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UTILITIES COMMISSION

LISA D. NORDSTROM
Attorney II

October 24, 2007

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. RUL-U-07-2
IN THE MATTER OF THE REVISION OF THE COMMISSION'S UTILITY CUSTOMER RELATIONS RULES, IDAPA 31.21.01

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Comments for the above-referenced matter.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Lisa D. Nordstrom

Lisa D. Nordstrom

LDN:sh
Enclosures

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1221 W. Idaho St.
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE REVISION OF THE COMMISSION'S UTILITY CUSTOMER RELATIONS RULES, IDAPA 31.21.01	)	CASE NO. RUL-U-07-2 IDAHO POWER COMPANY'S COMMENTS

COMES NOW Idaho Power Company ("Company") and hereby submits the following comments regarding the Idaho Public Utilities Commission's ("Commission") proposed changes to the Utility Customer Relations Rules, IDAPA 31.21.01. The Company's Comments particularly focus on Rules 203, 204, 310 and 311.

RULE 105. The Company supports the proposed revisions to Rules 105.01 and 105.02 to clarify the provisions for installment payments of deposits.

RULE 203. The Company supports the Commission's proposed revisions to Rule 203.04 and the proposed addition of Rule 203.01.b.

Rule 203.03 -- Idaho Power believes the existing language in Rule 203.03 adequately addresses rebilling of customers to correct under- or over-charges. If, however, the Commission believes that the rebilling period must be adjusted, Idaho Power believes it is most equitable for the rebilling period to be symmetrical regardless of what time period is chosen. A symmetrical rebilling period is fair to both the utility and the utility's customers, and is non-discriminatory and non-preferential in its treatment of both under-billed and over-billed customers.

Although billing errors are most frequently the fault of the utilities, errors are not purposeful and cannot be completely eliminated in any business. Utilities are already incentivized to minimize or eliminate errors given the frustration they cause customers, the negative impact errors have on the utilities' image, and the significant employee resources required to correct them. Because Idaho Power billing errors most frequently involve under-billing for periods that sometimes exceed three (3) years, Idaho Power has a financial incentive to find and correct billing errors as well. An additional incentive in the form of an asymmetrical rebilling provision is not necessary to encourage utilities to minimize billing errors.

Idaho Power is also concerned that an asymmetrical rebilling period will create an additional incentive for customers to provide inaccurate information that causes them to be billed on a less expensive tariff for which they would not be eligible. Rule 203.02 alludes to this problem, but appears to only address when customers have been overcharged based upon their representations rather than undercharged. Limiting utilities' ability to rebill for undercharged amounts to six (6) months will have the effect of

rewarding customers who make inaccurate representations about their energy consumption.

The Company is concerned that the proposed language stating "unless a reasonable person should have known of the inappropriate billing" will be subject to a variety of interpretations and prone to disagreement. It is also unclear how long "the rebilling period may be extended" under those circumstances, and whether the length of that rebilling period is dependent upon how reasonable the customer's lack of knowledge was. Idaho Power recommends that the language "unless a reasonable person should have known of the inappropriate billing, in which case the rebilling period may be extended" be deleted from the proposed rule.

Finally, Idaho Power has no objection to the proposed requirement that utilities implement procedures designed to monitor and identify customers who may be billed under an inappropriate tariff schedule.

RULE 204. Rule 204 is currently titled "Inaccurately Billed Service under Correct Tariff Schedule – Failure to Bill for Service". Idaho Power believes it would be less confusing and more accurate to replace the dash with "or" to further differentiate the two issues. With this revision the title for Rule 204 would read "Inaccurately Billed Service under Correct Schedule or Failure to Bill for Service".

Rule 204.01 -- The Commission's proposed revision to Rule 204.01 adds "metering equipment was incorrectly programmed" as a reason requiring the utility to prepare a corrected billing. The Company supports the intent of this rule revision but requests a modification to more accurately reflect a bill error relating to the metering

equipment. The Company recommends the following language for Rule 204.01 (clarifying language in italics):

> **01. Errors in Preparation *or* Malfunction *or* Failure to Bill.** Whenever the billing for utility service was not accurately determined for reasons such as a meter *malfunctioned, failed, or was incorrectly installed*, bills were estimated, or bills were inaccurately prepared, the utility shall prepare a corrected billing. If the utility has failed to bill a customer for service, the utility shall prepare a bill for the period during which no bill was provided.

The Company believes the intent of the Commission's proposed "metering equipment was incorrectly programmed" language is to address situations in which bills are incorrectly prepared due to an error associated with complex metering equipment, such as current transformer (CT) metering. However, billing errors associated with CT metering usually result from incorrect information being entered into a utility's billing system, not from an error in programming a meter. Consequently, the Company believes errors associated with incorrect programming, regardless of whether they result from meter, billing system, or other issues are already addressed by the "bills were inaccurately prepared" language currently in the rule and adding language specifically referring to meter programming is not necessary.

