

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF SUEZ WATER IDAHO ) CASE NO. SUZ-W-19-01**  
**INC.'S PETITION FOR AN EXEMPTION )**  
**FROM UTILITY CUSTOMER RELATIONS )**  
**RULES 311(4) AND (5) ) ORDER NO. 34405**  
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On May 6, 2019, SUEZ Water Idaho Inc. (“SUEZ” or “Petitioner”) filed a Petition<sup>1</sup> making four requests for relief. First, SUEZ asked the Commission for an order exempting it from the Utility Customer Relations Rules (“UCRR”) 311.04 and .05, IDAPA 31.21.01.311.04 and 05. Second, SUEZ requested that the exemption not become effective sooner than four months after the Commission issues its order granting the exemption. Third, SUEZ asked the Commission to approve SUEZ’s proposal to waive all customer Western Union payment processing fees by paying those convenience fees on behalf of its customers, and including this cost in future general rate cases. Finally, SUEZ wished to modify Schedule 5 (“Miscellaneous Fees and Charges”) of its tariff to remove the \$15.00 Field Collection Trip Charge. SUEZ asked that that the Commission process its Petition by Modified Procedure.

On May 23, 2019, the Commission issued a Notice of Petition and a Notice of Modified Procedure that notified interested parties about the Petition and set deadlines for interested persons to comment on the Application and for the Company to file a reply. *See* Order No. 34339. Commission Staff filed the only comments. No reply was filed.

Having reviewed the record, we now grant the Petition as discussed below.

**THE PETITION**

UCRR 311.04 and .05, IDAPA 31.21.01.311.04 and 05, require a utility employee to try to make face-to-face contact immediately before terminating the customer’s service for non-payment to: (1) give the customer a final chance to avoid termination of service by paying the bill at that time (*see* UCRR 311.04); or (2) if the customer does not pay at that time, notify the customer about how the customer can have service reconnected. SUEZ explained in its Petition that it wants the option of discontinuing payment at the door practices, and of notifying customers in ways besides providing mandatory on-site personal or paper notice. Petition at 2. SUEZ seeks the

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<sup>1</sup> SUEZ originally filed its Petition on April 17, 2019. After consulting with Commission Staff, however, SUEZ filed a modified Petition on May 6, 2019 to clarify the scope of its requests.

exemption so it can use advances in metering, communication, and electronic payment technologies to reduce operating costs and increase the safety of utility employees without sacrificing customer service. *Id.*

SUEZ petitioned that the exemption not become effective sooner than four months after the Commission issues its order granting the exemption. *Id.* at 3. This will give SUEZ time to notify its customers of the approved changes to its customer notification, payment, and disconnection process before the exemption becoming effective. *Id.*

Additionally, SUEZ petitioned the Commission to approve SUEZ's proposal to waive all customer Western Union payment processing fees by paying the transaction fees on behalf of its customers, and including this cost in future general rate cases. *Id.* SUEZ asked that it be authorized to defer the Western Union fees costs until its next rate case and recover the deferred amount over three years. *Id.* at 1. Thereafter, the processing fees would become a normal operating expense. *Id.* at 4.

Finally, SUEZ asked to modify Schedule 5 ("Miscellaneous Fees and Charges") to remove the \$15.00 Field Collection Trip Charge. *Id.* This request is related to SUEZ's request to be exempted from UCRR 31.21.01.311.04 and .05. As SUEZ personnel would no longer accept payments of past-due bills from a customer at the time of disconnection of service, the Field Collection Trip Charge would be obsolete.

### **THE COMMENTS**

Staff reviewed the Petition and supports all four of SUEZ's requests. No other comments were filed, and no reply was filed.

