

ORIGINAL
OPEN MEETING



MEMORANDUM RECEIVED

Arizona Corporation Commission

2011 JAN 19 A 8:49

TO: THE COMMISSION

DOCKETED

FROM: Utilities Division

JAN 19 2011

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DATE: January 19, 2011

DOCKETED BY: 

RE: COLUMBUS ELECTRIC COOPERATIVE, INC - APPLICATION FOR APPROVAL OF ITS BILL ESTIMATION METHODOLOGIES TARIFF (DOCKET NO. E-01851A-10-0104)

On March 23, 2010, Columbus Electric Cooperative, Inc ("Columbus" or "Cooperative") filed an Application with the Arizona Corporation Commission ("Commission") for the Cooperative's proposed Bill Estimation Methodologies ("ABEM") tariff. The filing was submitted pursuant to Arizona Administrative Code R14-2-212 (F) (1).

Bill estimations are required in cases where actual meter reads are not attainable. For example, it is not uncommon to estimate billings during severe weather conditions, under dangerous or unsafe circumstances, and when meters are damaged or missing. In previously approved bill estimation dockets before the Commission, Staff recommended that proposed separate bill estimation tariffs include, but not be limited to, methodologies for estimating energy usage (kWh), demand usage (kW) and time-of-use billings. Staff also recommended that a proposed tariff include: (a) a description of conditions that require estimated billings; (b) guidelines for estimating first and final billings when normal meter reads are unattainable; and (c) procedures for developing estimated billings when, for example, normal meter reads are unattainable due to damaged meters. Staff's review of Columbus' proposed tariff finds that the methodologies, guidelines and procedures discussed herein are generally in accord with previously filed bill estimation tariffs approved by the Commission, and recommends that the following proposed changes become a part of the approved tariff:

- A. The effective date should be affixed to at least the first page of the Bill Estimation Methodologies tariff.
- B. Item C of the Conditions for Estimated Bills section located on page 1 should read as follows "... vicious or dangerous animals or missing meters."
- C. The Notice of Estimation section located on page 1 should read as follows "... an estimated bill and note the reason for estimation."

The following amended table from page 2 of the proposed tariff (amended to remove the Cooperative's proposed "three month average" bill estimation methodology to conform with R14-2-210 of the Arizona Administrative Code) summarizes the Company's proposed bill estimation methodologies:

Estimation Procedures

Columbus Electric currently utilizes a customer information system (“CIS”) and/or billing personnel for billing, bill calculations and bill estimations.

Detailed descriptions of estimation procedures for each of the conditions are numbered 1-12 below include but are not limited to:

	Conditions for Estimated Bills	Estimation Procedures
1.	A kWh estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	Estimate using the kWh, same month one year prior and/or the amount of usage during the preceding month, from the same premise.
2.	A kWh estimate with less than 12 months' history for the same customer at the same premise.	Estimate using the kWh of the preceding month from the same premise.
3.	A kWh estimate with less than 12 months' history for a new customer but with history on the premise.	Estimate using the kWh of the preceding month from the same premise.
4.	A kWh estimate with no prior consumption history.	Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
5.	A kW estimate with at least one year of history for the same customer at the same premise or new customer with one year of premise history.	Calculate the estimate using the kW, same month one year prior and/or the preceding month from the same premise.
6.	A kW estimate with less than 12 months' history for the same customer at the same premise.	Calculate the estimate using the kW of the preceding month from the same premise.
7.	A kW estimate with less than 12 months' history for a new customer but with history on the premise.	Calculate the estimate using the kW of the preceding month from the same premise.
8.	A kW estimate with no prior consumption history.	Do not estimate. A service order is issued for a meter technician to obtain a valid read.
9.	A Time-of-Use estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	Time-of-Use has two readings, “on-peak” and “off-peak”. Calculate the estimate using the “on-peak” and “off-peak” kWh reads, same month one year prior and/or the preceding month from the same premise.
10.	A Time-of-Use estimate with less than 12 months' history for the same customer at the same premise.	Time-of-Use has two readings, “on-peak” and “off-peak”. Calculate the estimate using the “on-peak” and “off-peak” kWh of the preceding month from the same premise.
11.	A Time-of-Use estimate with less than 12 months' history for a new customer but with history on the premise.	Time-of-Use has two readings, “on-peak” and “off-peak”. Calculate the estimate using the “on-peak” and “off-peak” kWh of the preceding month from the same premise.
12.	A Time-of-Use estimate with no prior consumption history for a new customer at a new premise.	Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.

