

ORIGINAL
OPEN MEETING



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MEMORANDUM
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TO: THE COMMISSION 2006 JAN 31 A 9:12

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: January 31, 2006

RE: IN THE MATTER OF THE APPLICATION FOR NOTICE OF TARIFF CHANGE BY NAVOPACHE ELECTRIC COOPERATIVE, INC., AN ARIZONA NON-PROFIT CORPORATION (DOCKET NO. E-01787A-06-0030)

On January 18, 2006, Navopache Electric Cooperative, Inc. ("Navopache"), an Arizona non-profit corporation, filed for Commission approval of a tariff revising delinquent collection procedures as set forth in Section 2.82 of its policy manual.

Navopache's primary purposes for making the revision are to enhance the safety of Navopache field employees and preserve the financial integrity of Navopache. The revision will eliminate member confusion as to collection and delinquent accounts subject to termination, and eliminate the previous option of field collection of delinquent accounts, which exposed employees to theft. The revision will eliminate potential confrontations associated with field collection of delinquent accounts subject to service termination. Additionally, the revision will enhance the fiscal integrity of Navopache by avoiding situations where Navopache employees, while possessing Navopache funds, are exposed to acts of theft.

Navopache has proposed the following language modification to the tariff:

"2.82 DELINQUENT ACCOUNT PROCEDURE: After the Cooperative mails the required service termination notice, it shall observe the following procedure:

- A. In the case of a delinquent account, the a Cooperative employee assigned to disconnect service shall carry identification as a Cooperative employee and, if requested by the customer, shall show their the Cooperative identification, describe the purpose of the Cooperative personnel at the customer's premises and advise the customer of the total amount due. Including the Field Collection Fee.
- B. In the case of a delinquent account only if the customer tenders the total amount due to the employee terminating the service, including the Field Collection fees the service shall not be disconnected. Personal checks will not be accepted by Cooperative personnel in the field unless expressly authorized by the administrative office after reasonable assurance is provided that the check will be honored. A Cooperative employee shall not accept payment of any kind with respect to the delinquent bill. The customer will be advised by the Cooperative employee that the employee is not authorized to accept funds

of any nature whatsoever as payment on the delinquent account. The Cooperative employee will advise the customer that if the customer wishes to continue service, the customer must comply with the Cooperative's tariffs, rules and regulations.

C. A number of methods may be used to disconnect the service provided by the Cooperative to its customer in case of delinquent accounts:

- (1) Single-Phase Service. The service may be disconnected at the pole, at the ~~transformer~~ Transformer, or by disconnect boots in the meter base, etc.
- (2) Three-Phase Service. The service may be ~~diseennected~~ disconnected at the pole, at the ~~transformer bank~~ Transformer Bank or by the placement of a Cooperative lock on the customer's main disconnect, or other ~~diseennect switches~~ Disconnect Switches, in order to insure the service to be locked open.

The tampering with any seal, lock or disconnecting device will be considered an unauthorized energy diversion.”

Staff has reviewed other cooperatives' tariffs and found that some have not yet come to the Commission for this type of tariff revision. However, the large electric providers (Tucson Electric Power Company and Arizona Public Service Company) have already discontinued the practice of field collection of payments for delinquent accounts for similar reasons as cited by Navopache.

Staff recommends that Navopache add the following language to the tariff revising its delinquent collection procedures as set forth in Section 2.82.B. The language should read “A Cooperative employee assigned to disconnect service shall not accept payment of any kind with respect to the delinquent bill. The customer will be advised by this Cooperative employee that the employee is not authorized to accept funds of any nature whatsoever as payment on the delinquent account. This Cooperative employee will advise the customer that if the customer wishes to have service reconnected, the customer must contact the Cooperative's administrative office. The customer contact information will be provided by this Cooperative employee.

Staff recommends the approval of the tariff revision with the added staff language to provide an improved work environment for Navopache field employees.

Staff also recommends the following conditions be met:

1. That Navopache file an amended tariff with Docket Control as a compliance matter in this case within 30 days of a Commission decision.

THE COMMISSION

January 31, 2006

Page 3

2. That Navopache provide notice to its customers by means of an insert in its next regularly scheduled billing in a format acceptable to Staff. Navopache shall file a copy of the notice with Docket Control as a compliance matter in this case within 30 days of providing notice to its customers.



