DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

DON OLIASON

BEVERLY BARKER

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:NOVEMBER 21, 1997

RE:CASE NO. WWP-E-97-2

RECONNECTION CHARGES (SEASONAL/TEMPORARY DISCOUNTS)

On January 29, 1997, The Washington Water Power Company (Water Power; Company) filed a letter request with the Idaho Public Utilities Commission (Commission) seeking authority to  amend its electric Rules and Regulations regarding reconnection charges.  The proposed tariff revision discourages disconnection and eliminates the financial incentive for customers to discontinue and re-establish service within a twelve-month period to avoid paying monthly minimum charges. The proposed revision to sheet 70-g requires that if a customer discontinues service and then re-establishes service within a twelve-month period, the customer is required to pay an amount equal to the monthly minimums that would have been billed had service not been discontinued as well as pay a re-establishment charge.  Customers disconnected for more than twelve months will only have to pay the re-establishment fee.  The re-establishment charge proposed is the same as the currently effective reconnection charge (currently $16.00 and $32.00 on overtime).  The Company states that there are approximately 300 residential customers who will be affected by this new policy and estimates it will gain $8.50 per customer per month for eight months of the non-vacation season for a total of $20,000 annually.

The Company maintains that when customers request disconnections to avoid paying monthly minimum charges, the Company fails to recover costs associated with the distribution facilities that were installed to provide service to the dwelling.  When a disconnection/reconnection occurs, the Company states that it may also incur additional costs because, in many instances, a crew has to visit the dwelling twice; once to disconnect service and again to reconnect service.  The Company notes that its Schedule 71 tariff covering residential service in the Sandpoint area contains a provision that was carried over from the PacifiCorp tariff which states:  “Disconnect and reconnect transactions shall not operate to relieve a customer from monthly minimum charges.”

The Commission by Order No. 26831 issued March 6, 1997, suspended the effective date for 90 days.  The Commission requested further and more complete analysis of the Company’s proposal by Commission Staff.

Notices of Application and Modified Procedure in Case No. WWP-E-97-2 were issued on June 5, 1997.  The deadline for filing written comments was June 27, 1997.  Comments were filed by Commission Staff and the owner of a trailer court in Wallace, Idaho.  Reply comments were filed by the Company.  Based on its review of the filed comments in Case No. WWP-E-97-2 the Commission has determined that the public interest in this matter requires a hearing.  Reference IDAPA 31.01.01.204.

The Commission is apprised that the prefile of testimony, pursuant to scheduling, is now completed.  Water Power in its cover sheet to its rebuttal testimony states as follows:

While the Company is prepared to have a hearing in this case, the Company would be agreeable to have the Commission decide the case on the merits of the testimony and exhibits which have been submitted without the need for a hearing.  Idaho Power Company, the only intervenor in this case, has indicated that they have no objection to not having a hearing.

Commission Decision

Procedurally, should this matter be set for hearing or should further Modified Procedure and public comments be solicited?  If the matter is to be set for hearing, when?

Scott Woodbury

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