

NG97-012

CH/LH

NG97-012

DOCKET NO.

In the Matter of

IN THE MATTER OF THE COMPLAINT
FILED BY ARNOLD MURRAY
CONSTRUCTION, SIOUX FALLS, SD,
AGAINST MIDAMERICAN ENERGY
COMPANY REGARDING
TRANSFERRING UNPAID BALANCES
TO ITS ACCOUNT

Public Utilities Commission of the State of South Dakota

DATE	MEMORANDA
7/11/97	Filed and docketed;
8/14/97	Order setting probable cause and notice requiring answer;
8/25/97	Answer of Mid American;
9/18/97	Order for and notice of hearing;
10/14/97	Mid American's late-filed exhibit;
10/23/97	Transcript of Hearing held on 9/30/97;
12/2/97	Legal Order and Motion; Notice of Entry of Order;
12/2/97	Docket Closed

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT FILED)
BY ARNOLD MURRAY CONSTRUCTION,)
SIOUX FALLS, SD, AGAINST MIDAMERICAN)
ENERGY COMPANY REGARDING)
TRANSFERRING UNPAID BALANCES TO ITS)
ACCOUNT)

ORDER FINDING
PROBABLE CAUSE AND
NOTICE REQUIRING
ANSWER

NG97-012

On July 8, 1997, the South Dakota Public Utilities Commission (Commission) received a complaint from Arnold Murray Construction (AMC), Sioux Falls, South Dakota, against MidAmerican Energy Company (MidAmerican) regarding transferring unpaid balances to its account. In the complaint AMC alleges that MidAmerican is transferring final bills from one meter that is inactive to an active meter without providing usage, addresses, etc. AMC states that as a property manager who fee manages for other owners, this practice is very confusing. Further, AMC explains that it is receiving bills for other owners and/or tenants and properties that should not be paid by AMC. With 100+ accounts, AMC alleges that it takes two days of telephone calls to straighten out the billing. In the complaint AMC states that MidAmerican did not have permission to bill in this manner. AMC has requested the Commission to order MidAmerican to stop this practice and to require MidAmerican to obtain consent to bill in this manner.

Pursuant to ARSD 20 10 01 08 01 and 20 10 01 09, if a complaint cannot be settled without formal action, the Commission shall determine if the complaint shows probable cause of an unlawful or unreasonable act, rate, practice or omission to go forward with the complaint.

On July 29, 1997, at its regularly scheduled meeting, the Commission considered the matter along with comments from AMC and MidAmerican.

The Commission has jurisdiction over this matter pursuant to SDCL 49-34A and ARSD 20 10 01 08 01 and 20 10 01 09. The Commission unanimously voted to find probable cause. It is therefore

ORDERED, that probable cause has been found in this matter and that the complaint shall be forwarded to MidAmerican and MidAmerican shall file with the Commission its answer in writing within twenty (20) days of service of this order.

Dated at Pierre, South Dakota, this 4th day of August, 1997.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Melanie Kelsch

Date 8/4/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT FILED)	ORDER FOR AND NOTICE
BY ARNOLD MURRAY CONSTRUCTION,)	OF HEARING
SIOUX FALLS, SD, AGAINST MIDAMERICAN)	
ENERGY COMPANY REGARDING)	NG97-012
TRANSFERRING UNPAID BALANCES TO ITS)	
ACCOUNT)	

On July 8, 1997, the South Dakota Public Utilities Commission (Commission) received a complaint from Arnold Murray Construction (AMC), Sioux Falls, South Dakota, against MidAmerican Energy Company (MidAmerican) regarding transferring unpaid balances to its account. In the complaint AMC alleges that MidAmerican is transferring final bills from one meter that is inactive to an active meter without providing usage, addresses, etc. AMC states that as a property manager who fee manages for other owners, this practice is very confusing. Further, AMC explains that it is receiving bills for other owners and/or tenants and properties that should not be paid by AMC. With 100+ accounts, AMC alleges that it takes two days of telephone calls to straighten out the billing. In the complaint AMC states that MidAmerican did not have permission to bill in this manner. AMC has requested the Commission to order MidAmerican to stop this practice and to require MidAmerican to obtain consent to bill in this manner.

At its regularly scheduled July 29, 1997, meeting, the Commission found probable cause of an unlawful or unreasonable act, rate, practice or omission and served the complaint on MidAmerican. MidAmerican filed its response on August 25, 1997.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-34A, and ARSD 20 10 01 15.

The issue at the hearing is whether MidAmerican should have the authority to transfer final bills from meters that are inactive to active meters.

A hearing shall be held at 8:30 a.m., on Tuesday, September 30, 1997, at the Days Inn Empire, located at 3401 Gateway Boulevard, Sioux Falls, South Dakota. It shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearings, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearings or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. The Commission's decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED that a hearing shall be held at the time and place specified above on the issue of whether MidAmerican should have the authority to transfer final bills from meters that are inactive to active meters.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 18th day of September, 1997.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By	<u>William T. Bullard, Jr.</u>
Date	<u>9/18/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:
Commissioners Burg, Nelson and
Schoenfelder

William T. Bullard, Jr.
WILLIAM BULLARD, JR.
Executive Director



MidAmerican Energy Company
One RiverCenter Place
106 East Second Street
P.O. Box 4256
Sioux Falls, SD 57108
219.323.8006 Telephone
219.323.8021 Facsimile

Karen M. Huizenga
Attorney

October 10, 1997

By Federal Express

William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

RECEIVED

OCT 14 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: Docket No. NG97-012
South Dakota Public Utilities Commission

Dear Mr. Bullard:

Enclosed please find four originals of MidAmerican Energy Company's late-filed exhibit for the above-captioned proceeding. A Certificate of Service is also enclosed.

Sincerely,


for Karen M.
Huizenga

KMH-ckt
Encl.

0141455
This stamp is used when we process a 2nd Final Bill that no longer has active service with the Company:

**PROTECT YOUR CREDIT
PAYMENT MADE ON OR BEFORE THE
DUE DATE OF THIS BILL WILL KEEP
YOUR ACCOUNT FROM BEING PLACED
WITH OUR COLLECTION AGENCY.**

This stamp is used when we process a 2nd Final Bill that the customer has new active service:

**THIS FINAL BILL HAS BEEN
TRANSFERRED TO YOUR ACTIVE
ACCOUNT _____**

This stamp is used when we process a credit Final Bill that is the result of an energy assistance payment:

**THIS FINAL CREDIT IS THE RESULT
OF AN ENERGY ASSISTANCE PAYMENT.
IT WILL BE REFUNDED TO THE AGENCY.**

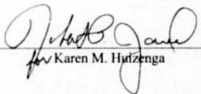
This stamp is used when we process a credit Final Bill that has new active service:

**THE CREDIT BALANCE SHOWN
ON THIS STATEMENT HAS
BEEN TRANSFERRED TO YOUR
ACTIVE ACCOUNT
_____**

PROOF OF SERVICE

I hereby certify that I have on this 10th day of October, 1997 served a copy of the foregoing document upon the following parties:

Arnold Murray Construction
Bonnie Murray
333 N. Phillips Ave.
Sioux Falls, South Dakota 57104


for Karen M. Hutzenga

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

RECEIVED

OCT 23 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT FILED)
BY ARNOLD MURRAY CONSTRUCTION, SIOUX) NG97-012
FALLS, SD, AGAINST MIDAMERICAN ENERGY)
COMPANY REGARDING TRANSFERRING UNPAID)
BALANCES TO ITS ACCOUNT)

ORIGINAL

Commission Counsel: Rolayne Wiest

Commissioners: Jim Burg, Chairman
Pam Nelson
Laska Schoenfelder

Commission Analyst: Dave Jacobson

Staff Attorney: Camron Hoseck, Esquire
State Capitol
Pierre, SD 57501-5070

MidAmerican Energy: Karen Huizenga, Esquire
One RiverCenter Place
106 East Second Street
Davenport, Iowa 52801

Kristi Geisler Holm, Esquire
513 S. Main Avenue
Sioux Falls, South Dakota 57102

The above-entitled matter came on for hearing
on September 30, 1997, commencing at the hour of 8:30
a.m., at the Days Inn Empire, 3401 Gateway Boulevard,
Sioux Falls, South Dakota, before Angela Weller, RPR, and
Notary Public in and for the State of South Dakota.

