840	3075	21440	\$1,870.81	\$978.22
November	11/9/2010	Regular Read	Iron	29	401	128	2258	17600	3169	30080	\$2,435.97	\$1,391.33
December	12/13/2010	Regular Read	Iron	34	482	154	2337	25280	3292	39960	\$2,746.01	\$1,814.15
January	1/13/2011	Regular Read	Iron	31	462	148	2412	24000	3407	36800	\$2,710.86	\$1,755.33
February	2/14/2011	Regular Read	Iron	32	378	121	2501	28480	3552	46400	\$2,620.50	\$2,111.31
March	3/14/2011	Regular Read	Iron	28	426	136	2571	22400	3666	36480	\$2,588.83	\$1,663.67
April	4/12/2011	Regular Read	Iron	29	440	141	2622	16320	3742	24320	\$2,434.50	\$1,248.78
May	5/11/2011	Regular Read	Iron	29	275	88	2657	11200	3783	13120	\$1,625.24	\$935.26
June	6/10/2011	Regular Read	Iron	30	243	78	2691	10880	3825	13440	\$1,628.27	\$985.06
July	7/13/2011	Regular Read	Iron	33	294	94	2731	12800	3880	17600	\$1,972.01	\$1,156.34
August	8/11/2011	Regular Read	Iron	29	399	128	2784	16960	3965	27200	\$2,735.77	\$1,527.45
September	9/12/2011	Regular Read	Iron	32	331	106	2824	12800	4025	19200	\$2,186.82	\$1,156.34
October	10/11/2011	Regular Read	Iron	29	270	86	2854	9600	4066	13120	\$1,727.62	\$870.88

\$ 36,092.29 \$ 20,139.98

difference in 18770.
\$ 15,952.31



IDAHO PUBLIC UTILITIES COMMISSION
 Approved Effective
 April 25, 2011 April 25, 2011
 Per O.N. 32224
 Jean D. Jewell Secretary

I.P.U.C. No. 1

Third Revision of Sheet No. 6.1
 Cancelling Second Revision of Sheet No. 6.1

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 6
STATE OF IDAHO

General Service - Large Power

AVAILABILITY: At any point on the Company's interconnected system where there are facilities of adequate capacity.

APPLICATION: This Schedule is for alternating current, single or three-phase electric service supplied at Company's available voltage through one metering installation at a single point of delivery for all service required on the premises.

MONTHLY BILL:

Rate:

	<u>Billing Months May through October, Inclusive</u>	<u>Billing Months November through April, Inclusive</u>
Customer Service Charge:		
Secondary voltage delivery (Less than 2300 volts)	\$ 33.00 per Customer	\$ 33.00 per Customer
Primary voltage delivery (2300 volts or higher)	\$ 99.00 per Customer	\$ 99.00 per Customer
Power Rate:	\$ 12.22 per kW for all kW	\$ 10.05 per kW for all kW
Energy Rate:	3.3805¢ per kWh for all kWh	3.3805¢ per kWh for all kWh

(Continued)

Submitted Under Case No. PAC-E-10-07

ISSUED: April 20, 2011

EFFECTIVE: April 25, 2011



IDAHO PUBLIC UTILITIES COMMISSION

Approved

Effective

Dec. 28, 2010

Dec. 28, 2010

Per O.N. 32161

Jean D. Jewell Secretary

I.P.U.C. No. 1

Second Revision of Sheet No. 6.2
Canceling First Revision of Sheet No. 6.2

ELECTRIC SERVICE SCHEDULE NO. 6 - Continued

Power Factor:

This rate is based on the Customer maintaining at all times a power factor of 85% lagging, or higher, as determined by measurement. If the average power factor is found to be less than 85% lagging, the Power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the power factor is less than 85%.

Voltage Discount:

Where Customer takes service from Company's available lines of 2300 volts or higher and provides and maintains all transformers and other necessary equipment, the voltage discount based on measured Power will be:

\$0.57 per kW for all kW of Power

Minimum Bill:

The Customer Service Charge.

POWER: The kW as shown by or computed from the readings of Company's Power meter for the 15-minute period of Customer's greatest use during the month, determined to the nearest kW.

SEASONAL SERVICE: Service for annually recurring periods of seasonal use where service is normally discontinued or curtailed during a part of the year may be contracted for under this Schedule under either of the following conditions:

- (a) Customer may contract for service under this Schedule on a year-round basis paying for all service, including transformer losses where applicable, under the rates set forth under "Monthly Bill" above including the monthly minimum bill during those months service is curtailed or is not utilized in the Customer's operation.
- (b) Customer may contract for seasonal service under this Schedule with a net minimum seasonal payment as follows:
 - \$ 396.00 plus Power and Energy Charges for Customer taking service at less than 2300 volts and
 - \$ 1,188.00 plus Power and Energy Charges for Customer taking service at 2300 volts or higher.

