

BEFORE THE

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IDAHO PUBLIC UTILITIES COMMISSION

IDAHO PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR ELECTRIC SERVICE )  
TO ELECTRIC CUSTOMERS IN THE STATE )  
OF IDAHO. )

CASE NO. IPC-E-08-10

DIRECT TESTIMONY OF MARILYN PARKER

IDAHO PUBLIC UTILITIES COMMISSION

OCTOBER 24, 2008

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

3 A. My name is Marilyn Parker. My business address  
4 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 as a Utilities Compliance Investigator. I  
8 accepted that position with the Consumer Assistance Staff  
9 in November 2002.

10 Q. What is your educational and professional  
11 background?

12 A. Prior to my employment with the Idaho Public  
13 Utilities Commission, I had twenty years experience  
14 working in private industry for three different utility  
15 companies. In 1973 and 1974, I was employed by Central  
16 Alaska Utilities, a water company in Anchorage, Alaska, as  
17 the Executive Secretary to the President of the company.  
18 From 1982 until 1987, I was employed as a Customer Service  
19 Representative for Idaho Power Company in Salmon, Idaho.  
20 From February 1989 until November 2002, I was employed by  
21 Intermountain Gas Company in Customer Services. During my  
22 last six years at Intermountain Gas, I supervised  
23 representatives at the Customer Service Center's Emergency  
24 Answering Service.

25 I received a Bachelor of Arts Degree in

1 Management and Organizational Leadership from George Fox  
2 University in Boise, Idaho in June 2002.

3 In June 2003 and June 2006, I attended the  
4 National Low Income Energy Consortium Annual Conference in  
5 Sacramento, California and Washington, D.C., respectively.

6 Q. Have you previously testified before the  
7 Commission?

8 A. Yes, I have.

9 Q. What is the purpose of your testimony in this  
10 proceeding?

11 A. The purpose of my testimony is to address: (1)  
12 customer comments received by the Commission regarding  
13 this case; (2) customer relations; (3) convenience fees;  
14 and, (4) irrigation deposits.

15 Q. Please summarize your testimony and  
16 recommendations to the Commission.

17 A. I reviewed the customer comments and found that  
18 one-third of those commenting were from low and fixed  
19 income customers who were concerned about how they would  
20 be able to pay higher electric rates and another one-third  
21 questioned why existing customers had to pay for new  
22 growth.

23 I reviewed the complaints and inquiries received  
24 by the Commission over the past four years from Idaho  
25 Power customers and identified a consistent decline from

1 2004 to 2007.

2 I reviewed the Customer Service Center's call  
3 answering performance and found that the Company's yearly  
4 averages met the goal of answering 80% of calls within 30  
5 seconds.

6 I identified technological advancements  
7 implemented by the Company and how they have improved  
8 customer service.

9 I reviewed the Company's forms required by the  
10 Commission's Utility Customer Relations Rules and found  
11 them to be compliant.

12 I addressed the Company's response to Staff's  
13 concerns regarding how Idaho Power's irrigation customers  
14 were kept informed of the Company's recent changes to its  
15 irrigation deposit collection practices.

16 I recommend that the Company explore  
17 alternatives to its policy of requiring customers to pay  
18 convenience fees when paying their Idaho Power bills using  
19 check-by-phone, credit card or debit card and report its  
20 findings to the Commission Staff.

21 **CUSTOMER COMMENTS**

22 Q. Have you reviewed the written customer comments  
23 that have been received by the Commission regarding this  
24 case?

25 A. Yes. As of October 16, 2008, forty-nine (49)

1 Idaho Power customers had submitted comments regarding the  
2 proposed increase in Idaho Power's electric rates. All  
3 the commenters opposed any increase to rates.

4 Q. What are the concerns mentioned most often by  
5 customers?

6 A. The comments fell into two major categories.  
7 One-third of those commenting cited Idaho Power's  
8 reference in its press release to the fact that new growth  
9 was a major driver in its need for a rate increase. Those  
10 customers questioned why current customers had to pay for  
11 new growth. Another one-third of the comments were from  
12 fixed and low income customers who raised concerns about  
13 the current economic conditions and how they would be able  
14 to afford to pay higher electric rates.

