

Jean Jewell

From: secretary
Sent: Saturday, June 28, 2003 9:29 PM
To: Barb Barrows; Ed Howell; Janet Bahora; Jean Jewell
Subject: FW: PLEASE CONFIRM RECEIPT RE: CASE # ATL-E-03-1

From: Doris Helge[SMTP:SEMINARS@EMOTIONALSTRENGTH.COM]
Sent: Saturday, June 28, 2003 8:18:12 PM
To: secretary
Subject: PLEASE CONFIRM RECEIPT RE: CASE # ATL-E-03-1
Auto forwarded by a Rule

PLEASE CONFIRM RECEIPT OF THIS EMAIL. In the past, we have been told that some of our emails to the P.U.C. were lost or "not received."

TO: P.U.C. Commission Secretary and President

FROM: Bill Uhl and Doris Helge, Atlanta Power Customers
P. O. Box 32, Atlanta, ID 83601

DATE: June 28, 2003

SUBJECT: COMMENTS REGARDING THE 6-28-03 P.U.C. WORKSHOP

PLEASE ENTER THESE INTO THE RECORD RE: CASE # ATL-03-1 AND ALL OTHER
CASES RE: ATLANTA POWER COMPANY

We appreciated an in-person opportunity to meet staff.

Senator Fred Kennedy provided an excellent summary near the end of the meeting, that included:

- 1.) "Everyone at P.U.C. agrees that the A.P. needs to improve its record keeping." (This fact has been documented by P.U.C. staff for years.)
- 2.) "P.U.C. ordered A.P. to use proper accounting procedures. According to P.U.C. documentation of April 10, the company had still not completed such orders that dated as far back as 20 years ago. Since the company filed the annual report required to secure its rate increase, it has not filed another annual report."
- 3.) "From 1993 forward, P.U.C. has stated that the company should have a satisfactory maintenance program and was to have had a plan for that. This hasn't happened."

Senator Kennedy also stressed that A.P. should have:

- 1.) proper record keeping and
- 2.) an effective maintenance schedule.

Furthermore, Senator Kennedy felt strongly that a backup generator should be acquired for the entire community versus individuals having to buy and run personal generators (P.U.C.'s

recommendation).

The P.U.C. attorney encouraged constituents to also send in comments saying that this should occur, and we hereby do so because we concur with Senator Kennedy's statements and summary.

We were as concerned as was Senator Kennedy when P.U.C. staff, including the attorney confirmed that the P.U.C. does not require A.P. to file annual reports. The statement was especially confusing because Tricia had stressed the importance of annual reports for auditing. You can understand why we still feel that the core issue is that our power rates are based on "fiction vs. fact." To use the P.U.C. staff member's terminology, the rates are based on "trust-me bookkeeping."

The meeting was a bit confusing. Twice, the P.U.C. attorney said, "I can't imagine the commissioners will continue to be patient with A.P." But at other times, we kept hearing that the P.U.C. issues orders and doesn't follow-up to make sure they are followed. (In fact, we were told that P.U.C. doesn't even keep a list of orders issued and not followed. This means that "patience" regarding noncompliance would come pretty easily.) The P.U.C.'s history with A.P. certainly indicates that this is true.

We were appreciative when Senator Kennedy stressed that "the LAW states that annual reports MUST be filed." And, we were again a bit confused when the P.U.C. attorney answered that the commission can "tailor the requirements of an annual report." Tailoring the requirements is quite different than not following up on orders to do the reports.

In conclusion, we concur with Senator Kennedy's summary and statements. The core issue is that our rates have not been based on an adequate audit trail. Until that happens, it is easy to see why it feels like the company or P.U.C., which is so unwilling to regulate A.P., must have something to hide.

In view of the above, the entire process seems quite unfair (particularly when, as one participant said, "The power poles and the general system seem to be falling apart around me"). We assume that neither of the above are your fondest desire.

Please remember: Lynn Stevenson **AGREED LONG AGO** to comply with the orders P.U.C. issued but has not followed the orders.

6/30/2003

In view of: 1.) the history that includes outages of over 75-hours in both the winter and summer and 2.) Stevenson's habit of telling both the P.U.C. and constituents that he will be on the scene as much as two days before he actually arrives, we suggest that the P.U.C. order a "reasonable, maximum response time to a power outage of 6 hours unless snow is on the road and 16 hours when snow conditions make travel difficult."

Incidentally, since the commission likes to check "customers of record," it would be interesting to do so re: the participants at today's meeting. You just might discover that most of those present are not permanent or full-time residents who have endured the outages over the years.

WE RESERVE THE RIGHT TO AMEND AND PLEA FURTHER.

Below are comments that we gave the staff in person during the meeting.