Ernest G. Johnson
Director
Utilities Division

EGJ:DJR:lm\LF

ORIGINATOR: Deb Reagan

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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

IN THE MATTER OF THE APPLICATION)
FOR NOTICE OF TARIFF CHANGE BY)
NAVOPACHE ELECTRIC COOPERATIVE,)
INC., AN ARIZONA NON-PROFIT)
CORPORATION)
_____)

DOCKET NO. E-01787A-06-0030
DECISION NO. _____
ORDER

Open Meeting
February 14 and 15, 2006
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 18, 2006, Navopache Electric Cooperative, Inc. ("Navopache"), an Arizona non-profit corporation, filed for Commission approval of a tariff revising delinquent collection procedures as set forth in Section 2.82 of its policy manual.

2. Navopache's primary purposes for making the revision are enhancing the safety of Navopache field employees and the financial integrity of Navopache. The revision will eliminate member confusion as to collection and delinquent accounts subject to termination, and eliminate the previous option of field collection of delinquent accounts, which exposed employees to theft. The revision will eliminate potential confrontations associated with field collection of delinquent accounts subject to service termination. Additionally, the revision will enhance the fiscal integrity of Navopache by avoiding situations where Navopache employees, while possessing Navopache funds, are exposed to acts of theft.

...

1 3. Navopache has proposed the following language for the tariff :

2 "2.82 DELINQUENT ACCOUNT PROCEDURE: After the Cooperative mails the
3 required service termination notice, it shall observe the following procedure:

4 A. In case of a delinquent account, a Cooperative employee assigned to disconnect service
5 shall carry identification as a Cooperative employee and, if requested by the customer,
6 shall show the Cooperative identification, describe the purpose of the Cooperative
7 personnel at the customer's premises and advise the customer of the total amount due.

8 B. A cooperative employee shall not accept payment of any kind with respect to the
9 delinquent bill. The customer will be advised by the Cooperative employee that the
10 employee is not authorized to accept funds of any nature whatsoever as payment on the
11 delinquent account. The Cooperative employee will advise the customer that if the
12 customer wishes to continue service, the customer must comply with the Cooperative's
13 tariffs, rules and regulations.

14 C. A number of methods may be used to disconnect the service provided by the
15 Cooperative to its customer in case of delinquent accounts:

16 (1) Single-Phase Service. The service may be disconnected at the pole, at the
17 Transformer, or by disconnect boots in the meter base, etc.

18 (2) Three-Phase Service. The service may be disconnected at the pole, at the
19 Transformer Bank or by the placement of a Cooperative lock on the customer's
20 main disconnect, or other Disconnect Switches, in order to insure the service to be
21 locked open.

22 The tampering with any seal, lock or disconnecting device will be considered an
23 unauthorized energy diversion."

24 4. Staff has reviewed other cooperatives' tariffs and found that some have not yet
25 come to the Commission for this type of tariff revision. However, the large electric providers
26 (Tucson Electric Power Company and Arizona Public Service Company) have already
27 discontinued the practice of field collection of payments for delinquent accounts for similar
28 reasons cited by Navopache.

5. Staff recommends that Navopache modify the language proposed for Section
2.82.B to read as follows: "A Cooperative employee assigned to disconnect service shall not
accept payment of any kind with respect to the delinquent bill. The customer will be advised by
this Cooperative employee that the employee is not authorized to accept funds of any nature
whatsoever as payment on the delinquent account. This Cooperative employee will advise the

1 customer that if the customer wishes to have service reconnected the customer must contact the
2 Cooperative's administrative office. The customer contact information will be provided by this
3 Cooperative employee.

4 6. Staff recommends the approval of the tariff revision with Staff's modifications.

5 7. Staff also recommends the following conditions be met:

6 A. That Navopache file an amended tariff with Docket Control as a compliance
7 matter in this case within 30 days of a Commission decision.

8 B. That Navopache provide notice to its customers by means of an insert in its next
9 regularly scheduled billing in a format acceptable to Staff. Navopache shall file
10 a copy of the notice with Docket Control as a compliance matter in this case
11 within 30 days of providing notice to its customers.

12 CONCLUSIONS OF LAW

13 1. Navopache Electric Cooperative, Inc., an Arizona non-profit, is an Arizona public
14 service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

15 2. The Commission has jurisdiction over Navopache and over the subject matter of
16 this application.

17 3. The Commission, having reviewed the application and Staff's Memorandum dated
18 January 31, 2006, concludes that it is in the public interest to approve Navopache's request for a
19 tariff revision.

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ORDER

IT IS THEREFORE ORDERED that Staff's recommendations, as set forth in Findings of Fact Nos. 6 and 7, are reasonable and are hereby adopted.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2006.

BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:DJR:lhm\LF

1 SERVICE LIST FOR: Navopache Electric Cooperative, Inc.
2 DOCKET NO. E-01787A-06-0030

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