



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Mr Brian G Iverson
Black Hills Power Inc
PO BOX 1400
Rapid City SD 57709-1400

VIA EMAIL ONLY brian.iverson@blackhillscorp.com

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Mr. Iverson:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.
2. Of those how many were fast? How many slow?
3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?
7. If the error date is determined with "reasonable certainty", do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with "reasonable certainty"?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.
8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?
9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?

10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Ms Tamie A Aberle
Montana-Dakota Utilities Co
400 North Fourth Street
Bismarck ND 58501

VIA EMAIL ONLY tamie.aberle@mdu.com

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Ms. Aberle:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.
2. Of those how many were fast? How many slow?
3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?
7. If the error date is determined with "reasonable certainty", do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with "reasonable certainty"?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.
8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?
9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?

10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Kevin Kouba
Otter Tail Power Co.
PO Box 392
Milbank, SD 57252

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Mr. Kouba:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.
2. Of those how many were fast? How many slow?
3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?
7. If the error date is determined with "reasonable certainty", do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with "reasonable certainty"?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.
8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?
9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?

10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Mr Jim Wilcox
Xcel Energy
PO BOX 988
Sioux Falls SD 57101-0988

VIA EMAIL ONLY james.c.wilcox@xcelenergy.com

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Mr. Wilcox:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.
2. Of those how many were fast? How many slow?
3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?

7. If the error date is determined with “reasonable certainty”, do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with “reasonable certainty”?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.
8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?

9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?
10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Ms Jennifer S Moore
MidAmerican Energy Company
PO BOX 4350
Davenport IA 52808

VIA EMAIL ONLY jsmoore@midamerican.com

Ms Suzan M Stewart
MidAmerican Energy Company
PO BOX 778
Sioux City IA 51102

VIA EMAIL ONLY smstewart@midamerican.com

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Ms. Moore and Stewart:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.
2. Of those how many were fast? How many slow?

3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?
7. If the error date is determined with "reasonable certainty", do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with "reasonable certainty"?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.

8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?
9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?
10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst



Dustin Johnson, Chair
Steve Kolbeck, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

May 5, 2010

Ms Sara Dannen
NorthWestern Energy
3010 West 69th Street
Sioux Falls SD 57108

VIA EMAIL ONLY sara.dannen@northwestern.com

Ms Pamela A Bonrud
NorthWestern Energy

125 South Dakota Avenue
Sioux Falls SD 57103

VIA EMAIL ONLY pam.bonrud@northwestern.com

Re: RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Ms. Moore and Stewart:

Several recent formal complaint dockets drew our attention to Administrative Rules in potential need of revision. Specifically, ARSD Chapter 20:10:17 contains rules at the center of the debate. Our first task is to determine which of the rules in the chapter above are in need of revision or at least analysis to confirm their effectiveness and appropriateness as written.

Based again on recent consumer complaints, the rules questioned by the Commission focus on over and under-billing errors. Specifically, what portion of either should be recoverable and how? With that said, ARSD 20:10:17:06 through 20:10:17:09 appear to be the relevant rules. Please advise of other rules relative to consumer billing you believe may need revision or clarification. We invite your participation in this docket and look forward to your comments. Aside from Staff's questions below, we invite any input you can offer to help focus our attention in this docket.

SLOW OR FAST METERS: ARSD 20:10:17:06 and 20:10:17:07

1. How many slow or fast meter errors, in the past 5 years, have you discovered? Please provide a list by year and the corresponding length of time the meter reading was in error.

2. Of those how many were fast? How many slow?
3. How was each error discovered?
4. What were the total monetary values of the error?
5. Please detail how each error listed above was resolved.
6. Do you believe SDCL 15-2-13 (6 year contract statute of limitations) limits the refund due a customer if there is a 2% fast or more error discovered?
7. If the error date is determined with "reasonable certainty", do you believe SDCL 15-2-13 limits the time you may back-bill and receive payment for a slow meter error?

