

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

Lee Andersen/)	
Progressive Property Management,)	
)	
Complainant)	
)	
vs.)	Docket No. CN11-001
)	
MidAmerican Energy Company,)	
)	
Respondent.)	

ANSWER

MidAmerican Energy Company (MidAmerican Energy) hereby provides its Answer to the above-captioned Complaint:

1. MidAmerican Energy denies that it has violated any law, statute, order or rules in connection with the Complainant's statements about his accounts at 1021 E 8th Street, Sioux Falls, South Dakota, Account 00280-53075; 1025 E 8th Street, Sioux Falls, South Dakota, Account 00070-53225; and 1027 E 8th Street, Sioux Falls, South Dakota, Account 99820-52126. Specifically in response to the Complainant's statement that he called the company about the change in ownership of the above properties and requested to disconnect the gas services to those addresses, MidAmerican Energy records indicate that the first time the Complainant called to disconnect service was May 18, 2011.

2. MidAmerican Energy admits the Complainant called on November 5, 2009, to request the natural gas service be transferred into the customer name of Progressive

Property Management (PPM) for the three above addresses. MidAmerican Energy records indicate the monthly bills and credit correspondence for the three accounts were mailed to PO Box 87941, Sioux Falls, South Dakota, 57109. MidAmerican Energy records indicate none of the bills or correspondence was returned by the United States Postal Service.

3. MidAmerican Energy records indicate a representative from Hegg Realtors called on February 8, 2011, to schedule a connect order for 1021 E 8th Street, Sioux Falls, South Dakota, as of the meter read obtained on February 9, 2011. MidAmerican Energy admits PPM Account 00280-53075 was made final with the transfer of service to the realtor.

4. The PPM final bill for Account 00280-53075 was issued on February 10, 2011, for \$1,074.27, and was due by March 4, 2011. On April 14, 2011, when the final bill was not paid, the \$1,074.27 balance was transferred to an active account in PPM's name at 4808 S Baha Avenue, Sioux Falls, South Dakota, Account 17970-52076.

5. MidAmerican Energy records indicate a representative from the new property owner, GEMLOC LLC, called on February 28, 2011, to schedule a connect order for 1025 E 8th Street, Sioux Falls, South Dakota, as of the meter read obtained on March 1, 2011. MidAmerican Energy admits PPM Account 00070-53225 was made final on March 1, 2011, with the transfer of service to the new owner, GEMLOC LLC.

6. The PPM final bill for Account 00070-53225 was issued on March 3, 2011, for \$540.61, and was due by March 25, 2011. On May 5, 2011, when the final bill was not

paid, the \$540.61 balance was transferred to an active account in PPM's name at 4808 S Baha Avenue, Sioux Falls, South Dakota, Account 17970-52076.

7. MidAmerican Energy records indicate a representative from the new property owner, GEMLOC LLC, called on February 28, 2011, to schedule a connect order for 1027 E 8th Street, Sioux Falls, South Dakota, as of the meter read obtained on March 1, 2011. MidAmerican Energy admits PPM Account 99820-52126 was made final on March 1, 2011, with the transfer of service to the new owner GEMLOC LLC.

8. The PPM final bill for Account 99820-52126 was issued on March 3, 2011, for \$137.81, and was due by March 25, 2011. On May 5, 2011, when the final bill was not paid, the \$137.81 balance was transferred to an active account in PPM's name at 4808 S Baha Avenue, Sioux Falls, South Dakota, Account 17970-52076.

9. MidAmerican Energy records indicate the transferred balances of \$1,074.27, \$540.61 and \$137.81, totaling \$1,752.69, appeared on the May 5, 2011, bill on PPM's active account for 4808 S Baha Avenue, Sioux Falls, South Dakota, Account 17970-52076.

