

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

<p>IN RE:</p> <p>NATURAL GAS AND ELECTRIC UTILITY CUSTOMER NOTICE FOR INFORMATION AND COMPLAINTS [199 IAC 19.4(1) AND 20.4(2)]</p>	<p>DOCKET NO. RMU-06-9</p>
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**ORDER ADOPTING AMENDMENTS**

(Issued January 23, 2007)

**BACKGROUND**

Pursuant to the authority of Iowa Code §§ 17A.4, 476.2, and 476.8, the Utilities Board (Board) is adopting amendments to 199 IAC 19.4(1) and 20.4(2) that update the Board's contact information and require large rate-regulated utilities to provide their customers with monthly information about how natural gas and electric customers may contact the Board for assistance or information, as described in the "Adopted and Filed" notice attached hereto and incorporated herein by reference. A "Notice of Intended Action" with the proposed amendments was published in IAB Vol. XXIX, No. 10 (11/8/06) pp. 633-34, as ARC 5525B.

Comments about the proposed amendments were filed by the Consumer Advocate Division of the Department of Justice (Consumer Advocate), Aquila, Inc., d/b/a Aquila Networks (Aquila), MidAmerican Energy Company (MidAmerican), and

Interstate Power and Light Company (IPL). No oral presentation was scheduled or requested.

### **COMMENTS**

Consumer Advocate endorsed the proposed amendments based upon the fundamental importance of proper timely notice to utility customers of the Board's complaint process. Consumer Advocate stated that a customer's due process rights would be denied without proper notice of the Board's process and the Iowa Legislature provided in Iowa Code § 476.3(1) that the complaint process is an important protection for Iowa consumers.

Aquila stated that it had no objection to the proposed amendments. MidAmerican stated it had no objection to adding the Board's E-mail address to the contact information on customer bills. MidAmerican stated that adding the E-mail address would be the only change it would have to make to comply with the amendments and MidAmerican stated that it appreciated the retention of the provision allowing the utility the option of using either the exact rule language or proposing different language in a tariff.

IPL stated that providing customers with information to request Board assistance in resolving issues is an important right of all utility customers and IPL supports the addition of the Board's E-mail address to the contact information. IPL indicated that it removed the Board's contact information from the monthly customer bill in May 2006 because of the large number of misdialed calls the Board received

from IPL customers that should have been made directly to IPL. IPL questioned whether the monthly publication requirement, if adopted, will again result in a high volume of misdialed calls to the Board and whether the monthly notification requirement should be limited to large investor-owned utilities.

IPL stated that in early 2006 it discussed options with Board staff to resolve the problem of the large number of misdialed calls. IPL decided to remove the contact information from the monthly bill to mitigate this problem. IPL provided a comparison of misdialed calls between 2005 and 2006 and indicated that the number of misdialed calls was 82 percent lower in 2006 after the contact information was removed from the monthly bills.

IPL compared the number of contacts from the period of May through September 2005 with the number of contacts for May through September 2006 to determine if fewer contacts were made to the Board and whether the fewer contacts were the result of the removal of the contact information from the monthly bill. IPL's information shows that the Board received 23 percent fewer contacts classified as verbal issues, or docketed as C, RC, or GC complaints, from May through September 2006 than the previous year.

IPL compared its data with the number of calls received by Board staff from MidAmerican customers during the same periods. The information shows that Board staff also experienced a 23 percent reduction in calls from MidAmerican customers during the same period. IPL maintained that this comparison shows that its

customers are not being disadvantaged by removal of the Board contact information from the monthly customer bills. IPL is concerned that placing the contact information on the monthly bill will re-create the problem of misdialed calls to the Board.

IPL's second concern is that the proposed amendments exempt utilities with fewer than 50,000 customers from the monthly notice requirement. IPL suggested this exemption appears to be inconsistent with the Board charge of equally regulating customer service for all Iowa utility customers. IPL stated that the requirement that Board contact information be provided to customers monthly should be required of all utilities, not just those with more than 50,000 customers. IPL states that it is concerned that the smaller utilities may not train their staff to provide Board contact information and these customers may be the ones with limited access.

IPL stated that the cost of providing the contact information should not be significant. IPL will incur additional cost when a customer's bill requires two pages to include the contact information, however, IPL stated that it does not have exact numbers to estimate the increased cost. IPL suggested that the total cost of the proposed amendments should include time spent by Board staff handling calls that should have been made to the utilities first. These additional costs will be born by the three large utilities through assessments, but not by the smaller utilities, thus causing a larger disparity. IPL strongly encourages the Board to revise the proposed amendments by making the monthly notice requirement applicable to all utilities.