METER FAILING TO REGISTER: ARSD 20:10:17:08

1. Has it happened, in the past 5 years, where a meter failed to register? Please provide a list by year.
2. How were the failures discovered?
3. Please list the total monetary value of each failure and the corresponding length of time the meter reading was in error.
4. Please detail how each failure was resolved.
5. Do you believe SDCL 15-3-13 limits the utilities ability to back-bill if the meter fails to register?

OTHER METER ERRORS: ARSD 20:10:17:09

1. How many meter errors of this type, in the past 5 years, have you discovered? Please provide a list (or all over and underbilling) by year.
2. Please detail the nature of the error and explain how each was discovered?
3. What was the total monetary value of each error and the corresponding length of time the meter reading was in error?
4. Please detail how the error was resolved.
5. Do you believe SDCL 15-3-13 limits the time you may back bill if a meter error cause is discovered with "reasonable certainty"?
6. Do you believe SDCL 15-3-13 limits a customer refund if a meter error were made such that the consumer were over-billed?

GENERAL/OTHER

1. Generally, does your tariff deviate from the administrative rules regarding these types of meter related issues?
2. Please provide an example of the letter or other information you send a consumer if a meter error occurs.
3. Please detail any internal mechanism whether in your billing system or otherwise, that warns of abnormal usage (either high or low).
4. Do you ever analyze like situated commercial consumers regarding usage? For example: does your system have a mechanism to compare like situated businesses such that a red flag is raised if one is consuming half the gas or electricity of another?
5. List by year, for the past 5 years, the number of meter checks performed on your system in South Dakota due to customer request.
6. Please explain your position regarding whether over-billing and under-billing should be handled different.
7. Please provide the annual number of errant billings for each of the last 5 years where the date of the cause of the error can be fixed with reasonable certainty. Please provide the dollar amount of the

refund or collection for each of the errant billings above separately identifying the base rate and FAC or PGA amount.

8. Please provide Company policy regarding the length of time allowed a customer to pay a collection for an errant billing where the date of the cause of the error can be fixed with reasonable certainty. How do you communicate this to the consumer?
9. In the computation of the over billing or under billing caused by meter error, explain how the fuel clause amount or PGA amount of the revised billing is calculated, ie. are historic FACs or PGAs used to determine to amount owed or refunded?
10. Please explain whether and how FAC or PGA amounts over or under collected due to meter error, are subsequently recovered from, or refunded to, all customer through the FAC or PGA or for natural gas service, through the lost and unaccounted for gas factor.
11. If it is assumed each rate case test year includes some level of errant billings due to errant metering, explain why it is appropriate to subsequently go back and refund or rebill customers when meter errors are found if there has been an intervening rate case.
12. Please describe the Companies meter testing program including the timeframe of testing the entire population of the company's meters and whether certain meters are tested more often than others. Provide the average annual cost of meter testing and the numbers and types of meters tested. If testing costs differ between specific types or sizes of meters, provide the average cost of testing a meter of each type or size.
13. Are large usage customers' meters checked more often, thus limiting the amount of time which error correction may need to be made, and also limiting the amount of potential over - and underbillings?
14. If the answer to (16) is yes, what is your policy for checking those meters? If the answer is no, explain why that risk is not being mitigated by more frequent testing of large user meters, and also state whether you would suggest a separate refunding or rebilling policy for small v. large usage customers?
15. If it is decided to limit the time period to calculate customer rebilling for error correction, how would you propose to "make up" for forgone net revenues?

Thank you in advance for taking time to consider Staff's questions. We understand it may be time consuming to compile the information requested above. Your input will, however, be very helpful. Again, our "investigation" is certainly not limited to the questions above. Please provide thoughts, ideas, or questions beyond Staff's requests. We appreciate your answers and comments by June 30, 2010. Thank you.

Sincerely,



Kara Semmler
Staff Attorney



David Jacobson
Staff Analyst