Staff's Recommendations

Staff has reviewed Columbus' proposed tariff filing and recommends approval of the Company's proposed Schedule ABEM- Bill Estimation Methodologies tariff as amended herein. Staff's review verified that the proposed tariff, as amended, would embody all of Staff's

THE COMMISSION

January 19, 2011

Page 3

recommendations, such as defining conditions under which electric billings would be estimated, and describing the methodologies that would be used to calculate estimated billing amounts.

Staff also verified that the amended proposed tariff would conform to the Arizona Administrative Code, and is identical to similar bill estimation tariffs approved by the Commission for cooperatives such as Graham County Electric Cooperative (Decision No. 70478) and Sulphur Springs Valley Electric Cooperative (Decision No. 71457).

Staff further recommends that Columbus implement the bill estimation methodologies proposed in Schedule ABEM, as approved, by March 1, 2011. As a compliance item in this matter, the Company should file with Docket Control a letter by March 15, 2011, stating that the implementation is complete.

Staff further recommends that Columbus file with Docket Control, as a compliance item in this matter, tariff pages for Schedule ABEM that are consistent with the terms of this Decision within 15 days from the effective date of the Decision.



Steven M. Olea
Director
Utilities Division

SMOWHM:lhm\RM

ORIGINATOR: William H. Musgrove

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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF COLUMBUS
ELECTRIC COOPERATIVE, INC.'S
APPLICATION FOR APPROVAL OF ITS
BILL ESTIMATION METHODOLOGIES
TARIFF

) DOCKET NO.E-01851A-10-0104
) DECISION NO. _____
) ORDER

Open Meeting
February 1 and 2, 2011
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Columbus Electric Cooperative, Inc. ("Columbus" or "Company") is certificated to provide electric service as a public service corporation in the State of Arizona.
2. On March 23, 2010, Columbus filed an Application with the Arizona Corporation Commission ("Commission") for the Cooperative's proposed Bill Estimation Methodologies ("ABEM") tariff. The filing was submitted pursuant to Arizona Administrative Code section R14-2-212 (F) (1).
3. Bill estimations are required in cases where actual meter reads are not attainable. For example, it is not uncommon to estimate billings during severe weather conditions, under dangerous or unsafe circumstances, and when meters are damaged or missing. In previously approved bill estimation dockets before the Commission, Staff recommended that proposed separate bill estimation tariffs include, but not be limited to, methodologies for estimating energy usage (kWh), demand usage (kW) and time-of-use billings. Staff also recommended that a

1 proposed tariff include: (a) a description of conditions that require estimated billings; (b)
 2 guidelines for estimating first and final billings when normal meter reads are unattainable; and (c)
 3 procedures for developing estimated billings when, for example, normal meter reads are
 4 unattainable due to damaged meters. Staff's review of Columbus' proposed tariff finds that the
 5 methodologies, guidelines and procedures discussed herein are generally in accord with previously
 6 filed bill estimation tariffs approved by the Commission, and recommends that the following
 7 proposed changes become a part of the approved tariff:

8 A. The effective date should be affixed to at least the first page of the
 9 ABEM tariff.

10 B. Item C of the Conditions for Estimated Bills section located on page 1
 11 should read as follows "... vicious or dangerous animals or missing
 12 meters."

13 C. The Notice of Estimation section located on page 1 should read as
 14 follows "... an estimated bill and note the reason for estimation."