Rule 204.02.b and c -- As explained in greater detail above with regard to Rule 203.03, Idaho Power believes the existing language in Rule 204.02.b adequately addresses rebilling of customers to correct under- or over-charges. If, however, the Commission believes that the rebilling period must be adjusted, Idaho Power believes it is most equitable, non-discriminatory, and non-preferential for the rebilling period to be symmetrical regardless of what period is chosen as expressed in the Company's comments regarding proposed Rule 203.03. Idaho Power also recommends that the

language "unless a reasonable person should have known of the inappropriate billing, in which case the rebilling period may be extended" be deleted from the proposed rule, consistent with the Company's comments regarding changes to proposed Rule 203.03.

Rule 204.03 and .04 -- The Company supports the Commission's proposed revisions to Rule 204.03 and Rule 204.04.

RULE 300. The Company supports the addition of Rule 300.04 to allow electronic mail as a method of providing "written notice" to customers who consent to receive electronic notification.

RULE 302. Idaho Power's operating practices already comply with the language proposed in Rule 302.08 and similar requirements found in *Idaho Code* § 5-217. Consequently, Idaho Power supports the proposed revision.

RULE 310. The Company supports the intent of the proposed revisions to Rule 310. However, the addition of Rule 310.02 as proposed creates confusion with its reference to the criteria listed in Subsections 310.01.b through 310.01.d as insufficient grounds for denial of service. Specifically, Rule 310.01.b states in part: "The unpaid bill *cited as grounds for termination* is for utility service to any other customer" (italics added). This reference causes confusion in the case of denial of service since a service denial does not always result in a termination of service. To eliminate this confusion, Idaho Power recommends the words "cited as grounds for termination" be deleted from proposed Rule 310.01.b. Also, in order to make the criteria listed in Subsection 310.01.b through 310.01.d clearly applicable to both customers and applicants, Idaho Power recommends the proposed language of Rule 310.01.d be revised to include "applicant" in addition to "customer" so that the rule reads (clarifying language in italics):

> **d.** The unpaid bill is for service provided four (4) or more years ago unless the customer *or applicant* has promised in writing to pay or made a payment on the bill within the last four (4) years.

Idaho Power also believes that provisions included as part of the Commission's proposed Rule 311, specifically proposed Rules 311.01.c and 311.01.d, are more appropriately related to insufficient grounds for termination or denial of service and should be included as part of Rule 310. This recommendation is detailed more fully in the Company's comments relating to the proposed changes to Rule 311.

Finally, to ensure that the criteria listed for denial of service are clearly applied, Idaho Power recommends that proposed Rule 310.02 be revised as follows (clarifying language in italics):

> **02. Denial of Service**. No applicant shall be given notice of denial nor shall the applicant be denied service if any of the criteria listed in Subsection 310.01.b through Subsection 310.01.*e*[1] apply *to the unpaid bill cited as grounds for denial of service.*

RULE 311. Idaho Power disagrees with several of the proposed changes to Rule 311 as identified below.

1. Restricting Times When Service May Be ***Denied***. There is a very clear distinction between the *denial* of service and the *termination* of service. When service is denied, the physical status of the service at the applicant's service location can either be currently connected or currently disconnected.[2] If the existing service is currently disconnected, the Commission rules are very clear that the utility is not obligated to

[1] The addition of language comprising Subsection 310.01.e is discussed on page 9.
[2] More than half of Idaho Power's applicants requesting service have service transferred into their name without the need for a physical reconnection of service.

connect service to an applicant for whom service is denied (see Rule 302.08) until the applicant satisfies the conditions cited by the utility for denial of service.

However, if the existing service is currently connected, the Commission rules very clearly delineate the steps the utility must take before service to the applicant may be terminated. Specifically, Rules 301 and 312 require the utility to provide written notice to an applicant for whom service is denied notifying him or her of the utility's intent to terminate service if the applicant does not take the actions identified in the notice. The written notice needs to be provided to the applicant at least two calendar days prior to the proposed termination date. The act of denying service does not change the status of the existing service. In fact, when an applicant for whom service is currently connected is "denied service," the applicant is simply informed that service cannot be put into the applicant's name until the applicant takes further action. No service termination may be performed for at least two days. Therefore, restricting the times when a utility may deny service will hamper the utility's ability to communicate with applicants and make it more difficult for applicants to obtain service.