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Advanced Reporting

P. O. Box 510

Sioux Falls, South Dakota 57101

(605) 332-9050

1 MR. BURG: We'll go ahead and get started. I'll begin
2 the hearing for docket NG97-0112 in the matter of the
3 complaint filed by Arnold Murray Construction, Sioux
4 Falls, South Dakota, against MidAmerican Energy Company
5 regarding transferring unpaid bills to its account.

6 The time is approximately 8:30. The date is
7 September 30, 1997, and the location of the hearing is the
8 Days Inn Empire, 3401 Gateway Boulevard, Sioux Falls,
9 South Dakota.

10 I'm Jim Burg, commission chairman. Commissioners
11 Laska Schoenfelder and Pam Nelson are also present. I am
12 presiding over this hearing. This hearing was noticed
13 pursuant to the commission's order for and notice of
14 hearing issued September 18, 1997.

15 The issue at this hearing is whether MidAmerican
16 Energy Company should have the authority to transfer final
17 bills from meters that are inactive to active meters.

18 All parties have the right to be present and be
19 represented by an attorney. All persons so testifying
20 will be sworn in and subject to cross-examination by the
21 parties. The commission's final decision may be appealed
22 by the parties to the state circuit court and state
23 supreme court.

24 Rolayne Wiest will act as commission counsel.
25 She may provide recommended rulings on procedural and

1 evidentiary matters. The commission may overrule its
2 counsel's preliminary rulings throughout the hearing. If
3 not overruled, the preliminary rulings will become final
4 rulings.

5 At this time I will turn it over to Rolayne to
6 conduct the hearing.

7 MS. WIEST: I'll take the appearances of the parties.
8 Arnold Murray Construction, your name?

9 MS. MURRAY: Bonnie Murray.

10 MS. WIEST: MidAmerican?

11 MS. HUIZENGA: Karen Huizenga.

12 MS. HOLM: Kristi Holm also appearing on behalf of
13 MidAmerican Energy Company.

14 MR. HOSECK: Camron Hoseck, staff.

15 MS. WIEST: Do any of the parties wish to make opening
16 statements before you go on the record with testimony?

17 MS. HUIZENGA: No, but MidAmerican would like to enter in
18 a stipulation between the complainant and MidAmerican in
19 that the complainant has provided MidAmerican with a
20 business record, and MidAmerican would stipulate that it
21 is a business record and can be admitted as such.

22 MidAmerican has provided particular exhibits to
23 complainant. Two of those have been identified as copies
24 of rules of the commission, the remainder being business
25 records through Defendant's Exhibit 9. This is records of

- 1 MidAmerican. Complainant will stipulate that they are
2 business records. We are not stipulating to the truth of
3 the matter that is on the record. Is that correct?
- 4 MS. MURRAY: Yes, ma'am.
- 5 MS. WIEST: And you also have an exhibit? Do you want to
6 pass out your exhibit for this hearing?
- 7 MS. MURRAY: They are both -- the NSP and MidAmerican are
8 all in one. The MidAmerican are about the last four
9 pages. The balance of them are Northern States. They're
10 just copies of the billings that go with the cover page of
11 the first group and other pages.
- 12 MS. WIEST: The last five pages, why don't we take off the
13 last five pages of the exhibit. And MidAmerican's
14 exhibits are 1 through 9. The complaint is Exhibit 10.
15 The answer is Exhibit 11. And we can make -- would you
16 like these as separate -- each page as a separate
17 exhibit?
- 18 MS. MURRAY: Yes, please.
- 19 MS. WIEST: So Arnold Murray Construction, their exhibits
20 will be 12, 13, 14, 15, and 16.
- 21 MR. HOSECK: Excuse me. On the Arnold Murray Construction
22 Exhibits 12, 13, 14, 15, and is 16 attached with No. 1?
23 I'm not understanding the order of these, I guess.
- 24 MR. BURG: To me 12 is attached to 10A, the request.
- 25 MR. HOSECK: It's just the last five pages for this one?

1 MS. WIEST: Yes.

2 MR. HOSECK: I'm sorry. I misunderstood.

3 MS. WIEST: There is a narrative at the beginning that I
4 believe refers to both MidAmerican and NSP; is that
5 correct?

6 MS. MURRAY: The first one is both, and about the third
7 page back midway down starts the MidAmerican. On the
8 third page. MidAmerican is the balance of that page and
9 half of the next page. It just explains the attachments.

10 MS. WIEST: Why don't we just mark your entire narrative
11 here as Exhibit 17. So that will be the first four pages
12 of the exhibit.

13 And so the parties have stipulated to the admission
14 of all of these exhibits; is that correct?

15 MS. HUIZENGA: Correct.

16 (Exhibit Nos. 1-17 were mark'd for identification.)

17 MS. WIEST: Do the parties also stipulate to the admission
18 of what's been marked as Exhibits 10 and 11? Exhibit 10
19 is just the complaint and 11 is the answer.

20 MS. HUIZENGA: MidAmerican does so stipulate.

21 MS. MURRAY: Yes, ma'am.

22 MS. WIEST: So we have Exhibits 1 through 17 have been
23 admitted. Are there any other motions, or do any of the
24 parties wish to make any opening statements at this time?

25 If not, we can proceed with the testimony from Arnold

1 Murray Construction. You'll need to be sworn in,
2 whichever one will be testifying first.

3 BONNIE MURRAY,
4 being first duly sworn, was examined and
5 testified as follows:

6 MS. WIEST: Now, just go through and explain your
7 complaint with respect to MidAmerican.

8 MS. MURRAY: The problem we have with MidAmerican,
9 the five attachments you have are one bill. And per
10 conversations with MidAmerican and in the telephone
11 conference call hearing that we held, I pulled the one
12 account that had a transferred balance to it.

13 First off, I don't feel that they should without
14 our consent be allowed to transfer these balances.

15 Second of all, they're transferring balances from
16 one owner to another. This one in particular happened to
17 be a tenant balance that they transferred to an owner
18 balance. It did eventually get paid.

19 I don't think that MidAmerican has -- could
20 possibly have out of Sioux Falls that many commercial
21 accounts that don't eventually pay their bills. There is
22 usually some problem with them that stops them and slows
23 them up. There is better ways to be able to do it.

24 It's like house meters and different things like
25 that, the -- by the notes on the different attachments,

1 when we received the bill, it was forwarded. The BA
2 initials are to me because they felt it was a tenant
3 balance from the bookkeeping department.

4 By the time I investigated, finally contacted the
5 tenant, reorganized the billings, they get held for a
6 final billing. When the final comes in, the final gets
7 paid. This one here was paid by two separate checks
8 because we had to switch it to the other owner to pay
9 their portion of it, and it was transferred from a company
10 whose business office is in Beresford, South Dakota. It's
11 an entirely different owner and entirely different
12 entity. It doesn't even belong to -- how it got to us, I
13 don't know, other than the possible problem that because
14 some of them are in care of our company, because we're a
15 fee management agent, or because they used to be in our
16 names and are properties that we've sold.

17 This is a duplex, if I recall right, and --

18 MS. WIEST: Which one are you referring to? The Beresford
19 one?

20 MS. MURRAY: I'm sorry. The MidAmerican one was
21 transferred to a town home. I'm sorry.

22 MS. WIEST: Which exhibit are you referring to?

23 MS. MURRAY: The one marked Attachment 10C.

24 MS. WIEST: That's 14. Okay.

25 MS. MURRAY: They go from this duplex owned by Murray I

1 Properties, which is a fee management portion of our
2 company. It doesn't get paid because it's being tossed
3 around and reorganized because it's a tenant balance. The
4 tenant had apparently not placed it in their name. Until
5 we get the bill, we don't know it. Then when the bill
6 doesn't get paid within their time frame, it gets
7 transferred to a pair of town homes which are owned by
8 Arnold Murray Construction, LLP, personally.

9 And that I think is our major problem is with
10 the -- we own roughly 500 residential units within the
11 city. Own or manage. Not necessarily personally own.
12 And we have owners that we have to account to as far as
13 what their expenses are, whether or not the tenants are
14 paying the expenses they're supposed to. We've never in
15 the past had a problem, and I don't see where MidAmerican
16 could even say there was a problem with the bills not
17 eventually getting paid once they were straightened out.