TO: P.U.C. Commission Secretary and President

FROM: Bill Uhl and Doris Helge, Atlanta Power Customers

P. O. Box 32, Atlanta, ID 83601

DATE: June 28, 2003

6/30/2003

SUBJECT: Case # ATL-E-03-1 and ALL other previous case numbers re:
Atlanta Power Company

We hereby ask that this document become part of the written record regarding Case #ATL-E-03-1.

We hereby ask the P.U.C. for a written response to the questions herein.

Please note that the following do not represent the total sum of our concerns.

We hereby reserve the right to amend and plea further.

I.
UNFAIR AND INAPPROPRIATE PRACTICES REGARDING THE SETTING THE RATES FOR A.P. CUSTOMERS

Please see: 1.) Order # 24925, 2,) your April 10, 2003 response to our September 2000 petition, beginning with question 6; and 3.) our petition of April 28, 2003.

Such documents substantiate that **A.P. rates have been set without proper documentation of the costs of generating power**. The above documents clearly demonstrate that: 1.) A.P. was ordered to develop and maintain proper accounting practices, 2.) A.P. agreed to do so, 3.) A.P. did not do so, and 4.) P.U.C. then established the rates we pay on oaths, affirmations ("trust me bookkeeping"), and a lack of appropriate receipts, records, or a credible inventory. In other words, there was no audit trail.

In the "preface" of your June 18, 2003 document, it is clear that **without an audit trail, there are no "legitimate costs."** You also state that customers are by law supposed to pay only a "reasonable fee."

While the rest of the nation has initiated a clean-up of Enron-like accounting practices, P.U.C. continues to allow them. This is significant because, according to P.U.C. documents, **our power rates are based on fiction (a lack of facts,**

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records, an inventory, receipts, etc.). For some bizarre reason, P.U.C has continued to accept A.P.'s oaths and affirmations in spite of the fact that A.P. does not follow P.U.C. orders or regulations (even when they pledge to do so).

Allowing A.P. to continue improper accounting practices appears to be related to the fact that we pay the highest rates in the nation.

To quote a P.U.C. staff member, the amount we pay for power is based on "trust me" accounting.

We also wonder (as taxpayers), who pays the costs of audits when the P.U.C. has to virtually construct a company's books.

Furthermore, **our rates were "adjusted" without having a rate case, which is a legal requirement.** (Please refer to Orders #24925 and 23367, p. 8, Schedule 5, Temporary kwh surcharge 4.5 cents/kwh) as well as to your June 18, 2003 document. There was no footnote

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in the order to remind A.P. that rates should be adjusted upon satisfaction of the note to ISWR Tr. pp. 152, 153. According to your documents, the note to IDWR for \$57,000 for installation of a hydraulic gate on top of the dam was paid off, yet the 4.5 cents/kwh surcharge was never removed.

After reading P.U.C. rules and regulations, it is our understanding that, without a rate case, the above surcharge could not legally have become a permanent part of the rates for A.P. customers. It is our understanding from reviewing your regulations that the surcharge should be returned to A.P. customers for the period of time that began after the loan was paid off.

Although it is true that the P.U.C. staff can't make A.P. follow P.U.C. orders and regulations, the Commissioners can do so. In our April 28, 2003 document, we specifically asked, "Does any P.U.C. commissioner or staff now or in the past have a financial or other conflict of interest that interferes with the P.U.C. doing its job (enforcing its own orders and regulations, fining A.P., etc.)?" Instead of answering the question with a "yes" or "no," the staff's response simply told us what we already know -- that it is illegal to have a conflict of interest.

Therefore, we feel compelled to repeat our question, "Does any P.U.C. commissioner or staff now or in the past have a financial or other conflict of interest that interferes with the P.U.C. doing its job (enforcing its own orders and regulations, fining A.P., etc.)"

Prejudicial treatment of customers also contributes to our exorbitant electrical rates. Idaho Code 61-315 specifies that both discrimination and

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preferential treatment are prohibited. Yet, the P.U.C. has continued to allow A.P. to undercharge selected customers. E.g., contrary to A.P. Tariff No. 1, original sheet No. 12, Master Metering Standards, A.P. appears to discriminate in favor of some customers and

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against others, on a regular basis. In reviewing this document, note that "tenant" means any person who intends to rent for a period of not less than one month. In Section D, "multi-occupant residential buildings" requesting new service after the effective date of these rules and regulations shall have each unit individually metered by the company. P.U.C. is aware that: 1.) there are rooms rented by the month (and longer), and 2.) the rentals are not separately metered. The P.U.C. is also aware of the retail business run from a building separate from the owner's house, which is not separately metered.

This issue is directly related to how A.P. customer rates are set. A.P. continues to "cry poor" to the P.U.C., but revenue has been both: 1.) inadequately collected and 2.) collected in a discriminatory manner. The P.U.C. has been notified of this fact in the past (e.g., the latest example is the document that was delivered to the P.U.C. on April 28, 2003). The P.U.C., as per its June 18, 2003 document, chooses to take no action.