Under a literal application of the Commission's proposed Rules 311.01 and 311.02, if an applicant contacted the utility on a Friday, any weekday after 5:00 p.m., or on a weekend requesting service be connected or be put into his or her name and the utility determined that the applicant had an outstanding amount owed for service received less than four years ago, the utility would be unable to inform the applicant of the service denial. Rather, the utility would need to wait until the following Monday or business day to inform the applicant of the service denial and the actions the applicant must take in order to obtain service.

Attempting to add denial of service criteria to provisions that clearly are addressing termination of service, as is the case with the proposed Rule 311, adds confusion, hampers the utility's ability to provide service, and negatively impacts applicants' ability to obtain service. For these reasons, Idaho Power recommends that all references to service denial included in the Commission's proposed Rules 311.01 and 311.02 be deleted.

2. Restricting Times When Service May Be ***Terminated***. The Company's preference is to make no changes to the language of Rule 311.01.a. so that utilities may continue to terminate service on Friday mornings. The current rules permitting Friday morning service terminations allow the Company to balance the weekly workload of its employees performing the service terminations as well as the employees fielding the calls associated with the service terminations. In addition, the Company has employees available 24 hours a day, 7 days a week, to connect or reconnect service. Customers subject to a service termination can not only have Idaho Power reconnect service at any time of the day or any day of the week, they also have a greater ability than in the past to access funds needed to have service reconnected during extended hours of the work week as well as on weekends.

However, if the Commission deems it appropriate to adopt the proposed revisions to Rule 311.01.a restricting the times when service may be terminated, the Company supports the proposed change to Rule 311.02.b extending the times when service may be terminated from 4 p.m. to 5 p.m. Monday through Thursday. The additional hour available to terminate service on those four (4) days will allow utilities

the same number of hours per week during which service terminations may be performed.

3. Bills in Dispute. Idaho Power believes the proposed language of Rule 311.01.d should be amended to specify that the payment for "utility service" at dispute in an Idaho court is related solely to the disputed amount with that particular utility company. Otherwise the language could be used to justify non-payment on undisputed amounts with that utility, or perhaps even amounts owed to other utilities, while a court case is pending. To eliminate this possibility, Idaho Power suggests combining the language in the proposed Rule 311.01.c and .d into a single rule as Rule 310.01.e detailed below.

In addition, Idaho Power believes the conditions described in the proposed Rules 311.01.c. and d are more accurately described as "insufficient grounds for termination or denial of service" than as "times when service may not be terminated". As such, Idaho Power believes it is appropriate to remove the provisions of proposed Subsections 311.01.c and .d and combine and include them as part of Rule 310 as follows:

> **310.01**
>
> **e.** The unpaid bill is in dispute with a complaint filed pursuant to Rule 402 pending before this Commission or a case pending before a court in the State of Idaho.

4. Personnel to Authorize Reconnection. Proposed Rule 311.03 addresses the requirement to have personnel available to reconnect service when the conditions which led to the termination of service have been corrected. As the Company has

described earlier in its comments, the act of denying service is very separate from the act of terminating service. Idaho Power believes that adding language to Rule 311.03 referencing denial of service simply adds confusion by implying that denial of service and termination of service are one and the same. It is the Company's recommendation that the reference to denial of service be removed from this proposed rule.

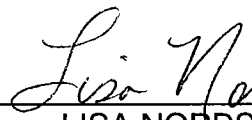
5. Opportunity to Prevent Termination of Service, Notice of Procedure for Reconnecting Service. The context of proposed Rules 311.04 and 311.05 is that a utility representative is on-site at the customer's premises to perform an action, namely a service termination. While the requirements of proposed Rule 311.04 and 311.05 are practicable for a service termination, they are not reasonable for a denial of service because a site visit is rarely made as part of a service denial. In almost all cases, the service denial is made at the time an applicant contacts the utility requesting service. The addition of denial of service language to proposed Rules 311.04 and 311.05 will create a new requirement that utility representatives now make a site visit as part of the service denial process. Idaho Power does not believe that the Commission intends to add a costly provision to its requirements as part of this rulemaking. In order to ensure that utilities are not required to now make site visits as part of the denial of service process, Idaho Power recommends the references to denial of service be deleted from proposed Rules 311.04 and 311.05.

6. Customer Requested Termination. Rules 301, 302, and 303 contain provisions that adequately address the denial of service to applicants. Consistent with the Company's recommendation to exclude denial of service provisions from Rule 311, Idaho Power recommends that proposed Rule 311.06 be revised to read:

06. Customer Requested Termination. Nothing in this rule prohibits a utility from terminating service at any time pursuant to a customer's request.

Rule 600. The Company supports the Commission's proposed revisions to Rule 600.05.

DATED at Boise, Idaho, this ~~25th~~ 24th day of October 2007.



LISA NORDSTROM
Attorney for Idaho Power