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BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
UNITED WATER IDAHO INC. FOR) CASE NO. UWI-W-04-4
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR WATER SERVICE IN)
THE STATE OF IDAHO)
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DIRECT TESTIMONY OF CAROL COOPER
IDAHO PUBLIC UTILITIES COMMISSION
APRIL 6, 2005

1 Q. Please state your name and business address
2 for the record.

3 A. My name is Carol J. Cooper. My business
4 address is 472 West Washington Street, Boise, Idaho.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Idaho Public Utilities
7 Commission (IPUC) as a Utilities Compliance Investigator in
8 the Consumer Assistance Section.

9 Q. What is your relevant employment history?

10 A. I have been employed with the Public Utilities
11 Commission since March 1984 and have been with the Consumer
12 Assistance Section since August 1992.

13 Q. What is the purpose of your testimony in this
14 proceeding?

15 A. I will address the following consumer issues:
16 (1) forms, bills and notices; (2) customer relations;
17 (3) low income assistance program; (4) proposed
18 miscellaneous service charges; (5) proposed tariff changes;
19 and (6) summary of customer comments filed in this case.

20 **CUSTOMER FORMS**

21 Q. Have you reviewed customer billings, forms,
22 notices and letters?

23 A. Yes. I reviewed each document and found the
24 materials to be in compliance with the Utility Customer
25 Relations Rules (IDAPA 31.21.01000 et seq.) and Utility

1 Customer Information Rules (IDAPA 31.21.02000 et seq.).

2 **CUSTOMER RELATIONS**

3 Q. Please describe how many and what type of
4 complaints and inquiries the Commission has received
5 regarding United Water Idaho (UWI).

6 A. Exhibit No. 128 shows a three-year comparison
7 of the customer contacts with the Commission. Customers
8 were primarily concerned about billing and disconnection of
9 service. High bills were of particular concern to
10 customers. With respect to disconnection of service, I
11 found that there are many reasons why customers do not pay
12 their UWI bills.

13 Q. Are these customers primarily low-income
14 customers?

15 A. The Consumer Assistance Staff does not require
16 that piece of information, so unless a customer voluntarily
17 discloses his or her income to Staff, there is no way to
18 determine if income is a factor in inability to pay the
19 water bills.

20 Q. What are some of the other issues raised by
21 customers?

22 A. Rate design issues such as the summer
23 differential in rates and the customer charge were topics
24 of concern. Several customers indicated they would prefer
25 to have a lower customer charge and a higher consumption

1 charge. They also questioned why the customer charge for
2 United Water is so much higher than for other utility
3 companies.

4 Q. Do you agree with UWI's proposal to increase
5 the customer charge by 36.4 percent?

6 A. No. I support Staff witness Sterling's
7 testimony to keep the existing bi-monthly customer charge
8 for residential customers with a ¾-inch meter at \$14.57.

9 Q. How does UWI's performance compare to that of
10 other water companies?

11 A. Exhibit No. 129 shows a three-year comparison
12 of customer complaints with those regulated companies
13 having more than 1000 customers. United Water has a
14 satisfactory ranking among those companies.

15 Based on my review of customer complaints and
16 inquiries, I find the Company's customer relations and the
17 quality of service to be acceptable.

18 Q. Do you believe United Water provides adequate
19 customer assistance for non-English speaking customers?

20 A. The Company does not currently provide bills
21 or notices in any language other than English at this time.
22 The Company does have one meter reader fluent in Spanish
23 who assists the customer service representatives when
24 necessary.

25 Q. Should UWI be doing more to assist its non-

1 English speaking customers?

2 A. In Case No. RUL-U-04-2, the Commission is
3 considering what steps, if any, utilities should be taking
4 to accommodate customers whose primary language is
5 something other than English. Therefore, I have no
6 recommendation to make at this time.

7 Q. Is there an area of customer service that you
8 believe United Water goes above and beyond what is required
9 by the Commission?

10 A. Yes. Although not required by the Public
11 Utilities Commission, United Water offers credit
12 adjustments on high bills due to leakage if the leak is on
13 the customer's side of the meter and proof of repair is
14 provided.

15 Q. How would a typical customer find out that UWI
16 has such a policy?

17 A. Usually customers receive a high bill, which
18 results in a call to the Customer Service staff of United
19 Water. A field service person is sent out to determine
20 whether or not the leak is on the customer's side of the
21 meter. The customer is informed at that time to provide
22 documentation of the repair, such as a copy of the
23 plumber's bill, receipts for parts used, or a letter
24 stating how the leak was repaired. A final check is made
25 to insure there is no further leakage and an adjustment is

1 calculated. A comparison from similar time periods from
2 previous years is used to get an average use. The customer
3 is sent a corrected bill, which is based on average use for
4 the time period in question plus one-half of the additional
5 usage attributable to the leak.

6 Q. Is the process the same if a customer has a
7 sprinkler system leaking?

8 A. Yes, it is. However, if the customer is on a
9 pressurized irrigation system and the settings are wrong
10 and causing United Water backfeeds, no adjustment is given.
11 The Company believes the pressurized irrigation system is
12 within the customer's control, while leakage is usually
13 not.

14 **LOW INCOME ASSISTANCE PROGRAM**

15 Q. Does UWI disconnect service to residential
16 customers in the winter months?

17 A. Yes, it does. The restrictions on termination
18 of service to households with children, elderly or infirm
19 (Utility Customer Relations Rule IDAPA 31.21.01306) apply
20 only to residential gas and electric service.