15 Staff witness Hessing will discuss cost  
16 allocation and the cost of growth. Staff witness Thaden  
17 will discuss economic conditions and customers' ability to  
18 pay.

19 **CUSTOMER RELATIONS**

20 Q. In the last four years, how many complaints and  
21 inquiries has the Commission received regarding Idaho  
22 Power?

23 A. Staff Exhibit No. MP #1 shows the number of  
24 informal complaints and inquiries received since 2004.

25 Q. What did your analysis of complaints and

1 inquiries since 2004 reveal?

2 A. There has been a consistent decline in the  
3 number of complaints and inquiries received by the Idaho  
4 Public Utilities Commission from Idaho Power customers in  
5 the past four years.

6 Q. Regarding complaints and inquiries registered at  
7 the IPUC, how does Idaho Power compare to the other three  
8 major regulated energy companies doing business in Idaho  
9 since 2004?

10 A. In 2007, Idaho Power and Avista Utilities in  
11 northern Idaho had the fewest complaints and inquiries on  
12 a per 1,000 customer basis. From 2004 to 2006, Idaho  
13 Power had fewer complaints and inquiries than two of the  
14 major energy companies (see Staff Exhibit No. MP #2).

15 Q. Is Idaho Power responsive to the Commission's  
16 Utility Compliance Investigators during complaint  
17 investigations?

18 A. Yes. Rule 404 of the Utility Customer Relations  
19 Rules (UCRR) specifies that utilities must respond orally  
20 or in writing to the Commission within ten business days  
21 of receiving notification from the Commission that an  
22 informal complaint against the Company has been received.  
23 In 2007, the annual average number of days for Staff to  
24 fully resolve complaints among all the energy companies  
25 was 6.15. For Idaho Power complaints, the average number

1 of days for Staff to resolve complaints in that same time  
2 period was 5.27 days.

3 Q. Is Idaho Power's Customer Service Center  
4 telephone answering service level goal of answering 80% of  
5 incoming calls within 30 seconds consistent and within  
6 industry standards?

7 A. Yes. When looking at yearly averages, the  
8 Company has met its goal in each of the last four years.  
9 However, when looking at its month to month performance,  
10 Idaho Power failed to meet its goal in three months  
11 between July 2007 and July 2008.

12 Q. Are you concerned about the failures to meet its  
13 goal?

14 A. No. It appears that failures were isolated  
15 instances. The worst performance was in July 2007 when  
16 the service level dropped to 67.9%. The Company  
17 attributed this low service level to having six unfilled  
18 positions in its Customer Service Center, which is 11% of  
19 the total customer service representative staff. Those  
20 positions were filled and the new representatives were  
21 answering telephones by the following month. In August  
22 2007, the service level rose to 81.04%. The Consumer  
23 Assistance Staff has not received complaints from  
24 customers who report that they are unable to reach the  
25 Company by telephone due to long hold times, busy signals,

1 no answers, or being told to call back later due to high  
2 call volumes.

3 Q. Are there any other factors to consider when  
4 analyzing the Company's service level?

5 A. Yes. Since the implementation of the  
6 Interactive Voice Response Unit (IVRU) and the online  
7 customer service that is available through Idaho Power's  
8 Website, many customers now have instant access to the  
9 information they need either by telephone or the Internet  
10 without the need to wait on hold to speak to a live  
11 customer service representative.

12 Q. What about customers with outages or emergencies  
13 to report? How are those calls handled?

14 A. Customers with emergencies are not handled in  
15 the same way that a customer who wants to sign up for  
16 service would be handled. When a customer calls Idaho  
17 Power, the customer is connected to an automated system,  
18 the IVRU, that asks the caller to say one of the following  
19 options: "Outage"; "Residential Services"; "Irrigation or  
20 Commercial"; "New Construction"; or "Electrician". When a  
21 customer says "Outage", the caller is first told that if  
22 there is an emergency, the caller should hang up and call  
23 911. If the caller stays on the line, the caller is  
24 directed to state the city he or she is in. At that  
25 point, the automated system looks for an outage in that



1 city. If there is an outage, a recorded message provides  
2 details regarding any known outages. If the automated  
3 system does not find any outages logged, the caller is  
4 advised to stay on the line so that the caller can report  
5 an outage to a representative.