If the tariff was enforced, A.P.: 1.) would have more income and 2.) could lower the rates for other customers, which would be fair and consistent with the law.

Again, the fact that exceptions are made for some customers and not for others i.e., the A.P. tariff and the P.U.C. regulations are ignored or altered for some customers but not for others -- indicates prejudicial treatment, which contradicts Idaho Code 61-315, which dictates that utilities treat all customers equally.

Requiring us to pay a service fee without reasonably prompt service is also related to the high rate we pay.

Even though it is our understanding that we pay the highest power rates in the nation, as documented in our April 28, 2003 petition, a 75-hour power outage is not uncommon.

A.P. would make more money if: 1.) preventive maintenance occurred and 2.) service during outages was prompt. (P.U.C. documents including those reference above have stated that both should occur and do not. **When customers use power, A.P. makes money; it does not make money during power outages occur (except for the monthly service fee).**

For years, P.U.C. has been aware that the key local person in charge of maintaining the power system has a full-time job and that highway district commissioners have stated that his first priority is with the highway district (which

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often takes him out of town when outages occur). **The P.U.C. stated in the June 18, 2003 document that the problem has been solved, but the outage this week confirms that it hasn't been.** When the power went out on 6-24-03 about 8:30 p.m., both the primary and the new backup person were out of town. Both were working for the highway district. Over 12 hours after the outage began, there was still no message on the answering machine (which the P.U.C. document also purported had solved our problem of no one having information about outages). After calling several times before the power came on after 3:00 p.m. on 6-25-03, we have a comment: Someone must post a message on an informational answering machine before it can be helpful to the public.

The above example also illustrates tardy diagnosis and problem-solving. The power was out about 15 hours before Mr. Stevenson came to diagnose it. How will you resolve both of the above issues? We need and deserve: 1.) responsive diagnostics and solutions to problems, and 2.) updated information regarding both. The staff's response of June 18, 2003 was sad and inadequate. **("Customers should pay more.") Our rates are already based on fiction, and we are not receiving adequate service. There is no indication that receiving more money would change A.P.'s behaviors.**

II.

A.P. is continuously allowed to violate P.U.C.'s proposed orders. For example, as per your own document, the "notice of proposed order" under the "summary of staff's investigation, #1" an electrical company is ordered to promptly repair a system when outages occur. **Your rulings are clear that customers are not to be unnecessarily inconvenienced. As you are aware, we have documented that this P.U.C. order is not followed by AP.**

Therefore, we absolutely disagree with the staff's findings. We have consistently documented problems to the P.U.C. over the years. (Please see your own files and documents, such as

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the documentation of the March 4, 2003 to March 7, 2003 75-hour outage.) If such behavior occurred in your geographic area, heads would have rolled.

In Atlanta, the problem was not even officially diagnosed until after the first 20 hours. A back-up generator was promised, but it was never brought into the area. Once again, people's food ruined and their lives were

disturbed even though they had paid their bills on time (some patrons even pay at a rate over \$700 per month). **If your advice truly is for citizens to "buy personal generators," we recommend that you return our monthly "service fees" for that purpose.**

Again, we ask, why is the P.U.C. so reluctant to enforce its own regulations as indicated on page 3 of Order # 24925, "non-compliance" with Idaho Code #61-405, etc. Does someone have a conflict of interest?

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Also, an attorney advised us that it is "racketeering" to accept a service fee and not provide service. Please give your opinion regarding his analysis.

Also, **isn't it illegal for public utilities not to follow P.U.C. regulations, orders and directives?** Isn't it illegal for P.U.C. not to follow its own regulations and not to require its legal directives to be followed?

ALTHOUGH THE STAFF CANNOT MAKE A.P. PERFORM ACCORDING TO REGULATIONS, THE P.U.C. COMMISSION CAN DO SO.

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III.

We question the figures in the June 18, 2003 document regarding running a generator versus using hydropower. The document purported that A.P. customers should buy their own generators or pay a higher fee for power. This overlooks the facts that A.P. was originally allowed to use customer's money to buy an old generator that was not properly maintained. Adding insult to injury, the generator was seldom run during outages. Customers were usually told it was "too expensive to run it." Now, the P.U.C. document states that customers should fund another generator. Why would customers think that a new generator would be operated? Since AP won't even rent a generator when the power is out for days in a row now (e.g., during the last 75-hour outage), what makes the P.U.C. think that A.P. would operate differently?

Furthermore, re: the answer to Question # 29, in the June 18, 2003 document, it is illogical to assume that running a diesel generator could be more expensive than using hydropower. How were the figures in the document derived?

The following figures were derived from calling several vendors in Boise (the area from which we have been told that A.P. rents a generator). PLEASE NOTE: According to P.U.C. staff member, Keith Hessing, A.P. is currently using a 100 kw unit. Please note the following figures and estimates.