10. MidAmerican Energy records indicate a representative from David Eastman Real Estate called on April 5, 2011, and stated the service for 1025 E 8th Street, Sioux Falls, South Dakota, and 1027 E 8th Street, Sioux Falls, South Dakota, should have been in his company's name from December 7, 2010, to March 1, 2011. The associate who spoke with the realtor confirmed for him that the services were in the PPM name during that date range. MidAmerican Energy records indicate that on May 19, 2011, it received a

payment of \$-296.52 for PPM Account 00070-53225 and a payment of \$-150.42 for PPM Account 99820-52126. The payments were from David Eastman Real Estate and equaled the gas charges for usage billed to PPM from December 15, 2010, to March 1, 2011, at both properties. On June 15, 2011, MidAmerican Energy transferred the payments to PPM's active account for 4808 S Baha Avenue, Sioux Falls, South Dakota, Account 17970-52076.

11. MidAmerican Energy records indicate the property owner for 4808 S Baha Avenue, Sioux Falls, South Dakota, Lori Stucker, called on June 17, 2011, to transfer the service into her name as of the meter read obtained on June 20, 2011. PPM Account 17970-52076 was made final with the transfer of service to the owner. The transferred payments for \$-296.52 and \$-150.42 appeared on the June 21, 2011, final bill for \$1,449.62, which was due by July 13, 2011. MidAmerican Energy received a payment for \$-110.49 from PPM on June 27, 2011, reducing the balance on Account 17970-52076 to \$1,339.13. This balance is comprised of \$7.09 for unpaid usage and late payment fees specific to Account 17970-52076 and \$1,332.04 for the remainder of the unpaid balance transfers and associated late payment fees.

12. MidAmerican Energy records indicate the \$1,339.13 balance on PPM's final Account 17970-52076 was transferred to the PPM active account for 1601 N Louise Avenue, Sioux Falls, South Dakota, Account 87840-53188, on October 21, 2011. The transferred balance is currently suspended to prevent the assessment of late payment charges or collection action while the Complainant has an open complaint with the Commission. *See Exhibit A* for the account summaries.

13. MidAmerican Energy admits that the first record it has of the Complainant contacting the company to discuss Accounts 00280-53075, 00070-53225 and 99820-52126 was on May 18, 2011. During that call, the Complainant indicated he had been calling since September 2010 and sent a letter on December 21, 2010, to notify MidAmerican Energy that he was no longer responsible for the billing. MidAmerican Energy reviewed its records and determined that the accounts in its customer service system indicated that there had been no account activity for these three accounts during that timeframe. If PPM had called regarding the accounts in months from September to December of 2010, the three accounts in the customer service system would have showed the activity. Consequently, MidAmerican Energy notified him on May 19, 2011, that there was no record of him calling or sending a letter; therefore, the charges transferred to Account 17970-52076 were not removed.

14. MidAmerican Energy admits the services for Accounts 00280-53075, 00070-53225 and 99820-52126 remained active in the PPM name until a new party took over the service at each address, in accordance with Section V, Original Issue Sheet No. 5, Section 3.03 of its gas tariff on file with the Commission which indicates that:

[t]he Company will supply gas service to a customer until notified by the customer to discontinue service or unless the Company is justified to disconnect service as defined in 11.03 of Section V. The customer will be responsible for payment of all service provided to the date of the discontinuance. All service is subject to the rates, rules and regulations stated in this tariff. The Company will terminate service upon reasonable notice. Reasonable notice is deemed to be not less than two working day's notice from the customer, provided the Company is given reasonable access to the Company's facilities on customer premises. If reasonable notice and access are not provided, the customer will be liable for the billings until such time that access is gained. When access is not provided and a final reading cannot be obtained, and the Company is knowledgeable that a new

tenant or owner should be responsible for service, the Company reserves the right to render a final bill based on an estimated reading of the meter at the premises.”