## **BOARD DISCUSSION**

Notice to customers of how to contact the Board with problems or complaints about utility service is an important aspect of the Board's regulatory responsibility. Iowa Code § 476.3 specifically provides the Board broad authority to consider complaints about utility service and resolve them when necessary. For the Board to fulfill its regulatory responsibility, customers must be provided with Board contact information on a regular basis. Under current rules, all utilities are required to provide the Board's contact information no less than annually. 199 IAC 19.4(1) and 20.4(2). Until recently, MidAmerican and IPL, the two largest utilities, had voluntarily included Board contact information on monthly bills. IPL removed the information in May 2006. Aquila had not included the information but has indicated it will provide the information to customers monthly if the proposed amendments are adopted. MidAmerican continues to provide the information monthly.

IPL has stated a willingness to provide the monthly notice, however, IPL expressed two concerns about the proposed amendments: (1) the number of calls to the Board from customers intending to call IPL may increase and (2) the monthly notice requirement is limited to utilities with more than 50,000 customers. The Board understands IPL's concerns that its customers may be calling the Board when they intend to call IPL with service or other problems and recognizes that contacting the Board first may create some confusion for customers and cause some delay in resolving their problems.

Prior to 2006, the Board had been considering how best to address the problem of misdialed calls. Board staff discussed the issue with IPL and MidAmerican and concluded that a major contributing factor was the way the contact information appeared on monthly bills. The required contact information in the current rules ends with the Board's telephone number, causing the number to stand out when compared to other information on monthly bills.

The Board did not consider this an immediate problem and was waiting until it had other amendments to propose to open a rule making docket. Once IPL removed the information from the monthly bills, the Board opened this docket to address the updating of its contact information and the issue of monthly notice to customers by the larger utilities.

The Board does not consider the number of misdialed calls to be a significant problem for Board staff and any additional cost from responding to these calls is minimal. However, the Board is interested in reducing any customer confusion that may occur from customers contacting the Board when the customer intends to call the utility. Updating the Board's contact information to include the E-mail address as the last item should reduce the number of misdialed calls and the Board is not convinced that requiring the monthly contact information will cause a significant increase in misdialed calls. Requiring the contact information to be provided monthly is good public policy and outweighs the risk of an increased number of misdialed calls.

The Board considers the number of complaints received by the Board to be a more important concern than misdialed calls and wants to ensure that customers have the information necessary to contact the Board when appropriate. From data reviewed by the Board, there appears to be no correlation between the number of misdialed calls or the number of total calls and the number of complaints. For example, adding natural gas and electric customers together (without adjustment for combination premises), IPL had at the end of 2005 about 700,000 customers while MidAmerican had about 1.1 million customers. Board records show from May 2005 thru September 2006, IPL customers called the Board 1,643 times, not including misdialed calls. MidAmerican customers called the Board 1,180 times, not including misdialed calls, during this same period. With fewer customers and not publishing Board contact information during four of the comparison months, IPL had more customers call the Board than MidAmerican. The records also show that IPL had more complaints files opened by the Board in 2005 and 2006 than MidAmerican.

As stated earlier, the Board does not consider the number of misdialed calls to be a significant problem and considers it preferable to risk that some customers will call the Board by mistake rather than to reduce the information available to a customer telling how to contact the Board. In discussions with officials from several municipalities served by IPL after the contact information was removed, Board staff learned that the removal of the contact information had resulted in some customers not being aware of how to contact the Board with unresolved service problems. The

potential that some calls may be misdialed does not outweigh the public policy considerations for providing the information on a regular basis to customers.

IPL's second concern raises a legitimate issue about customers from smaller utilities not having the same notice for contacting the Board. When it proposed the amendments in this rule making, the Board considered requiring all utilities to provide the contact information on a monthly basis. The Board decided not to require that monthly notice be provided by all utilities because such a requirement could place an unreasonable burden on many small utilities. Many of the small utilities use post card billing and do not have space to publish the Board complaint information each month. A requirement that these utilities provide the information on a monthly basis would require changes in the way the utilities bill their customers and those changes would very likely be cost prohibitive. For this reason, the Board did not propose to include smaller utilities in the amended rules. Nothing filed in this docket has persuaded the Board that it should change its position on this issue.

Based upon the considerations discussed above, the Board will adopt the amendments as published in the Iowa Administrative Bulletin.

### **ORDERING CLAUSES**

#### **IT IS THEREFORE ORDERED:**

1. A rule making identified as Docket No. RMU-06-9 is adopted.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin an "Adopted and Filed" notice in the form attached to and incorporated by reference in this order.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Curtis W. Stamp

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

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Dated at Des Moines, Iowa, this 23<sup>rd</sup> day of January, 2007.

## UTILITIES DIVISION [199]

### Adopted and Filed

Pursuant to Iowa Code sections 17A.4, 476.2, and 476.8, the Utilities Board (Board) gives notice that on January 23, 2007, the Board issued an order in Docket No. RMU-06-9, In re: Natural Gas and Electric Utility Customer Notice for Information and Complaints [199 IAC 19.4(1) and 20.4(2)], "Order Adopting Amendments." The amendments update Board contact information to include the Board's E-mail address and to require rate-regulated utilities with more than 50,000 customers to provide the contact information to customers on a monthly basis.