1.) SESCO 1-800-479-3337

25 kw

Full load 1.7 gal. Rent by the month = \$1,200

½ load .9 gal. Rent by the month \$1,200

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70 kw

Full load 3.9 gal. Rent by month = \$1,800

½ load 2.3 gal. Rent by the month = \$1,800

2.) United 1-800-877-3687

45 kw

125 kw

Full load 3.9 gal

Full load 7.5

½ 2.4 gal = \$1,150

¾ = 5.7

¼ 1.9 gal.

½ = 4.0

¼ = 2.3

Based on the realistic figures of 3 gallons/hour and \$2 per gallon, please revise your p. 19 response cost figure from \$122,640 to \$52,560 per year. (3 gal/hour X \$2 per gal. = \$6 per hour X 24 hr./day = \$144 per day. \$144 x 365 days/year = \$52,560 fuel costs.) In other words, your document provided peak prices, but according to Keith Hessing, P.U.C. staff member, the town system peaks at 100 kw. This means that it only uses that much power at its peak load. Therefore, the system would not be running at full load for 24 hours/day and would idling much of the time. In fact, it might be idling as much as 80-85% of the time, including during most of the night hours. Because the system peaks at 100 kw, most of the time it would be run at ½ @ 4 gallons to ¼ at 2.3 gallons. Therefore, the \$52,560 fuel cost above was based on the figure of 3 gal./hour. Of course, with the new fuel cell technologies now available, the cost would be considerably less. The system priced rents for \$2,000 per month; and the price for long-term rental could be negotiated downward. Other adjustments could be made if the unit was purchased or if the town chose to have power off from midnight to 6:00 a.m., etc.

So, again, please refer back to the statement that the townspeople currently pay A.P. \$60,000 per year for electricity. (NOTE: Your previous document stated that the cost of running the plant in 1999 was less -- only \$57,000 -- AND THAT WAS WITHOUT AN AUDIT TRAIL! We don't really know the true cost of running the plant, do we?)

Regarding the P.U.C. comments that a company-owned backup generator is not warranted, the town desperately needs AND DESERVES a backup generator. Again, we previously paid for one.

When you review these estimates, doesn't it also occur to you that something must be very, very wrong regarding the current "costs" of running A.P., especially since: 1.) A.P. lacks adequate records, and 2.) A.P. is not buying diesel fuel?

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There are certainly more reliable ways than what currently exists to serve a paying public. Therefore, we hereby formally request that you consider options rather than holding us hostage to the current system.

Customers should not have to buy personal generators. (Nor should the town have to fund a second generator.)

IV.

Regarding the \$200 reconnection fee, it is additional evidence of: 1.) disregard for A.P. customers, 2.) the P.U.C.'s unwillingness to enforce its own regulations (see our April 28 document), and 3.) inaccuracies in the June 28, 2003 response, that document stated that the \$200 reconnection fee was not a problem because "no one complained about the fee." When we questioned staff regarding this erroneous statement, we were told that only some departments within the P.U.C. have access to information regarding complaints. We question this for many reasons including: 1.) Our April 28, 2003 described that we had won a court

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case concerning this issue, 2.) Beverly, of your staff, interviewed us for hours (on Stevenson's behalf) regarding this issue and recorded this, and 3.) Curtis Stigers and Amy O'Brien objected to this policy in their written response to your survey. Doesn't the P.U.C. consult its own documents when writing a document so important to A.P. customers?

V.

It is sad for the June 18, 2003 document to attempt to defend taking 2 ½ years to respond to our September 2000 petition by writing that: 1.) the P.U.C. couldn't contact A.P. customers, and 2) that the staff tried to contact a couple of people and couldn't reach them. (See question #5, page 4.) The P.U.C. clearly demonstrates a lack of concern for A.P. customers.

VI.

Continuing to answer our pleas for assistance with, "What if A.P. pulls out?" is also a sad "defense." It is clearly not in the public interest for a public regulatory agency to reinforce or promote additional improper behavior by allowing it, time and again. If it is true (as a variety of P.U.C. staff have said for years) that A.P. has threatened to pull out of Atlanta for the last twenty years but has not done so, doesn't that tell you something?

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VIII.

Regarding "bad power," it is still a valid and serious concern. The power cell often bleeps when turning on an appliance. From talking to various citizens, it appears that it is related to the distance between transformers

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as well as the overall capacity of the system. Therefore, we ask the following questions:

- What is the maximum distance allowed between transformers?
- How will the P.U.C. deal with problems regarding clearance for power lines going over the roadway?
- What will be done to assist citizens who have been required to pay for their own transformers to recoup their expenses?

IX.

A number of people in town are concerned that the meters are not always read on a consistent date. This affects the rates paid by customers who receive so many kw per month for a set fee. E.g., when the meter is read after the first day of the month, they pay more during the month that the meter wasn't read on time.

X.