15 4. The following amended table from page 2 of the proposed tariff (amended to
 16 remove the Cooperative's proposed "three month average" bill estimation methodology to
 17 conform with Section R14-2-210 of the Arizona Administrative Code) summarizes the Company's
 18 proposed bill estimation methodologies:

18 **Estimation Procedures**

19 Columbus currently utilizes a customer information system ("CIS") and/or billing personnel for
 20 billing, bill calculations and bill estimations.

21 A. Detailed descriptions of estimation procedures for each of the conditions are numbered 1-12
 22 below include but are not limited to:

	Conditions for Estimated Bills	Estimation Procedures
23		
24	1. A kWh estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	Estimate using the kWh, same month one year prior and/or the amount of usage during the preceding month, from the same premise.
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26	2. A kWh estimate with less than 12 months' history for the same customer at the same premise.	Estimate using the kWh of the preceding month from the same premise.
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28	3. A kWh estimate with less than 12 months' history for a new customer but with history on the premise.	Estimate using the kWh of the preceding month from the same premise.

1	4.	A kWh estimate with no prior consumption history.	Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
2	5.	A kW estimate with at least one year of history for the same customer at the same premise or new customer with one year of premise history.	Calculate the estimate using the kW, same month one year prior and/or the preceding month from the same premise.
3	6.	A kW estimate with less than 12 months' history for the same customer at the same premise.	Calculate the estimate using the kW of the preceding month from the same premise.
4	7.	A kW estimate with less than 12 months' history for a new customer but with history on the premise.	Calculate the estimate using the kW of the preceding month from the same premise.
5	8.	A kW estimate with no prior consumption history.	Do not estimate. A service order is issued for a meter technician to obtain a valid read.
6	9.	A Time-of-Use estimate with at least one year of history for the same customer at the same premise or new customer with at least one year of premise history.	Time-of-Use has two readings, "on-peak" and "off-peak". Calculate the estimate using the "on-peak" and "off-peak" kWh reads, same month one year prior and/or the preceding month from the same premise.
7	10.	A Time-of-Use estimate with less than 12 months' history for the same customer at the same premise.	Time-of-Use has two readings, "on-peak" and "off-peak". Calculate the estimate using the "on-peak" and "off-peak" kWh of the preceding month from the same premise.
8	11.	A Time-of-Use estimate with less than 12 months' history for a new customer but with history on the premise.	Time-of-Use has two readings, "on-peak" and "off-peak". Calculate the estimate using the "on-peak" and "off-peak" kWh of the preceding month from the same premise.
9	12.	A Time-of-Use estimate with no prior consumption history for a new customer at a new premise.	Bill the fixed monthly customer charge plus applicable taxes only. The kWh will be billed with the next valid read in accordance with the Arizona Administrative Code.
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Staff's Recommendations

5. Staff has reviewed Columbus' proposed tariff filing and recommended approval of the Company's proposed Schedule ABEM- Bill Estimation Methodologies tariff as amended herein. Staff's review verified that the proposed tariff, as amended, would embody all of Staff's recommendations, such as defining conditions under which electric billings would be estimated, and describing the methodologies that would be used to calculate estimated billing amounts.

6. Staff also verified that the amended proposed tariff would conform with the Arizona Administrative Code, and is identical to similar bill estimation tariffs approved by the Commission for cooperatives such as Graham County Electric Cooperative (Decision No. 70478) and Sulphur Springs Valley Electric Cooperative (Decision No. 71457).

7. Staff has further recommended that Columbus implement the bill estimation methodologies proposed in Schedule ABEM, as approved, by March 1, 2011. As a compliance item in this matter, the Company should file with Docket Control a letter by March 15, 2011, stating that the implementation is complete.

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IT IS FURTHER ORDERED that Columbus Electric Cooperative, Inc. shall file with Docket Control, as a compliance item in this matter, tariff pages for Schedule ABEM consistent with the terms of this Decision within 15 days from the effective date of the Decision.

IT IS FURTHER ORDERED that this Decision become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, 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 _____, 2011.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:WHM:lhm\RM

1 SERVICE LIST FOR: Columbus Electric Cooperative
2 DOCKET NO. E-01851A-10-0104

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