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Division of Public Utilities

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*Director, Division of Public Utilities*

## MEMORANDUM

**TO:** Public Service Commission

**FROM:** Division of Public Utilities  
Chris Parker, Division Director  
Marialie Martinez, Customer Service Manager

**DATE:** April 30, 2012

**RE:** 12-035-78 – In the matter of Formal Complaint of South-Forty RV Park vs. Rocky Mountain Power

**Recommendation: Dismiss Complaint**

**Complaint Analysis:**

On January 23, 2012, the Division of Public Utilities (Division) received and processed South-Forty RV Park's informal complaint letter against Rocky Mountain Power (RMP), filed by Terri and Jim Peterson.

Mr. and Mrs. Peterson claim that RMP raised their basic charge fee for each of their meter at their business over 67% in a three year period. They also claim that the company charges them the basic customer fee for two of their meters during the months that they are completely shut down. Mr. and Mrs. Peterson contacted RMP to explain that they are a seasonal business and closed during the months of November through March. The company informed them that the seasonal rate would be a \$600 upfront fee with a one year contract period. Mr. and Mrs. Peterson did not agree with the seasonal rate as it would cost them \$100 more than if they just paid the monthly basic charge fee during the five months that they are closed. In addition to the informal complaint letter was also a copy of the letter Mr. and Mrs. Peterson sent to RMP asking the company to waive the basic charge fees for them.

**Company Response:**

RMP responded with clarifications that South-Forty RV Park does have three meters associated with the location address. Meter No.1 – RV Wash Room is on Rate Schedule 23, Meter No.2 –

North #1 is on Rate Schedule 6, and Meter No.3, also on Rate Schedule 6. The usage history for each of the meters were reviewed and verified that each meter are billed under the correct rate schedule. Both of the North meters registered a demand of 35 kW or greater during multiple billing periods each year, therefore are not eligible for Rate Schedule 23.

The company spoke with Mrs. Peterson on January 25<sup>th</sup> and explained that the \$50 basic charge for Rate Schedule 6 is a fixed charge that covers the costs associated with having a three phase electric service, which includes the cost of the meter and meter reading, preparing and providing a bill, and administrative costs. RMP also explained the seasonal rate option to Mrs. Peterson that would eliminate the need to pay during the off season. However, the amount would be the same as the basic charge but would be billed in a lump sum towards the end of each year.

The company further explained to Mrs. Peterson that all customers are required to pay the basic charge associated with the appropriate rate schedules; therefore, the company cannot waive those fees just for them.

**Division Review and Recommendation:**

In the April 16, 2012 letter sent to the Public Service Commission (PSC), Mrs. Peterson disputes a statement in the company's response which states, "I explained the \$50 basic charge for rate schedule 6 is a fixed charge that covers the cost associated with having THREE PHASE ELECTRIC service, etc." Mrs. Peterson adds that the contract they have with RMP states, "they are providing single phase electric to our RV Park." While the Division is not in a position to evaluate any past representations RMP may have made regarding the relative costs for customer of single phase and three phase service, the company appears to be in compliance with its existing tariffs.

According to RMP Tariff under Electric Service Schedule No.6 for General Service – Distribution Voltage, *"This Schedule is for alternating current, single or three-phase electric service supplied at Company's available voltage, but less than 46,000 volts through a single point of delivery, for all service required on the customer's premises."*

The Company's tariff clearly indicates that for schedule 6, the minimum bill is the "Customer Service Charge plus appropriate Power and Energy Charges." The customer charge is intended to cover the costs the Company incurs, and the Commission has approved, in providing, or being ready to provide, service to that customer as long as they are connected to the system regardless of how much energy they consume. As the Company's response indicates, these costs include meter and meter reading, preparing and providing a bill, and administrative costs. As long as the customer remains connected to the system, these costs are incurred by the Company and should be recovered from each customer. The tariff also provides for a seasonal option: the customer can elect to discontinue service for a season and re-start service after the season. This option allows the customer to avoid the monthly minimum bill while disconnected but requires a net minimum payment of \$600 plus power and energy charges. The net minimum bill, which the Commission also approved, is designed to recover the costs of administering the customer's

account including service termination and re-connection costs. The customer can choose which of these two options is best for them.

Mr. and Mrs. Peterson have not shown that RMP is in violation of any Administrative Rule, Utah Law, court ruling, Commission ruling or RMP Tariff. The Division therefore recommends that the complaint against Rocky Mountain Power be dismissed.