(Continued)

Submitted Under Case No. PAC-E-10-07

ISSUED: December 27, 2010

EFFECTIVE: December 28, 2010

Attachment No. 3
Decision Memorandum
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IDAHO PUBLIC UTILITIES COMMISSION
Approved Aug. 28, 2006 Effective Sept. 15, 2006
Jean D. Jewell Secretary

I.P.U.C. No. 1

Original Sheet No. 6.3

ELECTRIC SERVICE SCHEDULE NO. 6 – Continued

CONTRACT PERIOD: One year or longer.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Submitted Under Advice Letter No. 06-06

ISSUED: August 14, 2006

EFFECTIVE: September 15, 2006

Attachment No. 3
Decision Memorandum
Page 3 of 3



IDAHO PUBLIC UTILITIES COMMISSION
 Approved April 25, 2011 Effective April 25, 2011
 Per O.N. 32224
 Jean D. Jewell Secretary

I.P.U.C. No. 1

Third Revision of Sheet No. 23.1
 Canceling Second Revision of Sheet No. 23.1

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 23
STATE OF IDAHO

General Service

AVAILABILITY: At any point on the Company's interconnected system where there are facilities of adequate capacity.

APPLICATION: This Schedule is for alternating current, single or three-phase electric service supplied at Company's available voltage through one metering installation at a single point of delivery for all service required on the premises.

MONTHLY BILL:

	<u>Billing Months May through October, Inclusive</u>	<u>Billing Months November through April, Inclusive</u>
Customer Service Charge:		
Secondary voltage delivery (Less than 2300 volts)	\$14.00 per Customer	\$14.00 per Customer
Primary voltage delivery (2300 volts or higher)	\$43.00 per Customer	\$43.00 per Customer
Energy Rate:	8.0585¢ per kWh for all kWh	7.0345¢ per kWh for all kWh

(Continued)

Submitted Under Case No. PAC-E-10-07

ISSUED: April 20, 2011

EFFECTIVE: April 25, 2011

Attachment No. 4
 Decision Memorandum
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IDAHO PUBLIC UTILITIES COMMISSION
Approved April 25, 2011 Effective April 25, 2011
Per O.N. 32224
Jean D. Jewell Secretary

I.P.U.C. No. 1

Second Revision of Sheet No. 23.2
Canceling First Revision of Sheet No. 23.2

ELECTRIC SERVICE SCHEDULE NO. 23 - Continued

Power Factor:

This rate is based on the Customer maintaining at all times a power factor of 85% lagging, or higher, as determined by measurement. If the average power factor is found to be less than 85% lagging, Customer will be billed for 3/4 of 1% of the Power recorded by the Company's meter for every 1% that the power factor is less than 85%. This Power will be billed at the Power Rate stated in Electric Service Schedule No. 6.

Voltage Discount:

Where Customer takes service from Company's available lines of 2,300 volts or higher and provides and maintains all transformers and other necessary equipment, the voltage discount based on measured Energy will be:

0.3892¢ per kWh for all kWh.

Minimum Bill:

The Customer Service Charge

POWER: The kW as shown by or computed from the readings of the Company's Power meter for the 15-minute period of Customer's greatest use during the month, determined to the nearest kW.

SEASONAL SERVICE: Service for annually recurring periods of seasonal use where service is normally discontinued or curtailed during a part of the year may be contracted for under this Schedule under either of the following conditions:

- (a) Customer may contract for service under this Schedule on a year-round basis paying for all service, including transformer losses where applicable, under the rates set forth under "Monthly Bill" above including the monthly minimum bill during those months service is curtailed or is not utilized in the Customer's operations.
- (b) Customer may contract for seasonal service under this Schedule with a net minimum seasonal payment as follows:

\$168.00 plus Energy Charges for Customer taking service at less than 2,300 volts and
\$516.00 plus Energy Charges for Customer taking service at 2,300 volts or higher.

CONTRACT PERIOD: One year or longer.

(Continued)

Submitted Under Case No. PAC-B-10-07

ISSUED: April 20, 2011

EFFECTIVE: April 25, 2011

Attachment No. 4
Decision Memorandum
Page 2 of 3



IDAHO PUBLIC UTILITIES COMMISSION
Approved Aug. 28, 2006 Effective Sept. 15, 2006
Jean D. Jewell Secretary

I.P.U.C. No. 1

Original Sheet No. 23.3

ELECTRIC SERVICE SCHEDULE NO. 23 - Continued

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Submitted Under Advice Letter No. 06-06

ISSUED: August 14, 2006

EFFECTIVE: September 15, 2006

Attachment No. 4
Decision Memorandum
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