6 Q. Has Idaho Power made any investments in  
7 technology to improve customer service in outage  
8 situations?

9 A. Yes. The Company has made significant  
10 investments in its Outage Management System.

11 Q. What were your observations regarding Idaho  
12 Power's Outage Management System?

13 A. Idaho Power's Outage Management System is now  
14 connected to its IVRU. One of the most important benefits  
15 of the two systems being linked is the ability of the  
16 Company to reduce the number of employees needed to answer  
17 incoming telephone calls during outages.

18 In an effort to further improve customer service  
19 during emergencies and outages, Idaho Power relocated its  
20 Outage Management Department to the same facility as the  
21 Customer Service Center last year. Two specially-trained  
22 customer service representatives are always located within  
23 the Outage Management Center. This allows the Outage  
24 Management employees to concentrate on the coordination of  
25 communications with its dispatched employees in the field

1 to resolve emergencies and incidents and allows the  
2 customer service center employees to work with the  
3 incoming telephone calls and customer communications.

4 Q. Has Idaho Power recently improved any of its  
5 existing technologies?

6 A. Yes. The Company made many improvements to its  
7 Interactive Voice Response Unit (IVRU). One of the  
8 improvements resulted from Idaho Power's internal tracking  
9 of complaints registered with its own customer service  
10 representatives. Customers complained about being unable  
11 to figure out how to speak with a live representative.  
12 Idaho Power added an option for customers who select  
13 "Residential Services" on the IVRU to speak in person to a  
14 customer service representative. In spite of the fact  
15 that more and more customers are choosing *not* to speak  
16 with a live customer service representative, Idaho Power  
17 accommodated those customers who are still uncomfortable  
18 with new technologies; this particularly helps elderly and  
19 some physically challenged customers.

20 Q. Do Idaho Power's notices, bills, and written  
21 information required by the Commission's Utility Customer  
22 Relations Rules (UCRR) comply with these rules?

23 A. Yes. I reviewed the documents in September 2008  
24 and found the Company to be in compliance.

25 Q. In 2008, a provision was added in the UCRR

1 203.03 that states "utilities shall implement procedures  
2 designed to monitor and identify customers who may be  
3 billed under an inappropriate tariff schedule." Has Idaho  
4 Power implemented procedures to be in compliance with this  
5 new provision?

6 A. Yes. According to Idaho Power, its Customer  
7 Information System monitors accounts to ensure a customer  
8 is billed under the appropriate rate schedule. When usage  
9 occurs outside rate qualification rules for a particular  
10 rate schedule, the account is routed to a customer service  
11 representative for a manual review.

12 **CONVENIENCE FEES**

13 Q. Pursuant to UCRR 403, did the Commission review  
14 Idaho Power's written record of its complaints and  
15 requests for conferences?

16 A. Yes, I reviewed the Company's records for 2007.  
17 These records consist of complaints and requests received  
18 by the Company directly and are in addition to those  
19 complaints referred to the Company by the Commission. I  
20 noted in my review that 10% of these complaints (115) were  
21 from customers who were unhappy with the convenience fees  
22 required to pay their Idaho Power bill over the telephone  
23 with a credit or debit card or check-by-phone. The  
24 current charge is \$2.85 for a payment of up to \$300.00.  
25 For example, if a customer calls to pay a bill that is

1 \$305, the customer is required to pay two convenience  
2 fees: \$2.85 for the first \$300 and an additional \$2.85  
3 for the remaining \$5.00 for a total of \$5.70 to pay one  
4 bill. As monthly billing amounts have risen, and more  
5 customers pay past due bills that have accumulated over  
6 time, customers have exceeded the \$300 ceiling with  
7 increasing frequency.