Notice of Intended Action was published in IAB Vol. XXIX, No. 10 (11/8/06) p. 633, as ARC 5525B. Comments concerning the proposed amendments were filed by the Consumer Advocate Division of the Department of Justice, Aquila, Inc., d/b/a Aquila Networks, MidAmerican Energy Company, and Interstate Power and Light Company. No oral presentation was scheduled or requested.

The comments generally supported the proposed amendments, except that Interstate Power and Light Company expressed two concerns with the proposed amendments. These concerns involved the potential for an increase in misdialed calls if the notice is provided monthly and that the requirement is limited to those utilities with more than 50,000 customers. The order addressing these concerns and support for this rule making can be found on the Board's Web site, [www.state.ia.us/iub](http://www.state.ia.us/iub).

These amendments are intended to implement Iowa Code sections 17A.4, 476.2, and 476.8.

These amendments shall become effective March 21, 2007.

The following amendments are adopted.

Item 1. Amend paragraph 19.4(1)"i" as follows:

i. ~~Inquiries~~ Promptly and courteously resolve inquiries for information or complaints ~~to a utility shall be resolved promptly and courteously.~~ Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer ~~which~~ that will enable the customer to reach that employee again if needed.

Each utility shall notify its customers, by bill insert or notice on the bill form, of the address and telephone number where a utility representative qualified to assist in resolving the complaint can be reached. The bill insert or notice shall include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the ~~Utilities Division, Department of Commerce, 350 Maple Street, Des Moines, Iowa 50319,~~ Iowa Utilities Board by calling (515)281-3839 or toll-free (877)565-4450, or by writing to 350 Maple Street, Des Moines, Iowa 50319, or by E-mail to [iubcustomer@iub.state.ia.us](mailto:iubcustomer@iub.state.ia.us)."

The bill insert or notice for municipal utilities shall include the following statement: "If your complaint is related to service disconnection, safety, or renewable energy, and (utility name) does not resolve your complaint, you may request assistance from

the Utilities Division, Department of Commerce, 350 Maple Street, Des Moines, Iowa 50319, Iowa Utilities Board by calling (515)281-3839, or toll-free (877)565-4450, by writing to 350 Maple Street, Des Moines, Iowa 50319, or by E-mail to iubcustomer@iub.state.ia.us."

The bill insert or notice on the bill ~~will~~ shall be provided monthly by utilities serving more than 50,000 Iowa retail customers and no less than annually by all other natural gas utilities. Any utility which does not use the standard ~~form~~ contained herein statement described in this paragraph shall file its proposed ~~form~~ statement in its tariff for approval. A utility, ~~which~~ that bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set out above.

Item 2. Amend subrule 20.4(2) as follows:

20.4(2) Customer contact employee qualifications. ~~Inquiries~~ Each utility shall promptly and courteously resolve inquiries for information or complaints ~~to a utility shall be resolved promptly and courteously.~~ Employees who receive customer telephone calls and office visits shall be qualified and trained in screening and resolving complaints, to avoid a preliminary recitation of the entire complaint to employees without ability and authority to act. The employee shall provide identification to the customer ~~which~~ that will enable the customer to reach that employee again if needed.

Each utility shall notify its customers, by bill insert or notice on the bill form, of the address and telephone number where a utility representative qualified to assist in

resolving the complaint can be reached. The bill insert or notice shall include the following statement: "If (utility name) does not resolve your complaint, you may request assistance from the ~~Utilities Division, Department of Commerce, 350 Maple Street, Des Moines, Iowa 50319,~~ Iowa Utilities Board by calling (515)281-3839 or toll-free (877)565-4450, or by writing to 350 Maple Street, Des Moines, Iowa 50319, or by E-mail to iubcustomer@iub.state.ia.us."

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The bill insert or notice for non-rate-regulated rural electric cooperatives shall include the following statement: "If your complaint is related to the (utility name) service rather than its rates, and (utility name) does not resolve your complaint, you may request assistance from the ~~Utilities Division, Department of Commerce, 350 Maple Street, Des Moines, Iowa 50319,~~ Iowa Utilities Board by calling (515)281-3839, or toll-free (877)565-4450, by writing to 350 Maple Street, Des Moines, Iowa 50319, or by E-mail to iubcustomer@iub.state.ia.us."

The bill insert or notice on the bill ~~will~~ shall be provided monthly by utilities serving more than 50,000 Iowa retail customers and no less than annually by all other electric utilities. Any utility which does not use the standard ~~form contained~~

~~herein~~ statement described in this subrule shall file its proposed ~~form~~ statement in its tariff for approval. A utility ~~which~~ that bills by postcard may place an advertisement in a local newspaper of general circulation or a customer newsletter instead of mailing. The advertisement must be of a type size that is easily legible and conspicuous and must contain the information set out above.

January 23, 2007

/s/ John R. Norris

John R. Norris

Chairman