21 According to the statistics received from the
22 Company, during 2002 and 2003 the highest number of
23 disconnections took place in the month of January. In
24 2004, the highest number of disconnections occurred in the
25 month of March.

1 Q. Why would the largest number of disconnections
2 take place during the winter months if the bills are
3 usually much lower?

4 A. Termination is allowed when the bill is two
5 (2) months past due or the bill is \$50 or more (IDAPA
6 31.21.01310). Since UWI bills customers on a bi-monthly
7 basis, each past due bill is subject to collection action
8 regardless of the amount owed. A customer might have
9 service disconnected if payment arrangements for high
10 summer usage were spread over more than one billing cycle
11 and the customer failed to pay as agreed. Another factor
12 might be that although the Company is allowed to disconnect
13 service during the months of December through February,
14 United Water typically does not disconnect service around
15 the Thanksgiving, Christmas or New Year's holidays. Once
16 the holidays are over, disconnections resume.

17 Q. Have you reviewed the Stipulation filed by
18 United Water Idaho and Community Action Partnership
19 Association of Idaho (CAPAI) regarding a proposed low-
20 income assistance program?

21 A. Yes, I have. Unfortunately, Staff did not
22 have an opportunity to thoroughly explore the issues raised
23 in that filing. Staff would support a program that
24 encourages conservation and targets low-income customers
25 who are having difficulty paying their bills.

1 **MISCELLANEOUS SERVICE CHARGE**

2 Q. What is your position with respect to the
3 proposed increases in Miscellaneous Service Charges as
4 outlined in Company witness Gradilone's Exhibit No. 6,
5 Schedule 3, page 19?

6 A. The Company is proposing increases in charges
7 for reconnection of service, returned checks, and premise
8 visits to collect payment of bills. The Company has not
9 provided any rationale or cost support documentation
10 indicating a need to increase any of these non-recurring
11 charges. It has also listed a new reconnection fee of \$80
12 for reconnections made from 8:01 p.m. to 7:59 a.m. The
13 currently approved reconnection fee of \$30 applies to any
14 reconnection performed outside of normal business hours.
15 Staff does support the increase from \$15 to \$20 for
16 returned checks, since this is the maximum charge allowed
17 by statute. Other than the returned check charge, however,
18 without cost support documentation, I recommend the
19 miscellaneous service charges stay at the existing rates.
20 I also recommend that the \$80 after hours reconnection fee
21 from 8:01 p.m. to 7:59 a.m. be denied.

22 Q. Why do you oppose implementing a higher fee
23 for reconnections done in response to customer requests
24 received from 8:01 p.m. to 7:59 a.m.?

25 A. Staff supports higher after-hours reconnection

1 fees such as those found in UWI's existing tariff.
2 However, the Company has provided no cost justification or
3 reason for charging an \$80.00 fee for late night/early
4 morning reconnections. If handling late night/early
5 morning reconnection requests pose a problem for United
6 Water, it is not clear what other policy or procedural
7 changes may have been explored to address the perceived
8 problem. Unlike other Idaho utilities that provide service
9 over large, sometimes difficult to reach areas, UWI's
10 service area is primarily urban, which would tend to
11 minimize the expense of responding to after-hours calls.
12 Another factor to be considered is the Company's relatively
13 short business hours of 8:00 a.m. to 4:30 p.m., which
14 limits customer access and the ability to pay or make
15 payment arrangements. I recommend that the reconnection
16 fee stay at \$30 for reconnections performed outside of
17 normal business hours.

18 **REVISED TARIFF**

19 Q. What comments do you have with respect to
20 UWI's proposed tariff revision?

21 A. UWI filed a revised version of its tariff with
22 the Commission. Although no Company witness sponsored this
23 document, it includes the Company's proposed changes to its
24 rate schedules as well as its rules and regulations
25 governing the rendering of water service and water main

1 extensions. In his testimony, Company witness Gradilone
2 refers to several changes made to the tariff. However,
3 changes were made to the Residential, Multiple Family
4 Housing, Commercial, Industrial or Municipal Development
5 Water Main Extension Agreement that are not discussed in
6 his testimony. Staff notes that the Company is proposing
7 to increase the "Umbrella Excess Liability" coverage
8 required of an Applicant and an Applicant's Contractor from
9 \$2,000,000 over primary insurance to \$5,000,000. The
10 Company is also proposing to change the provision requiring
11 a sixty-day (60) notice for cancellation or material change
12 in coverage to thirty (30) days. Staff Exhibit No. 130
13 contains the existing approved tariff page (page 1) as well
14 as the proposed tariff page (page 2). These changes appear
15 to be substantive, but the Company has not provided any
16 explanation as to why these changes should be made.
17 Therefore, Staff recommends that these two proposed changes
18 not be approved by the Commission.

19 **CUSTOMER COMMENTS**

20 Q. Did the Commission receive any consumer
21 comments regarding the filing of this case?

22 A. Yes. As of April 1, 2005, the Commission had
23 received 102 written comments.

24 Q. Please summarize some of the comments received
25 from customers.

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A. Many of the comments made (21) were regarding new growth and questioned whether existing customers are subsidizing new developments. Twenty (20) customers stated they personally were on a fixed income or could not afford such a high increase in rates as requested by United Water. Several others indicated they were concerned about the elderly and low income in the community being able to afford these higher rates due to an already tight budget. There were ten (10) comments against the summer differential in rates and three (3) objecting to such a large customer charge.

Q. Does this conclude your direct testimony in this proceeding?

A. Yes, it does.