8 Q. Did Idaho Power take any action to address this  
9 issue?

10 A. Yes. Idaho Power negotiated with a new vendor  
11 that charges a \$2.50 convenience fee. Additionally, the  
12 minimum dollar amount per transaction will rise to \$500.  
13 The new vendor will begin processing Idaho Power's credit  
14 card, debit card, and check-by-phone payments in January  
15 2009.

16 Q. Do you have an opinion about Convenience Fees?

17 A. Yes. When regulated energy utility companies in  
18 Idaho began to address customer requests for more options  
19 to pay bills, many of the companies, including Idaho  
20 Power, responded by adding the ability to pay bills over  
21 the telephone and online. Because relatively few  
22 customers used the new conveniences several years ago, the  
23 decision was made by the utilities that customers who used  
24 the services should pay for the services through  
25 individual transaction fees, called "convenience fees."

1 At the time when convenience fees were first implemented,  
2 it seemed logical that those costs created by a few  
3 customers should not be passed on to all ratepayers.  
4 There was not a sufficient volume of transactions to  
5 enable the Company to negotiate fees with the vendors or  
6 offer the service without charge to customers. However,  
7 the number of transactions using this method of paying  
8 bills has grown from 47,713 in 2003 to 186,435 in 2007.  
9 Given the fact that the total number of transactions is  
10 growing rapidly (nearly four times as many transactions  
11 occurred in 2007 than in 2003), it is very apparent that  
12 it is no longer just a few customers using the telephone  
13 to pay their bills. The ability of customers to pay over  
14 the telephone saves the Company money when customers use  
15 this service to avoid being turned off for non-payment of  
16 their account. The savings come from the Company not  
17 being required to send a meter technician to the  
18 customer's home to disconnect and subsequently reconnect  
19 service. Although I have concerns about convenience fees,  
20 particularly with respect to the impact on low income  
21 customers and customers who are having trouble paying  
22 their Idaho Power bills, more study is necessary before I  
23 can make a recommendation about reducing or eliminating  
24 these fees. At this time, I recommend that the Company  
25 explore alternatives to requiring customers to pay

1 convenience fees and report its findings to the Commission  
2 Staff.

3 **IRRIGATION DEPOSITS**

4 Q. In the last few years, Idaho Power changed its  
5 tariffs regarding when and how deposits are collected from  
6 its irrigation customers. What were the primary changes  
7 that Idaho Power made to its irrigation deposit collection  
8 procedures?

9 A. Idaho Power created two new methodologies for  
10 the collection of deposits from its irrigation customers.  
11 The first formula is entitled "Tier One" and was created  
12 in 2002 and the second is entitled "Tier Two" and was  
13 created and added in 2004. The primary changes were that  
14 the Company now: 1) uses the number of *reminder notices*  
15 rather than *late payments* the customer received in the  
16 previous twelve months as the determining factor in  
17 assessing a deposit; 2) ties the amount of the deposit to  
18 the electrical characteristics of the pump and motor  
19 rather than the pump usage history from the previous year;  
20 and, 3) assesses the higher Tier Two deposit if the  
21 customer has an outstanding balance greater than \$1000.00  
22 on December 31 during any of the previous four years.

23 Q. Since Idaho Power changed its deposit collection  
24 procedures for irrigation customers, has the Commission  
25 received any complaints from irrigators?

1           A.    Yes.  The Commission has received seven  
2           complaints from irrigators.

3           Q.    What were the most significant issues voiced by  
4           those complainants?

5           A.    Two of the most recent complaints from  
6           irrigators said they did not feel they had been adequately  
7           informed of the new deposit collection procedures.

8           Q.    Do you concur with the complainants' concerns?

9           A.    Yes.  My investigation revealed that irrigation  
10          customers have not been provided with detailed written  
11          information regarding the Company's more stringent deposit  
12          policy since May of 2005.

13                 Staff reviewed copies of payment reminder  
14          notices sent to irrigators and found them to be  
15          inadequate.  The notices did not make irrigation customers  
16          aware of the deposit policy and so customers were not able  
17          to avoid having to pay a deposit by altering thir payment  
18          habits.