As per the freedom of information act, we request:

- A copy of all P.U.C. orders issued to A.P.
- A list of all orders that have not been followed.

If P.U.C. intends to say, "they don't know" again, please answer the following questions: 1.) Why use the taxpayers' money to issue orders? 2.) What exactly does the P.U.C. regulate?

XI. Due to time constraints, we did not respond to every inaccuracy in your last document. Therefore:

WE RESERVE THE RIGHT TO AMEND AND PLEA FURTHER.

Jean Jewell

From: secretary
Sent: Sunday, June 29, 2003 4:56 PM
To: Barb Barrows; Ed Howell; Janet Bahora; Jean Jewell
Subject: FW: Case # ATL-E-03-1

From: Doris Helge[SMTP:SEMINARS@EMOTIONALSTRENGTH.COM]
Sent: Sunday, June 29, 2003 3:45:00 PM
To: secretary
Subject: re: Case # ATL-E-03-1
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PLEASE CONFIRM RECEIPT OF THIS EMAIL. In the past, we have been told that some of our emails to the P.U.C. were lost or "not received."

TO: P.U.C. Commissioners, Consumer Affairs Staff, & Keith Hessing

FROM: Bill Uhl and Doris Helge, Atlanta Power Customers
P. O. Box 32, Atlanta, ID 83601

DATE: June 29, 2003

SUBJECT: REVISED COMMENTS REGARDING THE 6-28-03 P.U.C. WORKSHOP

PLEASE ENTER THESE INTO THE RECORD RE: CASE # ATL-E-03-1 AND ALL OTHER CASES RE: ATLANTA POWER COMPANY

Dear Commissioners:

We appreciated an in-person opportunity to meet staff.

Senator Fred Kennedy provided an excellent summary near the end of the meeting, that included the statements below. Since I take shorthand, the wording below is close to verbatim.

- 1.) Everyone at P.U.C. agrees that the A.P. needs to improve its record keeping. (This fact has been documented by P.U.C. staff for years.)
- 2.) P.U.C. ordered A.P. to use proper accounting procedures. According to P.U.C. documentation of April 10, the company had still not completed such orders that dated as far back as 20 years ago. Since the company filed the annual report required to secure its rate increase, it has not filed another annual report.
- 3.) From 1993 forward, P.U.C. has stated that the company should have a satisfactory maintenance program and was to have had a plan for that. This hasn't happened.

Senator Kennedy also stressed that A.P. should have:

- 1.) proper record keeping and
- 2.) an effective maintenance schedule.

Furthermore, Senator Kennedy felt strongly that a backup generator should be acquired for the entire community versus individuals having to buy and run personal generators (P.U.C.'s recommendation).

The P.U.C. attorney encouraged constituents to also send in comments saying that this should occur, and we hereby do so because we concur with Senator Kennedy's statements and summary.

We were as concerned as was Senator Kennedy when P.U.C. staff, including the attorney confirmed that the P.U.C. does not require A.P. to file annual reports. The statement was especially confusing because Tricia had stressed the importance of annual reports for auditing. You can understand why we still feel that the core issue is that our power rates are based on "fiction vs. fact." To use the P.U.C. staff member's terminology, the rates are based on "trust-me bookkeeping."

The meeting was a bit confusing. Twice, the P.U.C. attorney said, "I can't imagine the commissioners will continue to be patient with A.P." But at other times, we kept hearing that the P.U.C. issues orders and doesn't follow-up to make sure they are followed. (In fact, we were told that P.U.C. doesn't even keep a list of orders issued and not followed. This means that "patience" regarding noncompliance would come pretty easily.) The P.U.C.'s history with A.P. certainly indicates that this is true.

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In conclusion, we concur with Senator Kennedy's summary and statements. The core issue is that our rates have not been based on an adequate audit trail. Until that happens, it is easy to see why it feels like the company or P.U.C., which is so unwilling to regulate A.P., must have something to hide.

In view of the above, the entire process seems quite unfair (particularly when, as one participant said, "The power poles and the general system seem to be falling apart around me"). We assume that neither of the above are your fondest desire.

Please note:

1.) Lynn Stevenson **AGREED LONG AGO** to comply with the orders P.U.C. issued but has not followed the orders.

2.) The P.U.C. has often expressed that the situation faced by A.P. customers is unique because we live at the "end of the road." The legislature mandates that records be kept and reports be filed regardless of whether or not an area is remote. We were sad to hear that the

staff auditor allowed the \$3,500 "Kinko's expense" without receipts. Private citizens who are audited are never allowed such a violation. As Senator Kennedy expressed, continuing to reinforce Mr. Stevenson for breaking the law will encourage him to continue to break or ignore the law. Keeping receipts is not difficult. Even though the P.U.C. seems so reluctant to fine A.P. (as they've done with other power providers), simply disallowing expenses that lack back-up receipts would help lower our power rates. It could also add to the credibility of P.U.C. as a "regulatory" agency.