18 We don't have a problem if you go and rent your
19 house one place, and you move and the next one is in
20 exactly your name and it is your responsibility of a
21 single family being transferred. But after speaking with
22 three or four other fee agents which comprise
23 approximately 2,000 units in Sioux Falls, between four of
24 us who are all having the same problem who have owners to
25 account to, it's just -- I don't understand why they would

1 think if I gave you a bill that had somebody else's name
2 on it that they would expect you to pay it.

3 As I said, in the previous history prior to the
4 transfer out of state, all we would have had to do -- and
5 we can still do it. It just takes a whole lot longer now
6 is when we find a bill like this, we would contact
7 MidAmerican. They, in turn -- we tell them it's not
8 ours. We contact the tenant. This happened to have been
9 an immigrant tenant who in the course of events we also
10 have to find interpreters, have to find sponsors, someone
11 to explain to him what is going on. That will delay
12 payment of the bill.

13 Like I said, there has never been a portion -- I
14 don't think MidAmerican could ever say there was a time
15 when we did not eventually pay the bill. But with this
16 transfer of balances, it doesn't even give you time to get
17 the bill, run through our departments to get it
18 straightened out, checked out, cleared out, and then it
19 has to go to on site to find the interpreter to find the
20 tenant to get that portion of it done.

21 They didn't have our consent to do it. They didn't
22 even ask us our opinion of it, which, you know, granted is
23 not something they probably should -- the opinion probably
24 doesn't matter to them. The consent would. I don't think
25 that I should be able to just turn around and transfer

1 balances to your account without your consent for doing
2 it, particularly if it doesn't particularly happen to be
3 your responsibility.

4 They tell me the computer -- they tell me if they
5 want, they can print out everything that's in our name,
6 and we can go through and correct all of the addresses.
7 As it is, I only checked one property that would have the
8 possibility of final billings in them. There is an
9 average of 17 bills that could come out of that property
10 in a given month over 1997. All but two of those were in
11 the wrong people's names. They're in the wrong company
12 names, and they were all notified in April of '97 that
13 these changed hands.

14 So I've only -- by the time we get -- it takes the
15 bookkeeper roughly two hours to pay the MidAmerican bills
16 in a given month. By the time she does that and then I
17 have to go dig up tenants to find out what's going on with
18 them or if the unit is empty, occupied, or whatever, 9
19 times out of 10 it comes back it's somebody else's balance
20 that we have to deal with. Their three days are not
21 enough to deal with that.

22 MS. WIEST: Anything further?

23 MS. MURRAY: I don't think so.

24 MS. WIEST: Thank you. Do you have any questions of this
25 witness?

1 MS. HUIZENGA: Yes, I do.

2 EXAMINATION

3 BY MS. HUIZENGA:

4 Q. Mrs. Murray, my name is Karen Huizenga. I'm with
5 MidAmerican. I have a few questions to ask. What you've
6 marked as Attachment 10A, I believe that shows that it was
7 billed on the upper left on the 6th of March?

8 A. Yes.

9 Q. And the name on the account is Murray I?

10 A. Yes.

11 Q. You stated earlier that this is a tenant's account?

12 A. Right. If you look at Attachment 10B, which came out
13 on the 17th, way up in the corner it has the final bill.
14 You'll see where it's circled. A portion of that belongs
15 to Wiedreyek Arwan over on your right.

16 Q. Is this something that MidAmerican was aware of on
17 3/17 when we issued that bill?

18 A. MidAmerican should have been because when they come --
19 what happens when they come to me then, I'm the BA you
20 will see on there. I find the tenant. The girl that does
21 the billings usually calls MidAmerican, which will
22 generate a final billing. Because either that tenant is
23 going to place it in their names, or we'll have the
24 service disconnected.

25 Q. But to the extent you're going to have the service

1 disconnected, the service at that point is in the name of
2 Murray I, correct?

3 A. Right. We used to leave them on as a convenience to
4 the tenant. Since this transferring thing started going
5 on, we no longer do that.

6 Q. And so on Attachment 10B where it says final bill
7 3/17/97, it is to Murray I?

8 A. Right.

9 Q. And has a due date of April 8, correct?

10 A. Yes, ma'am.

11 Q. And to your knowledge, was it paid by April 8, which
12 is as -- do you agree that's longer than three days?

13 A. Yes, it is, but it's also not been -- it hasn't been
14 corrected yet either.

15 Q. This is a final bill to Murray I, correct?

16 A. Right.

17 Q. And it was sent to you on the 17th, due on the 8th of
18 April?

19 A. Right.

20 Q. You're saying MidAmerican should have done something
21 in that period?

22 A. MidAmerican was -- the bill itself was not a correct
23 final. If you'll notice, you go from that -- you go from
24 the \$57.13 from the first one, we have additional 19.05
25 come into play on this final.

1 Q. Yes.

2 A. Then you get to your second final. What they told us
3 is it was three days after the second final notice is when
4 the balance was transferred. Now, this one here was
5 transferred a different amount. There were no itemized
6 late fees. It went from 76.18 to 77.32 with no
7 explanation of why to transfer to a town house on the
8 second final on June 10.

9 So meanwhile during this course of events, we're
10 talking with MidAmerican. We're talking with the tenant,
11 and I can understand -- I think your basic question is the
12 amount of time involved in this one from the date of
13 billing to the due date. MidAmerican does not honor the
14 lease agreements that we have.

15 Q. Right.

16 A. Which basically I don't know whether you would have to
17 or not, if I have a tenant that has a lease that says I'm
18 responsible for this gas service. However, the billings
19 change amounts, and while they get a final meter reading
20 back in March, March 14, where we finally got the tenant
21 to place it into their name, which I believe is what
22 generated the second final. However, the second final is
23 still not the correct amount.

24 Q. The second final is generated approximately one month
25 after the first final; is that correct?

1 A. Right. But between your first final of 3/17, it gets
2 placed -- you have a billing date of 3/17 on this.
3 According to MidAmerican's records, on the 14th of the
4 exact same month it was placed in the tenant's name, which
5 is three days before this final bill was issued. And the
6 final bill dated March 17 is wrong. So then we, in turn,
7 have to get back to MidAmerican to straighten out that
8 final.

9 Q. Is your contention then that if it was placed in
10 the tenant's name on March 14, it would not have taken
11 MidAmerican three days to generate the bill based on the
12 meter reading on March 14? A final bill --

13 A. The second final is -- the first final is generated
14 March 17.

15 Q. Based on the meter reading of March 14, correct?

16 A. Well, I don't know. When is the meter read on that
17 one? The billing date is 3/17. I don't see a reading
18 date. I don't see a reading date. Just the final billing
19 date of 3/17.

20 Q. How could this -- is there any reason why you would
21 expect it not to be based on a read date with your normal
22 course of business with the company, a final bill
23 generated based on a final reading?

24 A. Are you asking me if there is any reason I would
25 believe that you didn't read the meter?

1 Q. Right.

2 A. No. I'm not discussing -- I have no problem with
3 whether or not you actually read the meter. Okay. The
4 problem I have is that you generated a final on 3/17.
5 Okay. A first final. Then on 3/14 the tenant finally
6 calls in off of our stuff from the 3/6 bill. We finally
7 get him to contact MidAmerican and get it placed in his
8 name on the 14th. Your final comes out on the 17th, which
9 is an incorrect bill.

10 I'm not saying -- I'm not saying it's incorrect as
11 to whether or not you read it and calculated it right.
12 What I'm saying is that you generated a bill three days
13 after the other man already took it, and the balances
14 aren't all ours. For the sake of this for Murray I, it's
15 not my bill. It's that tenant's bill. So what happens is
16 we contacted MidAmerican. They recalculate the bills.

17 Here comes your second final which is dated
18 April 29 for more money than what it was in the original.
19 And part of it is the tenant's balance.

20 Q. On the second final there is a 77.32 amount. And in
21 your dealings with MidAmerican, is it your understanding
22 that when the first bill is unpaid that we add a charge?

23 A. I'm sure there are late charges; however, I think you
24 should have to itemize them on the bill. If you note
25 Attachment 10C versus 10B, there are no late charges on

1 10B. Your ending balance is 76.18.