19          Q.    Was Idaho Power responsive to the issues  
20          mentioned above when brought to its attention?

21          A.    Yes.  Once the Company was aware of Staff's  
22          concerns, it began to work immediately with Staff to re-  
23          write its reminder notices.  For example, wording was  
24          added to reminder notices so that the consequences of  
25          receiving two reminder notices in twelve months were

1 clearly stated. The Company also agreed to revise its  
2 bill statement to include information on its deposit  
3 policy. An annual brochure sent to irrigation customers  
4 will be revised in time for next year's mailing. The  
5 brochure will describe in detail the Tier One and Tier Two  
6 deposit policy.

7 Q. The reason Idaho Power changed its irrigation  
8 deposit structure was to reduce uncollectible and written-  
9 off irrigation account balances. Has the goal been met?

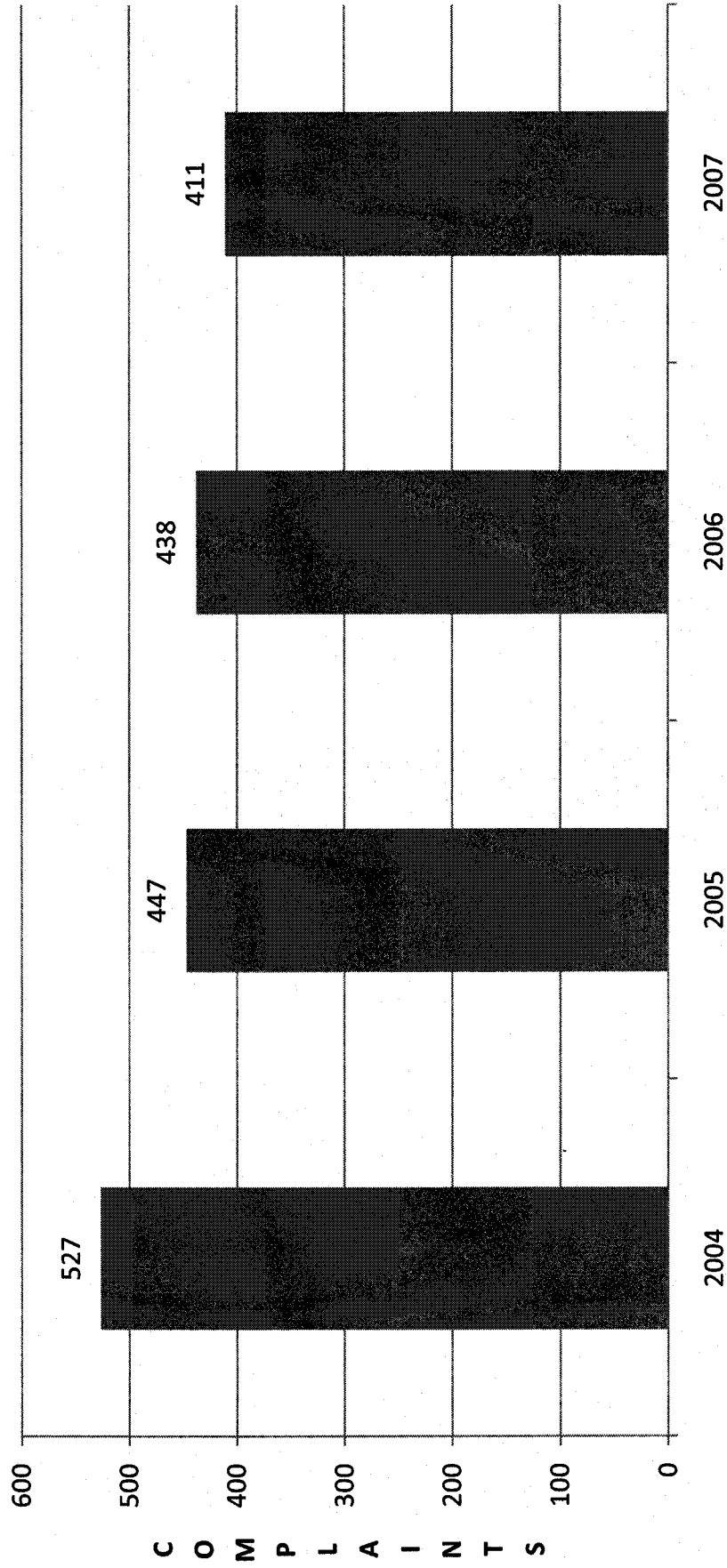
10 A. Reports from the Company show favorable results.  
11 The Company reported to Staff that when comparing 2007  
12 with 2003, there had been a 73 percent reduction in past  
13 due irrigation account balances and a 93 percent reduction  
14 in irrigation account written off amounts.