In view of: 1.) the history that includes outages of over 75-hours in both the winter and summer and 2.) Stevenson's habit of telling both the P.U.C. and constituents that he will be on the scene as much as two days before he actually arrives, we suggest that the P.U.C. order a "reasonable, maximum response time to a power outage of 6 hours unless snow is on the road and 16 hours when snow conditions make travel difficult."

We also hope that you will follow up on our recommendation that a third person (not an employee of the highway district or someone else with jobs that take him/her out of town frequently) become an additional "backup person" to flip the breaker when the power goes out and handle other routine problems. As we discussed, an "in-town person" would help tremendously to avoid unnecessarily long power outages. (We suggested Steve Cramer, Chuck Smart, or Bob Bartimoccia to Keith Hessing. Other citizens may provide additional names.)

Please note that we hereby formally request a copy of any and all "staff comments" re: the 6-28-03 workshop in Atlanta, Idaho.

WE RESERVE THE RIGHT TO AMEND AND PLEA FURTHER.

Below are comments that we gave the staff in person during the meeting.

TO: P.U.C. Commission Secretary and President

FROM: Bill Uhl and Doris Helge, Atlanta Power Customers
P. O. Box 32, Atlanta, ID 83601

DATE: June 28, 2003

SUBJECT: Case # ATL-E-03-1 and ALL other previous case numbers re:
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To quote a P.U.C. staff member, the amount we pay for power is based on "trust me" accounting.

We also wonder (as taxpayers), who pays the costs of audits when the P.U.C. has to virtually construct a company's books.

Furthermore, **our rates were "adjusted" without having a rate case, which is a legal requirement.** (Please refer to Orders #24925 and 23367, p. 8, Schedule 5, Temporary kwh surcharge 4.5 cents/kwh) as well as to your June 18, 2003 document. There was no footnote in the order to remind A.P. that rates should be adjusted upon satisfaction of the note to ISWR Tr. pp. 152, 153. According to your documents, the note to IDWR for \$57,000 for installation of a hydraulic gate on top of the dam was paid off, yet the 4.5 cents/kwh surcharge was never removed.

After reading P.U.C. rules and regulations, it is our understanding that, without a rate case, the above surcharge could not legally have become a permanent part of the rates for A.P. customers. It is our understanding from reviewing your regulations that the surcharge should be returned to A.P. customers for the period of time that began after the loan was paid off.

Although it is true that the P.U.C. staff can't make A.P. follow P.U.C. orders and regulations, the Commissioners can do so. In our April 28, 2003 document, we specifically asked, "Does any P.U.C. commissioner or staff now or in the past have a financial or other conflict of interest that interferes with the P.U.C. doing its job (enforcing its own orders and regulations, fining A.P., etc.)?" Instead of answering the question with a "yes" or "no," the staff's response simply told us what we already know -- that it is illegal to have a conflict of interest.

Therefore, we feel compelled to repeat our question, "Does any P.U.C. commissioner or staff now or in the past have a financial or other conflict of interest that interferes with the P.U.C. doing its job (enforcing its own orders and regulations, fining A.P., etc.)"

Prejudicial treatment of customers also contributes to our exorbitant electrical rates. Idaho Code 61-315 specifies that both discrimination and

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preferential treatment are prohibited. Yet, the P.U.C. has continued to allow A.P. to undercharge selected customers. E.g., contrary to A.P. Tariff No. 1, original sheet No. 12, Master Metering Standards, A.P. appears to discriminate in favor of some customers and against others, on a regular basis. In reviewing this document, note that "tenant" means any person who intends to rent for a period of not less than one month. In Section D, "multi-occupant residential buildings" requesting new service after the effective date of these rules and regulations shall have each unit individually metered by the company. P.U.C. is aware that: 1.) there are rooms rented by the month (and longer), and 2.) the rentals are not separately metered. The P.U.C. is also aware of the retail business run from a building separate from the owner's house, which is not separately metered.

This issue is directly related to how A.P. customer rates are set. A.P. continues to "cry poor" to the P.U.C., but revenue has been both: 1.) inadequately collected and 2.) collected in a discriminatory manner. The P.U.C. has been notified of this fact in the past (e.g., the latest example is the document that was delivered to the P.U.C. on April 28, 2003). The P.U.C., as per its June 18, 2003 document, chooses to take no action.

If the tariff was enforced, A.P.: 1.) would have more income and 2.) could lower the rates for other customers, which would be fair and consistent with the law.

Again, the fact that exceptions are made for some customers and not for others i.e., the A.P.

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tariff and the P.U.C. regulations are ignored or altered for some customers but not for others -- indicates prejudicial treatment, which contradicts Idaho Code 61-315, which dictates that utilities treat all customers equally.

Requiring us to pay a service fee without reasonably prompt service is also related to the high rate we pay.