SD P.U.C. Section No. V
Original Issue Sheet No. 5
3.03 Duration

15. Upon receiving this complaint from Commission Staff in an informal status in June 2011 and in a good faith effort to resolve the complaint, MidAmerican Energy admits it contacted the two realtors who had service transferred in their names, Hegg Realtors and David Eastman Real Estate. Independently, both realtors stated they were not responsible for the unpaid charges billed to the Complainant because of the redemption rights of the property owner. The realtors explained that for these properties, the foreclosure process allows for a six-month period of time for the owner to reclaim the property, if the full sum of the unpaid loan, plus other costs, are paid. Both realtors also indicated that if there are tenants at the foreclosed property, then the realtor cannot access it, as this would be considered trespassing. Once the property becomes vacant during the redemption period, the realtor can re-key only the back door since the foreclosed owner cannot be denied entry. The realtor is allowed access into the property after it is vacated in order to take protective measures to prevent damage.

16. Hegg Realtors verified 1021 E 8th Street, Sioux Falls, South Dakota, was vacant on February 7, 2011, and called MidAmerican Energy on February 8, 2011, to schedule a connect order that was completed with a meter read obtained on February 9, 2011. David Eastman Real Estate verified 1025 E 8th Street, Sioux Falls, South Dakota, and 1027 E 8th Street, Sioux Falls, South Dakota, were vacant on December 6, 2010. They failed to contact MidAmerican Energy and the service at both addresses remained in the Complainant’s name until March 1, 2011. When the realtor learned of the oversight, he

sent payment equivalent to the gas charges from December 15, 2010, to March 1, 2011, to be applied to the Complainant's final accounts.

17. Upon reviewing its records in preparing this response, MidAmerican Energy admits it reviewed a recorded inbound call from the Complainant on December 1, 2010, to request service at 918 S Minnesota Avenue, Sioux Falls, South Dakota. During that call, the Complainant did not mention that he had concerns with any other property or needed to schedule a service order for any other address. This call is the only record of a conversation between MidAmerican Energy and the Complainant from September 1, 2010, to May 18, 2011. MidAmerican Energy records also indicate that a call center employee accessed PPM Account 00280-53075 on December 27, 2010. Records indicate that MidAmerican Energy did not receive an inbound call from the Complainant on that day and the employee did not make an outbound call to the Complainant. The employee did not document the reason for accessing the account. MidAmerican Energy admits it may be reasonable to conclude the employee took this action upon receipt of the Complainant's letter dated December 21, 2010. MidAmerican Energy, however, the Complainant's letter does not request that service be disconnected at the properties, it merely points out ownership was changed and MidAmerican Energy has no further corroborating evidence it received such letter as it is MidAmerican Energy's practice to record such information in its customer service system. Therefore, in light of this uncertainty, MidAmerican Energy has determined that the prorated adjustment to Account 00280-53075 would be a credit of \$-435.09 if the employee had contacted the Complainant and scheduled a disconnect order for December 28, 2010; this credit is for unpaid gas charges from December 28, 2010, to when Hegg Realtors took over the

service as of February 9, 2011. Since David Eastman Real Estate already paid for the gas charges from December 16, 2010, to March 1, 2011, for PPM Account 00070-53225 and Account 99820-52126, further adjustments to those two are unnecessary in relation to the Complainant's December 21, 2010, letter.

18. MidAmerican Energy has no knowledge of the contractual relationship between PPM and the owner of the properties. MidAmerican Energy admits that records indicate that PPM established the accounts in its name, and not the property owner's name. MidAmerican Energy records indicate that PPM did not call to disconnect service at the properties. Therefore, all remaining unpaid charges from September to December, 2010, totaling \$896.95 from Accounts 00280-53075, 00070-53225 and 99820-52126 remain the Complainant's responsibility to pay, pursuant to Section V, Original Issue Sheet No. 5, Section 3.03 of MidAmerican Energy's gas tariff.

WHEREFORE, as MidAmerican has not violated any law, statute, order or rule in connection with the matters set forth in the instant Complaint, MidAmerican Energy Company moves to dismiss the Complaint.

Dated this 9th day of January, 2012.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

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