#### *Exemption from provisions of UCRR 311.04 and .05*

Regarding SUEZ's request to be exempted from UCRR 311.04 and .05, Staff noted that the Commission has granted an exemption to these rules for Idaho Power Company, Rocky Mountain Power, and Avista. *See* Order No. 33229. Staff supports SUEZ's plans for ensuring customers have adequate notice and the ability to swiftly reconnect after a disconnection for nonpayment. These plans include 1) making additional attempts to notify affected customers regarding collection of past-due amounts and potential disconnection of service before a premise visit by a SUEZ employee; and 2) deploying special smart meters that will allow SUEZ to disconnect and reconnect service without actually having to make a premise visit at locations where employee safety is at risk or there is a history of multiple disconnections due to non-

payment. “Staff recognizes that there are safety risks associated with face-to-face interactions between SUEZ’s employees and customers during a premise visit to disconnect service. The elimination of the need to do a final knock on the door, leave a notice, and/or collect payment will help mitigate this risk.” Staff Comments at 4.

Additionally, Staff recommended approval of SUEZ’s request that the exemption not become effective sooner than four months after the Commission issues its order granting the exemption.

*Elimination of \$15 Field Collection Trip Charge, and reduction of Reconnection Charge where remote metering is used*

Staff supports SUEZ’s request to eliminate its Field Collection Trip Charge from Tariff Schedule 5. “Staff agrees that the [charge] of \$15.00 will become obsolete if the Commission grants the requested rule exemption which will allow [SUEZ] personnel to no longer accept payments in the field.” Staff Comments at 5. As SUEZ’s Petition did not include a revised Schedule 5, Staff recommended the Commission order SUEZ to file a conforming tariff within 60 days of the Commission’s order approving exemption from UCRR 311.04 and .05.

Additionally, Staff recommended that SUEZ’s Reconnection Charge be reduced where SUEZ has installed a meter with remote connect/disconnect capability. Currently, SUEZ is authorized to collect a Reconnection Charge of \$20.00 for reconnections during normal business hours and \$30.00 for reconnections outside of normal business hours. Staff recommended that the Commission reduce the Reconnection Charge by 50 percent, reflecting the cost savings associated with not having to visit customer premises to disconnect and reconnect service. This recommendation is consistent with the Commission’s prior ruling in Case No. GNR-U-14-01. *See* Order No. 33229 at 11. If the Commission reduces the Reconnection Charge, Staff recommended that it order SUEZ to file a conforming tariff within 60 days of the order reducing the Reconnection Charge.

*Western Union processing fees*

Staff supports SUEZ’s proposal to no longer require customers to pay convenience fees to Western Union, SUEZ’s third-party vender. If approved, SUEZ would assume responsibility for the cost of handling Western Union payment transactions. Staff noted that the Commission approved a similar request from Avista in Case Nos. AVU-E-16-01 and AVU-G-16-01. *See* Order No. 33494 at 3. Staff noted that eliminating the convenience fee for residential

customers will likely improve customer satisfaction and lead to cost savings for all customers. “Convenience fees often have the greatest impact upon society’s most vulnerable population, including low-income individuals who struggle to meet the basic necessities of daily life.” Staff Comments at 7. Staff recommended that, provided SUEZ can keep its transaction costs low with Western Union, “all transactions costs associated with receiving payment for services should be included in base rates.” *Id.* at 9.

Staff supports SUEZ’s request to create a regulatory asset into which the costs incurred to process payment transactions can be deferred. Staff recommended a deferral period of up to three years, noting that “[t]his will allow [SUEZ] adequate time to file a general rate case if cost recovery is at issue.” Staff Comments at 11. However, Staff recommended that SUEZ not be allowed a carrying charge.

Additionally, Staff recommended that SUEZ file semi-annual reports “outlining the number of customers using each payment method, the associated costs per transaction, and the deferral balance of the regulatory asset as it accumulates.” Staff Comments at 12.

#### Additional recommendations

Staff recommended that the Commission not allow SUEZ to defer legal expenses associated with processing this case. “Legal expenses are currently embedded in [SUEZ]’s base rates it charges to customers, and without a comprehensive audit of [SUEZ]’s external legal expenses for 2019, there is a risk of double recovery.” Staff Comments at 11.

Additionally, Staff recommended that the Commission not approve an amortization period at this time, and that the more appropriate time for setting the amortization period would be when SUEZ files a general rate case.

Finally, Staff supports SUEZ’s plan to no longer accept payments at its local office. Staff noted that SUEZ is not required to accept payments at its local office, and that “payments can be made at over 70 Western Union locations free of charge if [SUEZ]’s request to remove convenience fees is approved.” Staff Comments at 9.