Even though it is our understanding that we pay the highest power rates in the nation, as documented in our April 28, 2003 petition, a 75-hour power outage is not uncommon.

A.P. would make more money if: 1.) preventive maintenance occurred and 2.) service during outages was prompt. (P.U.C. documents including those reference above have stated that both should occur and do not. **When customers use power, A.P. makes money; it does not make money during power outages occur (except for the monthly service fee).**

For years, P.U.C. has been aware that the key local person in charge of maintaining the power system has a full-time job and that highway district commissioners have stated that his first priority is with the highway district (which

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often takes him out of town when outages occur). **The P.U.C. stated in the June 18, 2003 document that the problem has been solved, but the outage this week confirms that it hasn't been.** When the power went out on 6-24-03 about 8:30 p.m., both the primary and the new backup person were out of town. Both were working for the highway district. Over 12 hours after the outage began, there was still no message on the answering machine (which the P.U.C. document also purported had solved our problem of no one having information about outages). After calling several times before the power came on after 3:00 p.m. on 6-25-03, we have a comment: Someone must post a message on an informational answering machine before it can be helpful to the public.

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The above example also illustrates tardy diagnosis and problem-solving. The power was out about 15 hours before Mr. Stevenson came to diagnose it. How will you resolve both of the above issues? We need and deserve: 1.) responsive diagnostics and solutions to problems, and 2.) updated information regarding both. The staff's response of June 18, 2003 was sad and inadequate. **("Customers should pay more.") Our rates are already based on fiction, and we are not receiving adequate service. There is no indication that receiving more money would change A.P.'s behaviors.**

II.

A.P. is continuously allowed to violate P.U.C.'s proposed orders. For example, as per your own document, the "notice of proposed order" under the "summary of staff's investigation, #1" an electrical company is ordered to promptly repair a system when outages occur. **Your rulings are clear that customers are not to be unnecessarily inconvenienced. As you are aware, we have documented that this P.U.C. order is not followed by AP.**

Therefore, we absolutely disagree with the staff's findings. We have consistently documented problems to the P.U.C. over the years. (Please see your own files and documents, such as the documentation of the March 4, 2003 to March 7, 2003 75-hour outage.) If such behavior occurred in your geographic area, heads would have rolled.

In Atlanta, the problem was not even officially diagnosed until after the first 20 hours. A back-up generator was promised, but it was never brought into the area. Once again, people's food ruined and their lives were

disturbed even though they had paid their bills on time (some patrons even pay at a rate over \$700 per month). **If your advice truly is for citizens to "buy personal generators," we recommend that you return our monthly "service fees" for that purpose.**

Again, we ask, why is the P.U.C. so reluctant to enforce its own regulations as indicated on page 3 of Order # 24925, "non-compliance" with Idaho Code #61-405, etc. Does someone have a conflict of interest?

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Also, an attorney advised us that it is "racketeering" to accept a service fee and not provide service. Please give your opinion regarding his analysis.

Also, **isn't it illegal for public utilities not to follow P.U.C. regulations, orders and directives?** Isn't it illegal for P.U.C. not to follow its own regulations and not to require its legal directives to be followed?

ALTHOUGH THE STAFF CANNOT MAKE A.P. PERFORM ACCORDING TO REGULATIONS, THE P.U.C. COMMISSION CAN DO SO.

III.

We question the figures in the June 18, 2003 document regarding running a generator versus using hydropower. The document purported that A.P. customers should buy their own generators or pay a higher fee for power. This overlooks the facts that A.P. was originally allowed to use customer's money to buy an old generator that was not properly maintained. Adding insult to injury, the generator was seldom run during outages. Customers were usually told it was "too expensive to run it." Now, the P.U.C. document states that customers should fund another generator. Why would customers think that a new generator would be operated? Since AP won't even rent a generator when the power is out for days in a row now (e.g., during the last 75-hour outage), what makes the P.U.C. think that A.P. would operate differently?

Furthermore, re: the answer to Question # 29, in the June 18, 2003 document, it is illogical to assume that running a diesel generator could be more expensive than using hydropower. How were the figures in the document derived?

The following figures were derived from calling several vendors in Boise (the area from which we have been told that A.P. rents a generator). PLEASE NOTE: According to P.U.C. staff member, Keith Hessing, A.P. is currently using a 100 kw unit. Please note the following figures and estimates.

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1.) SESCO 1-800-479-3337

25 kw

Full load 1.7 gal. Rent by the month = \$1,200

½ load .9 gal. Rent by the month \$1,200

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70 kw

Full load 3.9 gal. Rent by month = \$1,800

½ load 2.3 gal. Rent by the month = \$1,800

2.) United 1-800-877-3687

45 kw

Full load 3.9 gal

½ 2.4 gal = \$1,150

¼ 1.9 gal.