2 Q. On Attachment 10B on the upper right-hand corner, does
3 it not say after --

4 A. It says to pay that amount of money, but you're not
5 itemizing it. You come into a second final which you know
6 from a March 14 reading to the next tenant is not all
7 ours. You know that the man was in there from at least
8 March 14 forward, but no adjustment is made to that first
9 final.

10 Q. There may be a misunderstanding between you and I.
11 Are you saying that although MidAmerican transferred the
12 account to the tenant based on a meter read on the 14th,
13 this bill contains charges from the 14th through the 17th?

14 A. What I am saying is that with the very first billing
15 date of 3/6, you have money -- you have charges in here
16 that I'm not saying are inaccurate. What I'm saying is
17 they're in the wrong person's name. This bill flags it to
18 us that it should be the tenant paying the bill.

19 I'm not disputing the accuracy of your bills.
20 I'm disputing who should be paying them. If you get to
21 Attachment 10D, you will see where the split comes, and
22 part of it is paid by -- this is after it's transferred to
23 the town house. Part of it is paid by the town home that
24 you transferred it to, and the other part is paid by the
25 duplex ownership.

- 1 Q. In Attachment 10D, what date was that amount due by?
2 A. On the town home?
3 Q. On that particular bill, what was the due date?
4 A. July 7.
5 Q. July 7, 1997?
6 A. Right.
7 Q. And the account in question again had a final bill
8 3/17, correct? Or either finalized on 3/17 or 3/14.
9 A. No, 10D is the town home it transferred to.
10 Q. Correct. But all I'm asking is if this bill was due
11 in July and it included charges that had yet to be paid
12 from Attachment 10A?
13 A. It included them.
14 Q. Okay. As a business woman, you are aware that there
15 are costs included in collection activities for any
16 company?
17 A. I'm not disputing whether or not you have the right to
18 charge late charges. You should make them -- just as a
19 personal opinion, you should make them clear and itemized
20 down. As a business person, because of the confusion with
21 this tenant not responding to what he does, I'm sure you
22 could see that were it itemized and I was able explain it
23 to the tenant, I would make him responsible for them for
24 his failure to do it. Why would one company want to foot
25 the bill for what someone else did that was wrong?

1 Q. And if we have finalized accounts that have not been
2 paid for as in this case a couple months, one of our
3 collection tools would be to send that past due bill to
4 the collection agency, wouldn't it?

5 A. I would rather see that as a matter of fact than I
6 would a transferred balance. Then I can take your
7 collection thing back to the owner it belongs to and say
8 excuse me, you haven't paid your bill. How many
9 commercial accounts have you lost money on?

10 Q. If MidAmerican -- I'm sorry. If MidAmerican were
11 to send it to a collection agency, would we be able to
12 collect all of the money that is due us, or would some of
13 that go to the collection agency?

14 A. I'm betting that you would find you wouldn't need to
15 go those steps if the -- if MidAmerican was --

16 Q. Does a collection agency charge a fee?

17 A. Yes. I do collections. Part of my job is
18 collections.

19 Q. So the issue here really is what MidAmerican should or
20 should not be allowed to do when customers don't pay their
21 bills; is that correct?

22 A. Commercial customers. You may lose a lot of money on
23 your residential, but I don't see that in the commercial.

24 Q. Of your own knowledge, do you have any information
25 whatsoever on collection activities from MidAmerican with

1 commercial customers?

2 A. I've heard various things, but as to actual, no.

3 MS. HUIZENGA: Thank you. No further questions.

4 MS. WIEST: Staff?

5 EXAMINATION

6 BY MR. HOSECK:

7 Q. Mrs. Murray, I'm Camron Hoseck. I represent the
8 commission's staff in this case. I have a few questions.

9 I'm a little bit confused, and I want to go back
10 with you probably on a more basic level of describing the
11 Murray properties' operations. If I'm understanding your
12 situation, is it true that you have your own properties
13 which you rent?

14 A. Arnold Murray Construction is an LLC which owns some
15 properties of their own.

16 Q. Okay.

17 A. Arnold Murray Construction, the LLC side, also is
18 what's called a fee management agent. What that involves
19 is where you go buy a four plex and you don't want to be
20 bothered with it, you pay me a fee to run it for you.

21 Q. Now, is your -- does your business also -- you just
22 recently mentioned commercial properties. Do you manage
23 other properties other than apartment buildings?

24 In other words, when I hear the word "commercial
25 properties," I think of, for instance, office buildings,

1 things of that nature.

2 A. We also manage office buildings. In this instance as
3 commercial, I mean basically it's a company behind the
4 ownership of it. In other words, you may have -- you may
5 own a six plex, plus you have your own utilities in your
6 own private home. Your private home is your residential
7 side. Your six plex is your commercial side.

8 Q. Does the complaint here arise out of only the aspect
9 of your business that involves the property management?

10 A. Yes.

11 Q. It doesn't involve where you are the landlord
12 yourself; is that correct? In other words, does your
13 complaint involve properties that your company actually
14 owns?

15 A. Yes, it does. In this instance it was transferred
16 from one that one subsidiary of Murray Construction owned
17 to an individual free standing town home that we happen to
18 have just purchased as the developer.

19 Q. And then are you the manager of that town home? Is
20 that the situation?

21 A. We will either manage the town home or resell it.
22 It's within an association separate of itself.

23 Q. Now, with regard to your complaint here, who has
24 contracted with the utility for the service? In other
25 words, who has asked the utility to turn the gas on?

1 A. I don't know. You would have to trace it back. There
2 are instances where we will ask them to turn it on so our
3 cleaning personnel can go in. There are instances where
4 we will request them to be shut off. In this instance, in
5 this particular one, I would assume it was left on between
6 tenants.

7 Q. In your capacity -- when I say "you," I'm talking
8 about your company. In your capacity as a property
9 manager, have you entered into any type of arrangement
10 with the utility, with MidAmerican, any type of a letter
11 or any type of an agreement, for instance, where you agree
12 to let the account transfer?

13 A. No.

14 Q. And have you entered into any type of an arrangement
15 of a similar nature in your capacity as a landlord where
16 you actually own the property that you're leasing?

17 A. Enter into an agreement with who?

18 Q. With the utility.

19 A. No.

20 Q. How many different utility accounts does Arnold Murray
21 Construction have? I mean, is it just one big Arnold
22 Murray Construction account, or are there dozens of them?
23 Can you give me an idea of how the billing works from
24 MidAmerican to your company?

25 A. Well, at this point -- Teri does the books. Teri is

1 saying there should be at least 10 accounts.

2 Q. So in other words, somewhere on the books of
3 MidAmerican, there are 10 Arnold Murray accounts, Arnold
4 Murray Construction accounts. Are they -- only the person
5 that's sworn can testify.

6 MS. WIEST: You can testify later. If you can't answer
7 the question, just leave it until she testifies.

8 Q. (BY MR. HOSECK) Do you know?

9 A. Now I forgot the question.

10 Q. Do you know how the accounts are named? In other
11 words, these 10 accounts, are they all called Arnold
12 Murray Construction, or do they have different names on
13 them?

14 A. No, sir, they have different names.

15 Q. Have you discussed this situation that you're
16 complaining about here today with anybody from
17 MidAmerican?

18 A. We talked to a couple of the girls out of the local
19 office up here, and that's when we started with well,
20 maybe we could extend the time. Northern States said they
21 couldn't. MidAmerican said they couldn't.

22 That's when they offered to go through and bring up
23 all of the accounts and find out which ones they had in
24 the wrong names. In theory that would be nice. However,
25 in one particular complex I think there are roughly 90-

1 some gas meters in just one property alone. We're about
2 to finish one where there will be -- no, they don't have
3 gas. Then we have one that has roughly 230-some.

4 It's just never been an issue before because I
5 didn't have to deal with transferred balances. If I would
6 have gotten the first bill -- what always happened in the
7 past was I would get a bill, and if it was a tenant
8 balance, I would call MidAmerican here in town. I would
9 copy the bill, mail it to the tenant, tell MidAmerican
10 they have three days to call in or you can cut off their
11 service.