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

17 A. Yes, it does.  
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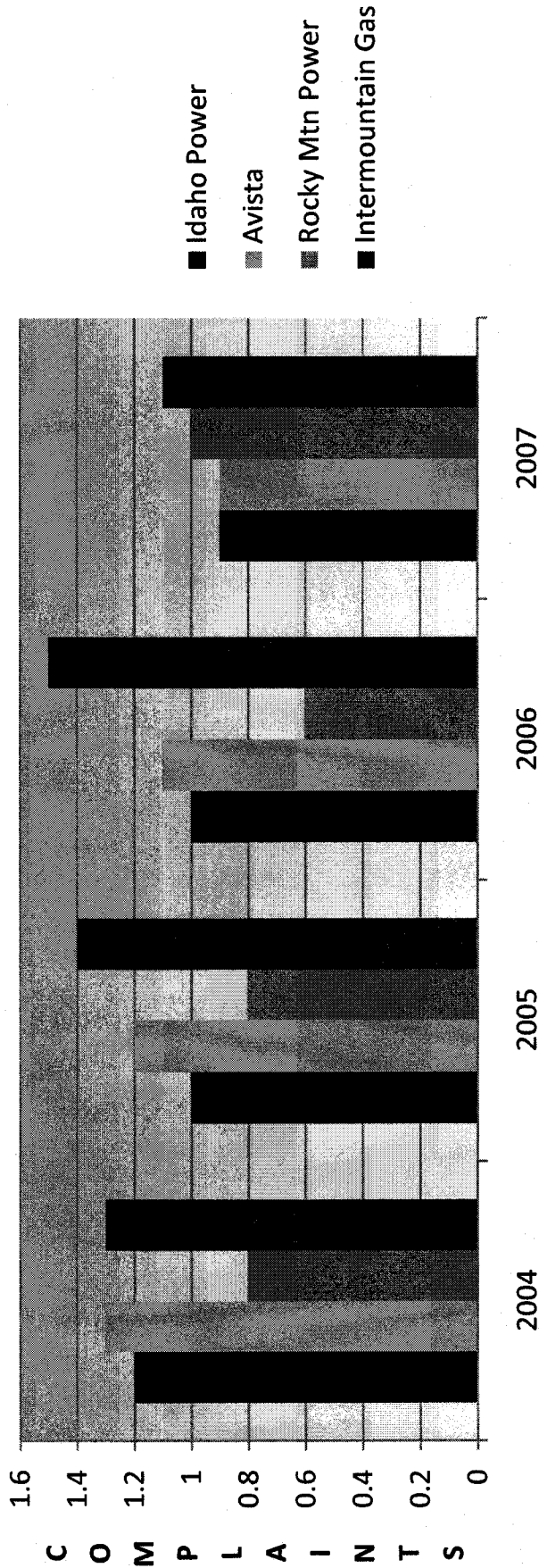


# Idaho Power Complaints & Inquiries 2004-2007



# Complaints & Inquiries by Utility Company (per one-thousand customer basis)

## 2004-2007



## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 24TH DAY OF OCTOBER 2008, SERVED THE FOREGOING **DIRECT TESTIMONY OF MARILYN PARKER**, IN CASE NO. IPC-E-08-10, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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