125 kw

Full load 7.5

¾ = 5.7

½ = 4.0

¼ = 2.3

Based on the realistic figures of 3 gallons/hour and \$2 per gallon, please revise your p. 19 response cost figure from \$122,640 to \$52,560 per year. (3 gal/hour X \$2 per gal. = \$6 per hour X 24 hr./day = \$144 per day. \$144 x 365 days/year = \$52,560 fuel costs.) In other words, your document provided peak prices, but according to Keith Hessing, P.U.C. staff member, the town system peaks at 100 kw. This means that it only uses that much power at its peak load. Therefore, the system would not be running at full load for 24 hours/day and would idling much of the time. In fact, it might be idling as much as 80-85% of the time, including during most of the night hours. Because the system peaks at 100 kw, most of the time it would be run at ½ @ 4 gallons to ¼ at 2.3 gallons. Therefore, the \$52,560 fuel cost above was based on the figure of 3 gal./hour. Of course, with the new fuel cell technologies now available, the cost would be considerably less. The system priced rents for \$2,000 per month; and the price for long-term rental could be negotiated downward. Other adjustments could be made if the unit was purchased or if the town chose to have power off from midnight to 6:00 a.m., etc.

So, again, please refer back to the statement that the townspeople currently pay A.P. \$60,000 per year for electricity. (NOTE: Your previous document stated that the cost of running the plant in 1999 was less -- only \$57,000 -- AND THAT WAS WITHOUT AN AUDIT TRAIL! We don't really know the true cost of running the plant, do we?)

Regarding the P.U.C. comments that a company-owned backup generator is not warranted, the town desperately needs AND DESERVES a backup generator. Again, we previously paid for one.

When you review these estimates, doesn't it also occur to you that something must be very, very wrong regarding the current "costs" of running A.P., especially since: 1.) A.P. lacks adequate records, and 2.) A.P. is not buying diesel fuel?

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There are certainly more reliable ways than what currently exists to serve a paying public. Therefore, we hereby formally request that you consider options rather than holding us hostage to the current system.

Customers should not have to buy personal generators. (Nor should the town have to fund a second generator.)

IV.

Regarding the \$200 reconnection fee, it is additional evidence of: 1.) disregard for A.P. customers, 2.) the P.U.C.'s unwillingness to enforce its own regulations (see our April 28 document), and 3.) inaccuracies in the June 28, 2003 response, that document stated that the \$200 reconnection fee was not a problem because "no one complained about the fee." When we questioned staff regarding this erroneous statement, we were told that only some departments within the P.U.C. have access to information regarding complaints. We question this for many reasons including: 1.) Our April 28, 2003 described that we had won a court case concerning this issue, 2.) Beverly, of your staff, interviewed us for hours (on Stevenson's behalf) regarding this issue and recorded this, and 3.) Curtis Stigers and Amy O'Brien objected to this policy in their written response to your survey. Doesn't the P.U.C. consult its own documents when writing a document so important to A.P. customers?

V.

It is sad for the June 18, 2003 document to attempt to defend taking 2 ½ years to respond to our September 2000 petition by writing that: 1.) the P.U.C. couldn't contact A.P. customers, and 2) that the staff tried to contact a couple of people and couldn't reach them. (See question #5, page 4.) The P.U.C. clearly demonstrates a lack of concern for A.P. customers.

VI.

Continuing to answer our pleas for assistance with, "What if A.P. pulls out?" is also a sad "defense." It is clearly not in the public interest for a public regulatory agency to reinforce or promote additional improper behavior by allowing it, time and again. If it is true (as a variety of P.U.C. staff have said for years) that A.P. has threatened to pull out of Atlanta for the last twenty years but has not done so, doesn't that tell you something?

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VIII.

Regarding "bad power," it is still a valid and serious concern. The power cell often bleeps when turning on an appliance. From talking to various citizens, it appears that it is related to the distance between transformers

as well as the overall capacity of the system. Therefore, we ask the following questions:

- What is the maximum distance allowed between transformers?
- How will the P.U.C. deal with problems regarding clearance for power lines going over the roadway?
- What will be done to assist citizens who have been required to pay for their own transformers to recoup their expenses?

IX.

A number of people in town are concerned that the meters are not always read on a consistent date. This affects the rates paid by customers who receive so many kw per month for a set fee. E.g., when the meter is read after the first day of the month, they pay more during the month that the meter wasn't read on time.

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X.

As per the freedom of information act, we request:

- A copy of all P.U.C. orders issued to A.P.
- A list of all orders that have not been followed.

If P.U.C. intends to say, "they don't know" again, please answer the following questions: 1.) Why use the taxpayers' money to issue orders? 2.) What exactly does the P.U.C. regulate?

XI. Due to time constraints, we did not respond to every inaccuracy in your last document. Therefore:

WE RESERVE THE RIGHT TO AMEND AND PLEA FURTHER.