12 The tenant would call. They would readjust the
13 bill, issue me a new final bill. I would correct the
14 name, if it was the wrong name at the time, submit it to
15 the owner, and it gets paid. Granted it's not going to
16 get paid during your due time. Any bills that Murray
17 Construction owes that are clean cut, we know where it
18 belongs to. I don't think the utility companies would
19 have a problem with those getting paid.

20 But when they get slowed down is because they
21 belong to a tenant, they're not calculated right, they're
22 in the wrong name, or we're waiting for a final between
23 tenants.

24 Q. So if I'm understanding your complaint correctly here,
25 it's that you don't want MidAmerican to be switching

1 accounts from tenants or from properties that you manage
2 to your company, is that correct?

3 A. Right. I don't want them transferring from -- I
4 have -- just off the top of my head I have two separate
5 owners that have absolutely nothing to do with our
6 company. I don't want them trading between them two
7 either. I have one in Beresford. I have one in Sioux
8 Falls. I don't want my Sioux Falls owner to start having
9 transferred balances from some owner in Beresford just
10 because the second line under the bill says in care of
11 Arnold Murray Construction.

12 Q. One last final question I have of you. What is it
13 that you want the commission to do with this complaint?

14 A. I want the transferred balances to stop. They also
15 told us -- they also told us that they always have
16 addresses on the bills so that we would be able to easily
17 trace the bills back.

18 If you'll note, when it gets transferred to 4903,
19 which is Exhibit 10D, there is not even an account
20 number. It took us roughly three days of going through
21 the local office who had to contact the out of state
22 office to check their files to find out where this balance
23 was even coming from. There is no address, no account
24 number. It's just an amount that's there.

25 MR. ROSECK: That's all of the questions I have. Thank

1 you.

2 MS. WIEST: Commission?

3 MR. BURG: Yes. I'm still trying to figure out for

4 sure -- on this particular account you're showing on 10A,

5 B. C. and D. I believe, what was the date that the tenant

6 should have been started being billed? In other words,

7 when did they take possession?

8 A. The billing date is 3/6. Being with rentals, in all

9 probability, probably March 1.

10 MR. BURG: And then you said that they actually -- that

11 MidAmerican actually got notice from the tenant to bill it

12 in their name on March 14; is that correct?

13 A. Right.

14 MR. BURG: If they give notice on March 14, would that

15 revert back? Would they have identified we're responsible

16 for this bill from March 1?

17 A. In most instances they will. They'll turn around and

18 say actually I moved in March 1.

19 MR. BURG: So you expect the company to readjust the whole

20 bill for that time?

21 A. Right.

22 MR. BURG: Back to March 1?

23 A. Right. The company -- not all of them will allow us

24 to place them in the tenant's name. That's why we shut

25 them off.

1 MR. BURG: Right. That's why the tenant has to call in.
2 We established that yesterday. So on March 14, they did
3 get notified it should be in this tenant's name?

4 A. Right.

5 MR. BURG: Then you still got a bill on April 8 -- no,
6 let's see. On March 17. The second bill shows on
7 March 17 it's still in Arnold Murray's name, right?

8 A. Correct.

9 MR. BURG: Now, I can possibly see that from the 14th to
10 the 17th they might not have gotten the records changed.
11 My question then is you still got an additional bill on
12 April 29 in Arnold Murray's name for that property; is
13 that right?

14 A. Right.

15 MR. BURG: And so your contention is that at least by then
16 they should have gotten the right address and name on that
17 account; is that correct?

18 A. Well, we would have had a second final anyway. If you
19 see from 10B of this 76.18, that at minimum the 19.05
20 belongs to the tenant. We would have gotten a second
21 final anyway, but the amount would have been much
22 different.

23 MR. BURG: When you say a minimum of 19.05, would that be
24 having started billing as of March 14?

25 A. Right.

1 MR. BURG: And you're saying that you would not dispute if
2 you had to pay from March 1 to March 14? Is that what
3 you're saying?

4 A. If it would have been a problem -- we've had it in the
5 past where the tenant will absolutely refuse to tell them
6 they actually took possession the first of the month.
7 What we do then -- like I said, we would have had a second
8 anyway, but it would have been the accurate amount. We,
9 in turn, bill this to the tenant and say you send them the
10 check or I will pay the bill and you send me one.

11 That in itself wouldn't have a whole lot to do with
12 MidAmerican. Like I'm complaining now about people
13 putting things in my name when they shouldn't. I'm not
14 going to force the issue about putting it in the
15 tenant's. I can make the tenant pay it. MidAmerican
16 can't.

17 MR. BURG: But you're saying then that from the 14th when
18 they got notice, when the tenant notified them, until the
19 bill that you received on the 17th -- but that would have
20 been an earlier reading. Why are you disputing any of the
21 77.32? It would have been read before the 14th.

22 A. That's right. It was read on the 14th, but there is
23 no adjustment made.

24 MR. BURG: But why would there be an adjustment at that
25 point?

1 A. There would be an adjustment from probably this 3/6
2 because you'll see on the 3/6 bill there is a previous
3 balance of 172.32, and then it's credited.

4 MR. BURG: Yes. I remember seeing that.

5 A. That account zeroed out. That's where I would be
6 willing to about bet that this new tenant came in. I
7 didn't really look.

8 MR. BURG: However, you have already told me that
9 sometimes the tenant won't accept between the date they
10 moved in and the date they called the company, which would
11 be the entire amount of this bill, correct?

12 A. Right. But the second final should have still been
13 adjusted for that 3/14 date that we know that the tenant
14 contacted them.

15 MR. BURG: Yes, but there is no usage on here after 3/14.

16 A. You can't get from -- you're going from 57.13 to
17 77.32. You have usage of 17.97 on your 3/17 bill.

18 MR. BURG: All right.

19 A. And then it gets to the second final of the 77.32. So
20 there is usage in there.

21 MR. BURG: No, the 77.32 is exactly the late amount that
22 shows on the 3/17 bill.

23 A. Right, but going from the 3/6 to 3/17 --

24 MR. BURG: Yes.

25 A. -- you're going from 57.13 to the 76.18. You have

1 usage.

2 MR. BURG: Right. But that's still -- all that time it's
3 been in -- it has not been in the tenant's name because
4 the tenant didn't call in until 3/14, correct?

5 A. Right. But your second final should have been
6 adjusted.

7 MR. BURG: Not if the tenant did not accept from the 6th
8 through the 14th. There is nothing in these bills that
9 show any bill for usage after the 14th, correct?

10 A. Yes.

11 MR. BURG: The second final is just the second final for
12 the bill of 3/17.

13 A. Yes.

14 MR. BURG: And on the bill that you got on 3/17, that had
15 to be read sometime before that. They couldn't send it
16 out. It would be sent out after it was read. They didn't
17 call in until the 14th. I would presume that everything
18 on the 3/17 bill had been prior to the tenant notifying
19 the company.

20 A. Right.

21 MR. BURG: And everything was just a follow through after
22 that.

23 A. Probably.

24 MR. BURG: Now, I think you have a right to dispute
25 whether the tenant owed that from the 6th to the 17th. We

1 still haven't established whether the tenant accepted that
2 with MidAmerican; is that correct?

3 A. Yes. I don't know.

4 MR. BURG: That clarifies that.

5 MS. WIEST: Any other questions?

6 EXAMINATION

7 BY MS. WIEST:

8 Q. I had one question. I believe when Mr. Hoseck asked
9 you what you wanted the commission to do, you said you
10 didn't want transfers to Arnold Murray Construction
11 because it says in care of Arnold Murray Construction; is
12 that correct?

13 A. No, I don't want -- what I want the commission to do
14 is stop the practice altogether.

15 Q. I guess my question is, in this example here that
16 you've given us, where did the transfer occur? Wasn't it
17 originally in the name of Murray I? I mean, how was this
18 transferred?

19 A. You're transferring from a Murray I in care of Arnold
20 Murray Construction. That's one entirely separate
21 entity. And then you're going into -- the address on this
22 one of 4903 South Oxbow is a town home owned by Arnold
23 Murray Construction. We all have the same billing
24 address, and I think that might possibly be what's causing
25 MidAmerican and all of them the problem is they see the in

1 care of, and the assumption is it's mine. That's a bad
2 assumption.