### **COMMISSION FINDINGS AND DISCUSSION**

The Commission has jurisdiction over this matter under the Idaho Public Utilities Law, including *Idaho Code* §§ 61-125, 61-129, 61-501, 61-502, 61-507, and 61-524. The Commission has reviewed the record, including the Petition and Staff Comments. Based on this review, we find it is fair, just, reasonable, and in the public interest to grant SUEZ’s Petition by

exempting it from the requirements of UCRR 311.04 and .05, and approve SUEZ's proposed practices under the exemption. Additionally, we approve SUEZ's requests that the exemption not become effective for four months from the issue date of this Order, and that the \$15 Field Collection Trip Charge be eliminated from Schedule 5 of its tariff.

We find it reasonable to direct SUEZ to reduce its Reconnection Charge where SUEZ has installed a meter with remote connect/disconnect capacity. As SUEZ will not have to send an employee to the premises to reconnect service in this situation, the cost incurred by SUEZ to reconnect the meter will be less. Consistent with our prior ruling in Order No. 33229, the Reconnection Charge where SUEZ has installed a remote disconnect/reconnect meter shall be 50 percent of SUEZ's current Reconnection Charge.

Additionally, we approve SUEZ's request to assume responsibility for the cost of handling Western Union transaction costs. The Commission approves this request with some trepidation, however, as it continues to adhere to the principles of cost causation. We also expect cost reductions in other areas to offset at least a portion if not all of these transaction costs. While we have approved similar requests in the past, we are increasingly concerned that making all ratepayers bear the cost of transaction fees they might have otherwise avoided by using a different payment method is inconsistent with the principles of cost causation to which we adhere. In this particular case, we are willing to approve SUEZ's request because the projected cost to SUEZ for bearing the transaction costs is fairly small (and thus will not significantly affect rates), and because we have granted similar requests in the past. We continue to evaluate, however, whether socializing transaction costs is consistent with cost causation principles.

SUEZ may defer for up to three years the costs incurred to process payment transactions. This will give SUEZ adequate time to file a general rate case. No amortization period shall be set until SUEZ asks to recover the regulatory asset as part of a general rate case. We expect Suez to reflect reduced costs not only in the test year for the general rate case, but to show associated cost reductions that can be quantified in the regulatory accounts during the deferral period. We find it reasonable to direct SUEZ to file semi-annual reports outlining the number of customers using each payment method, the associated cost per transaction, and the deferred balance of the regulatory asset as it accumulates.

Finally, we do not allow SUEZ to defer legal expenses associated with processing this case. As noted by Staff, legal expenses are already embedded in SUEZ's base rates it charges to customers.

### **ORDER**

IT IS HEREBY ORDERED that Suez's Petition is granted; effective December 8, 2019, SUEZ shall be exempted from the requirements of UCRR 311.04 and .05, and their proposed practices under that exemption are approved.

IT IS FURTHER ORDERED that the \$15.00 Field Collection Trip Charge will be removed from Schedule 5 of SUEZ's tariff on December 8, 2019. SUEZ shall file a conforming tariff with this Commission within sixty (60) days of this Order.

IT IS FURTHER ORDERED that SUEZ's Reconnection Fee in locations where SUEZ has installed a meter capable of disconnecting and reconnecting remotely shall be reduced by fifty (50) percent. SUEZ shall file a conforming tariff within sixty (60) days of this Order.

IT IS FURTHER ORDERED that SUEZ may discontinue collecting convenience fees from customers by its third-party vendor, Western Union, and may pay the transaction fees. The cost incurred by SUEZ may be deferred for a period up to three years. No carrying charge is granted to SUEZ on the amount deferred.

IT IS FURTHER ORDERED that SUEZ shall file a report with the Commission every six months outlining the number of customers using each payment method, the associated cost per transaction, and the deferred balance of the regulatory asset as it accumulates.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21-days of the service date of this Order with regard to any matter decided in this Order. Within seven days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13<sup>th</sup>  
day of August 2019.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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