

TO: Utah Public Service Commission

FROM: Betsy Wolf
Salt Lake Community Action Program

DATE: April 29, 2013

SUBJECT: Comments in Response to Action Request on Docket No. 13-035-T08

Background

On April 5, 2013, Rocky Mountain Power (RMP or Company) filed a request at the Utah Public Service Commission to modify Electric Service Regulation 3. RMP proposes to add language to Electric Service Regulation 3 to indicate that customers are responsible for reasonable court costs, attorneys' fee and/or collection agency fees incurred in the collection of unpaid debt following the due date of their closing bill.

Discussion

Salt Lake Community Action Program has a few initial concerns with this proposal. First, as far as we can tell, no interested parties were contacted during this process which seems to be a departure from past practice if not rule. While I cannot verify precisely when this issue has arisen in the past, my recollection is that this is not the first time that this particular issue has been discussed in the past decade or so.

Second, the Division appears to have accepted at face value the contention by the Company that \$418,000 currently spent on collection agency fees would all be collectible under the new proposal. SLCAP, which represents low income households that struggle to pay basic utility bills, questions whether the households it represents would have the resources available to pay substantially more costs when they were unable to pay the initial basic charges. It is unclear from the filing which customers are currently causing these costs to be incurred (i.e., customers on Residential Schedule 1 or Schedule 3 or other classes of customers). If it is Schedule 3 customers, then we would question the validity of the assertion that further funds would be able to be collected.

Finally, while the proposed tariff, if approved, is to be effective almost immediately, it occurs to us that there is a matter of timing at issue. An immediate effective date is not either necessary or appropriate. While the dollars in question are not huge, this is a request that is occurring between general rate cases. So if the Company were to actually recover the costs that it asserts it will, then ratepayers will still be paying the subsidy and the Company will be double collecting that portion of the rates. Thus, there is no hurry to enact such a proposal. In fact, it would be a more appropriate matter to be discussed during the course of the next general rate case.

Recommendation

Salt Lake Community Action Program respectfully requests that the Public Service Commission not approve the proposed tariff change at this time.. Because of the timing of this request between general rate cases, there is a problem with approving an action that would provide more resources to the Company while not making other potential changes that would accrue to the advantage of the ratepayers. Thus a denial of the tariff change at this time would be appropriate as the more suitable time to investigate this issue would be in the course of the next general rate case. If the Commission were to decide to proceed with an investigation in this docket, SLCAP requests that the Commission convene a technical conference in order to facilitate a more clear understanding of the implications of this change. We think that it would be helpful both for the PSC and for other parties, especially those representing low income customers, to better understand the issues and determine whether this would truly be in the public interest.

We appreciate the opportunity to comment and thank you for your consideration on this important issue.