3 Q. When it should be who?

4 A. It should either be -- this one here, the first bill,
5 which is off of the duplex, is the responsibility of
6 Murray I. It has absolutely nothing -- Murray I has
7 absolutely nothing to do with this town home over here.
8 They share a bookkeeper. That's all they share.

9 Q. Then it was transferred to who?

10 A. It was transferred to Murray Construction. It
11 actually should have gone to the LLC itself. It was
12 transferred to them.

13 Q. So what MidAmerican is doing is transferring bills
14 that are in Murray I's name to Arnold Murray Construction?

15 A. Right, Murray Construction in this case.

16 MS. WIEST: In this case. Okay. Thank you. Are there
17 any more questions of this witness?

18 MS. HUIZENGA: Real quick.

19 EXAMINATION

20 BY MS. HUIZENGA:

21 Q. Ms. Murray, have you had an opportunity to read
22 MidAmerican's answer to your complaint?

23 A. No. Is that the thing you gave me this morning?

24 Q. No. I believe this would have been sent to you on
25 August 22nd. Would you please look at this quickly,

1 especially the last couple paragraphs.

2 A. The four and five on page 2?

3 Q. Let's say page 2 small e.

4 A. Okay. You apologized for transferring it to the wrong
5 company. What's to say it will never happen again?

6 Q. What's to say you will --

7 A. Don't get me wrong. I appreciate the apology. I
8 really do. I appreciate it when someone says yes, I
9 screwed up, and we won't do this again. But you can't
10 guarantee me it won't happen again.

11 Q. What's to say you won't be late on payments again?

12 A. If the bills are accurate and true and you look back
13 on the history of it, the bills are always going to get
14 paid. That's why I say, how many commercial accounts do
15 you lose money on?

16 Q. This is the question I'm trying to ask. We apologized
17 for switching to a different account name?

18 A. Right.

19 Q. So please understand that MidAmerican's position at
20 this point -- and tell me if this is your understanding --
21 is that we switched from exact payment to exact payment.
22 That is the crux of the discussion between the two of us,
23 whether MidAmerican should be allowed to switch from like
24 names -- transfer from like name to like name, from
25 inactive account to active account to further its

1 collection. Are you aware that's MidAmerican's position?
2 A. Yes, because now you told me. But the thing being is
3 that the bills are paid unless there is a problem with
4 them. At this point it would be easier -- it would be
5 easier -- well, not necessarily with MidAmerican because
6 they don't really have -- it would be -- within the LLC of
7 the 10 different cases that you have, I have to justify to
8 each and every owner a cash flow, your expenses, your
9 losses, your whatever.

10 Within, per se, Eagle's Nest Apartments, which is
11 the one that has some 90 gas meters sitting in it, there
12 are 10 buildings which are in the association's name that
13 controls those condominiums. There is 80 individual
14 residential units inside of those. Within those I have
15 four different owners which may be in the exact same
16 buildings of those 80 units.

17 Q. And when you have a problem with one of your accounts
18 is when we don't get paid on time? Is that what you're
19 saying?

20 A. Right. You're not going to get paid on time if there
21 is something wrong with the account. It's just not
22 feasible that you're going to send us a bill and within 10
23 to 15 days, given the circumstances, even up to 30, that I
24 can get it all straightened out enough for you to be able
25 to reissue to either split and correct the billing, like

1 in this instance where you -- where it crossed to a
2 different owner, then you have to have time to correct the
3 bill, split them, reissue new bills, or something has to
4 come into that particular owner's file saying this is what
5 happened. MidAmerican is doing this. This is going to
6 cure the problem, and your share of this bill -- and it's
7 going to be on one of your letterheads. It's simpler to
8 issue new bills. It's not going to happen. By this time
9 your computer picks it up as arrearages and ships it off
10 to somebody else.

11 Q. So to the extent it takes you longer dealing with
12 internal problems on billing, you are asking MidAmerican
13 to treat these accounts in a fashion different from that
14 which it treats those of their other customers?

15 A. If you want to get into the transferring of balances
16 within single family dwellings, go ahead. You don't get
17 that collection, you don't get that gas bill paid, you can
18 slap a lien on their house. You can stop them from
19 selling their home. You can get judgments against them.

20 But residential is -- you can change tenants four
21 times in a month. Everything is going to slow down this
22 process.

23 MS. HUIZENGA: That's it.

24 MS. WIEST: Any other questions?

25 MR. BURG: I have one additional one. Is this a single

1 incident of where they switched it, apologized it
2 shouldn't have happened, et cetera? Do you have other
3 incidents of the same thing occurring?

4 A. MidAmerican is the smallest of my problems.

5 MidAmerican has, like I said, an average of 15 billings
6 out of the one property a month which is 236 units. With
7 the exception of most of them being in the wrong name,
8 this -- in 1997, this account is the one that had the
9 worst problem of going from blatantly different owners to
10 different owners and inaccurate bills, and all this sort
11 of thing.

12 MR. BURG: But is this the only incident where they
13 actually transferred from one owner to another owner?

14 A. I only looked within the one complex. Because of it
15 having to be a final bill, I took the place that would
16 probably have the most final bills within them.

17 MS. WIEST: Any other questions? Thank you. Do you have
18 any other witnesses?

19 MS. MURRAY: Just Teri, if you want the other questions
20 answered.

21 MS. WIEST: Do any of the parties have questions? Did you
22 have other testimony?

23 MS. MURRAY: No.

24 MS. WIEST: MidAmerican?

25 MS. HUIZENGA: MidAmerican calls Jeannette Lose.

1 JEANNETTE LOSE,

2 being first duly sworn, was examined and
3 testified as follows:

4 EXAMINATION

5 BY MS. HUIZENGA:

6 Q. Please state your name for the record, and please
7 speak up because I think we're operating under an air-
8 conditioner.

9 A. Jeannette Irene Lose.

10 Q. By whom are you employed and in what capacity?

11 A. MidAmerican Energy, manager of credit.

12 Q. How long have you held that position?

13 A. MidAmerican Energy is the result of two mergers that
14 occurred two years ago. I have held this position two
15 years.

16 Q. How long have you worked in the customer service area
17 of the company?

18 A. Twelve years.

19 Q. Thank you. Or predecessor, obviously. Who is
20 responsible for establishing credit policy for the
21 company?

22 A. I am.

23 Q. Okay. What parameters do you use when developing this
24 policy?

25 A. Obviously, as I have the responsibility for developing

1 policy and procedures for the company, I have the
2 responsibility to develop policies and procedures of the
3 lowest cost possible for our payers and shareholders. And
4 in doing so I evaluate and look at legislation, tariffs,
5 and different things.

6 Q. Rules of the commissions?

7 A. Different regulations, yes.

8 Q. When service is terminated and an account is final
9 with an amount due MidAmerican, what's MidAmerican's first
10 step to collect that amount?

11 A. MidAmerican's first step is to issue a final bill.

12 The first step is to issue a final bill to the customer.

13 Q. Okay. What's on a final bill as compared to previous
14 bills that the customer has received?

15 A. A final bill has the date the meter was read, the
16 usage, the date it's due, the service address.

17 Q. Is it similar to previous bills, or is it different
18 generally speaking?

19 A. It's the same.

20 Q. Okay.

21 A. It's the same information.

22 Q. Are the same number of days given before the payment
23 is due?

24 A. Yes.

25 Q. If the account remains unpaid, what happens then?

- 1 A. If the account remains unpaid after a final bill is
2 issued, which a bill is issued and a customer has roughly
3 30 days to pay that bill, if the bill is still unpaid, a
4 second final bill is issued.
- 5 Q. Does that go to the same billing name and address that
6 was on the final bill?
- 7 A. Yes, it does.
- 8 Q. Okay. What might happen in the credit department at
9 or about the time a second final bill is sent?
- 10 A. At the time the second final bill is sent, if it still
11 remains to be unpaid, the credit representatives research
12 our billing system to see if the owner of the same name,
13 the same rate classification has active service with our
14 company. If they do, the moneys owed are transferred to
15 the active service as the lowest cost means to collect the
16 bill, as we've already mailed a final bill and it came
17 unpaid.
- 18 Q. Does MidAmerican notify credit agencies such as
19 Equifax or TRW when we transfer an unpaid inactive balance
20 to an active account?
- 21 A. No, we do not.
- 22 Q. Okay. If credit representatives are looking for an
23 active account but do not find one, what other option does
24 MidAmerican pursue?
- 25 A. If MidAmerican does not locate an active account

1 because there is not an active account, the account is
2 then referred to an outside collection agency for
3 collection.

4 Q. To your knowledge, do these collection agencies notify
5 credit services such as TRW and Equifax of the existence
6 of these debts?

7 A. Yes. They do post to a customer's bureau file that a
8 bad debt has occurred.

9 Q. Does MidAmerican have a preference, if it were to use
10 one of these two collection methods, of either going to a
11 collection agency or transferring to an active account?

12 A. Yes, we do. MidAmerican would transfer and has the
13 responsibility to collect moneys owed the company at the
14 lowest cost possible. Therefore, the transfer would be
15 preferred.

16 Q. If the final bill is quite small, do we -- would we
17 still send it to a collection agency if we didn't have an
18 active account?

19 A. No, we would not.

20 Q. How small?

21 A. Collection agencies will not accept moneys owed them
22 by other debtors for less than \$25. They will accept
23 them, but they don't do anything, send a letter or contact
24 them.

25 Q. Let's say collection efforts aren't successful for

1 whatever reason and whatever kind of collection efforts
2 there are -- hypothetically speaking, and the person who
3 had been the customer of record applies someplace new for
4 a new service. What do we do then?

5 A. If a debtor applies for new service and a debt is
6 still owing, they would be denied service until the debt
7 has been liquidated.

8 Q. Please look on your lap at what's been marked
9 Defendant's Exhibit No. 1. I direct your attention to
10 Rule 20:10:20:01. Can you read the very first part of
11 that rule, and including the portion that's put in the
12 parentheses and the number?

13 A. "Reasons for refusal -- Use. Utility service may be
14 refused for one or more of the following reasons:

15 (1) An applicant is indebted to the same utility
16 for past due bills incurred and refuses to liquidate the
17 debt for the same class of service."

18 Q. So to the extent there is a break in service and there
19 is no active account at the time the one bill final,
20 MidAmerican has the right to refuse service at a new
21 address until that old bill is taken care of; is that
22 correct?

23 A. Yes.

24 Q. Let's go back to the scenario where an unpaid final
25 bill is transferred to an active account for the same

1 class of service again. If the unpaid final bill remains
2 unpaid even after the bill on the active account is set
3 out and the due date passes, what options does MidAmerican
4 have at that time?

5 A. Once MidAmerican transfers that debt, that final bill
6 that was unpaid, to the active account and the account
7 then goes through a billing period so the customer knows
8 that the moneys have been transferred, if that bill then
9 is still unpaid, MidAmerican would pursue disconnection of
10 the active service.

11 Q. I asked you to look at what's on your lap that's
12 marked Defendant's Exhibit No. 2, and on that there is a
13 rule 20:10:20:03. And is this the backup for what you
14 just testified, nonpayment of past due bills? Please read
15 the first part of the sentence and then numeral 1.

16 A. "Nonpayment of past due bills as reason for
17 disconnection. Following is a list of conditions, all of
18 which must be satisfied before a customer may be
19 disconnected for nonpayment of a bill:

20 (1) Only the class of service for which payment is
21 past due can be disconnected."

22 Q. Now, would MidAmerican ever disconnect that same
23 hypothetical active account because that customer has --
24 shows a nonpayment on an inactive account without
25 transferring the balance for the customer to see it on the

1 active account? Would we disconnect the active account in
2 that fashion?

3 A. No, we would not.

4 Q. Why not?

5 A. MidAmerican chooses to transfer the money to the
6 active account, and we would not disconnect the service
7 because the active account would not have past due. The
8 final bill wouldn't have been transferred.

9 Q. Turning to the account that's the subject of this
10 particular complaint, would you please look at Defendant's
11 Exhibit No. 3? Can you please explain what this sheet is?

12 A. This is the accounts receivable history screen from
13 our customer information system for a service address
14 704 West Bailey Street in Sioux Falls in the name of
15 Murray I.

16 Q. What is the balance on March 17 according to this?

17 A. Before March 17 or on March 17 when the account was
18 billed?

19 Q. On March 17 when the account was billed.

20 A. Okay. The account billed and the account balance was
21 \$76.18.

22 Q. Were there any more charges for gas used on that
23 particular account according to this screen?

24 A. No.

25 Q. Okay. Were there other charges added to that account?

1 A. Yes, there were, a late payment charge.

2 Q. After the date 6/10/97, it looks like some kind of a
3 code. Can you explain what that means?

4 A. Yes. Where it says 6/10/97, that transaction that
5 says cpay means that the dollars that were owing on that
6 account, \$77.32, were transferred, and so it shows a 77.32
7 credit to create a zero balance.

8 Q. Am I correct in reading this that on 3/17/97 a bill
9 was generated, and according to this screen, as of
10 6/10/97, though, there was no actual payment? Is that
11 correct?

12 A. Yes. There was no payment received from March 6 until
13 the time the account was transferred, the balance.

14 Q. Thank you. Let's look at Defendant's Exhibit 4. Can
15 you tell me what this screen print is of?

16 A. This is out of the MidAmerican customer information
17 system. It's a credit information screen.

18 Q. There is something under the words "Credit
19 Arrangements" at the bottom.

20 A. Yes.

21 Q. What does that tell me?

22 A. That's an inner company notation that we did not
23 contact the customer but that we transferred the final
24 bill to an active account, and it lists the account number
25 in the name of Murray Construction. It says same rates,

1 same mail address. And then it lists the credit
2 representative's name who performed that function.

3 Q. Then please look at Defendant's Exhibit 5. Looking
4 from Defendant's Exhibit 4 under Credit Arrangements, on
5 the bottom left there is the account number you recently
6 testified the balance was transferred into. Is that the
7 same that shows on the upper left of Defendant's
8 Exhibit 5?

9 A. Yes, it is. It's Murray Construction at 4903 South
10 Oxbow.

11 Q. Can you trace the other accounts on to this account
12 for me?

13 A. Yes.

14 Q. The balance?

15 A. Yes. On June 10 on the accounts receivable screen, it
16 shows \$77.32 was applied to this account on Oxbow.

17 Q. Okay. Now looking just rather quickly at Defendant's
18 Exhibits 6, 7, 8, and 9, can you link those up to
19 Defendant's Exhibit 5 for me as well?

20 A. Yes. Defendant's Exhibit 6 is an accounts receivable
21 screen. It's an account at 1128 North Waltz Avenue. It
22 had an unpaid balance from September 30, 1996 of \$2 that
23 was transferred on June 10, 1997 to 4903 South Oxbow
24 Avenue. And you note that on June 10 on Defendant's
25 Exhibit 5.

1 Defendant's Exhibit 7 is the credit information
2 screen for 1128 North Waltz Avenue. It notes on June 10
3 at 5:13 p.m., transferred charge off to active account
4 number 9110630-12, which is the Murray Construction
5 account at 4903 South Oxbow, and then it says same rate,
6 same mail address.

7 Q. And on those two accounts, they both note charged off
8 to in-house collections. Can you tell me where those two
9 accounts would have originally been charged off?

10 A. After a period of time, our computer information
11 system writes an account off to bad debt. It charges it
12 off to our in-house collections, which is just to the
13 company. If it's a small enough dollar amount, it's not
14 referred outside the company.

15 Q. And these balances --

16 A. \$2 would not be referred outside the company.

17 Q. Now, back on -- well, it really doesn't matter which
18 exhibit. Exhibit 7, Exhibit 9, I believe Exhibit 4, they
19 all say the same thing under Credit Arrangements. What,
20 if anything, do you see on those records that is against
21 company policy?

22 A. Company policy was violated. A human error occurred
23 in that these accounts were transferred into a different
24 name when company policy would state that unpaid dollar
25 amounts owing, moneys owing, would be transferred to the

1 same name, same class of service. And that's where the
2 employee errored.

3 Q. We heard earlier that some of our accounts are in the
4 wrong names. Where does MidAmerican get the information
5 that it uses to put a name on an account?

6 A. From our customer.

7 Q. Does MidAmerican change its records and back bill
8 someone after a request for service? In other words, if
9 someone requests service on the 14th of the month, would
10 we back bill them to the first?

11 A. No, we would not.

12 Q. Okay. Would that be between the person who had the
13 service in their name and the person who was requesting
14 service?

15 A. Yes, it is. MidAmerican does not get involved in
16 that. We would go forward with the request for service to
17 the next available date possible, but we do not go back
18 and back bill. That would be between the two parties to
19 work out themselves.

20 MS. HUIZENGA: No more direct questions. I would offer
21 the witness for cross-examination.

22 MS. WIEST: Ms. Murray, do you have any questions of this
23 witness?

24 MS. MURRAY: Yes, I do.

25

EXAMINATION

1
2 BY MS. MURRAY:

3 Q. On these -- for one thing, I'm really confused now
4 because on this -- did they give you -- do you have copies
5 of any of this?

6 A. I'm sorry. I couldn't hear you.

7 Q. Attachment 10D?

8 A. 10D.

9 Q. Which is the town home one.

10 A. Yes.

11 Q. You only have one transferred final account before
12 billing. Do you mean to tell me that MidAmerican is
13 actually transferring lump chunks of more than one account
14 balance into an active account?

15 A. That's a one line field on our customer bill.

16 Q. But you don't itemize. You don't separate -- you've
17 testified that 704 West Bailey, which is a duplex -- the
18 Defendant's Exhibit 4 is 704 West Bailey is a duplex that
19 has a transferred balance. Exhibit 3, which is the same
20 duplex. And then there was a 1208 -- 1128 North Waltz,
21 which is Defendant's Exhibit 6.

22 A. Yes.

23 Q. 1126 North Waltz, which is Defendant's Exhibit 8?

24 A. Yes.

25 Q. You lump all of these into one line item on a

1 transferred active account without itemizing them?

2 A. First of all, to answer your question, yes, we would.

3 To further back that up, I would tell you that you're
4 mailed a final bill and then you're mailed a second final
5 bill.

6 Q. I know all of this. What I'm talking about is you
7 don't have to itemize them? The thing I think here that's
8 upsetting me the most is I'm the one that's responsible
9 for calling to find out where these transferred balances
10 are coming from. I was specifically told that this was
11 only from 704 West Bailey by someone out of your office,
12 that that's where that transferred balance was coming from
13 was one duplex.

14 You've brought three individual duplex units into a
15 town home bill without itemizing them or actually even
16 notifying the owner of what you're actually doing.

17 A. I think you heard me say when I went through my
18 testimony on Defendant's Exhibit 5, yes, there are three
19 accounts that were transferred in to 4903 South Oxbow.

20 Q. Right. Why is there only one line item here though?
21 When we get your bill, we don't get your computer printout
22 screen. We get a one line item here.

23 A. I will explain that. It's a \$77.32 charge and 8.02
24 charge and \$2 charge.

25 Q. I heard that part. Why is it only one line item to my

1 bill?

2 MS. HUIZENGA: Asked and answered.

3 A. Excuse me. You will also note that several of these
4 bills not only are more than 30 or 60 days old, one of
5 them is nine months old.

6 Q. That's the 704. We know that.

7 A. No. It's 1128 North Waltz Avenue was final billed
8 September 6, 1996 due September 30, 1996. It was still
9 unpaid until we transferred it on June 10, 1997.

10 It is true MidAmerican has only one line on that
11 bill to transfer funds. Our policy would be to bill a
12 customer, have them pay their final bill. If they don't
13 pay their final bill, second final bill is issued. And
14 accounts are not transferred unless a second final bill is
15 not paid. Ample opportunity, I believe, has been given
16 our customers.

17 Q. We went through all of that. On these credit
18 information screens --

19 A. Yes.

20 Q. -- you have Defendant's Exhibit 7 and Defendant's
21 Exhibit 9. You have up there -- it has NSF History with
22 zeros behind it. What does that mean?

23 A. That means that you have never paid us with a return
24 check. A zero field would show --

25 Q. Is that the same with the disconnect history, that

1 it's never been disconnected?

2 A. Yes.

3 Q. And there was one other one. Can just those two
4 fields then -- is it pretty safe to say that my company
5 has never lost you money?

6 A. From those --

7 Q. Or that my company must obviously pay their billings?

8 A. From the information that we're looking at, I could
9 say that on the account at 704 West Bailey Street that you
10 had service with MidAmerican from October 1996 and that
11 four bills were issued and paid whereby that disconnect
12 history line is four zeros. So I couldn't say from
13 looking at this, from looking at this one screen, that
14 Murray I pays their bills on time with other accounts.

15 I could say that this account had been paid for the
16 four months. And I would take you back to -- I would take
17 you back to Defendant's Exhibit 3 to prove that, which is
18 MidAmerican's accounts receivable history screen where it
19 does show the account billed December 3, paid December 26,
20 billed January 7, paid -- not paid. Billed February 5,
21 paid February 12.

22 So it does show that payments were made, and, in
23 fact, it shows a zero balance on February 18. So I could
24 talk about individual accounts but not the company as a
25 whole by looking at one account.

1 Q. I'm looking at four accounts that all have the same
2 thing. Were you with MidAmerican when it was Mini-Gasco?
3 Were you in Sioux Falls at the purchase point, or were you
4 in Sioux City?

5 MS. HUIZENGA: Objection, relevance.

6 A. I was in neither.

7 Q. (BY MS. MURRAY) You were in neither?

8 A. No.

9 MS. WIEST: There is an objection to that question.

10 MS. MURRAY: I'll just drop it. She answered it anyway.

11 Q. (BY MS. MURRAY) I had one other question. Would you
12 be able to tell me how much money you've lost in multi-
13 family housing? I asked her, and she didn't know.

14 A. I didn't bring any bad debt records with me to testify
15 today, so no.

16 MS. HUIZENGA: MidAmerican would also object on the basis
17 of relevance.

18 MS. MURRAY: Relevance is quite there. Yes, you may have
19 a lot of single family homes, and you may have a lot of
20 bad debt. That I can sympathize for. When you're dealing
21 in multi family and property management, it's something
22 you cannot afford to have is someone not paying their
23 bills.

24 MS. WIEST: With respect to this, the objection is
25 sustained. Do you have any further questions?

1 MS. MURRAY: No, ma'am.

2 MS. WIEST: Do you have any questions, Staff?

3 MR. HOSECK: Yes.

4 EXAMINATION

5 BY MR. HOSECK:

6 Q. Mrs. Lose, as manager of credit for MidAmerican, what
7 has been your hands-on responsibility in this particular
8 case? In other words, handling the credit account of the
9 Murray Construction Company?

10 A. The hands-on in this particular case has been to work
11 with the credit department to uncover the fact that we --
12 an error had occurred in our department with the employees
13 and pursue other company action, private personnel action
14 in regards to directing correct policies and procedures.

15 Q. So would it be correct to say then that your
16 involvement arose primarily as your -- in your role as a
17 manager of credit within MidAmerican?

18 A. Pardon me. Would you repeat the question?

19 Q. In other words, has your involvement in this case been
20 as a result of your being a manager at MidAmerican?

21 A. Yes, it has.

22 Q. One of the things that's stated in your answer in this
23 case is that you do transfer your final bills from an
24 inactive account to an active account. Frankly, I'm
25 confused here. Which of these accounts were inactive, and

1 which were active? In other words, we went through one of
2 your exhibits, and I believe it was Exhibit 5 that showed
3 the transfers in. What made the old accounts inactive,
4 and what determines an active account?

5 A. A MidAmerican account is active as long as there is
6 energy flowing through the pipes. If the customer is
7 still signed for service, hasn't moved or been
8 disconnected for nonpayment of the bill at that property,
9 they are still a customer of MidAmerican and the account
10 remains active.

11 At the time they request the service finalized in
12 their name, the status of the account changes from active
13 to inactive.

14 Q. Okay. What assurance is there that, for instance,
15 MidAmerican isn't double billing? In other words, billing
16 the Murray Construction Company and billing someone from
17 an inactive account also?

18 A. Double billing?

19 Q. Yes. What assurances are there that that hasn't
20 occurred?

21 A. Let me reiterate what I believe you just said, that we
22 would bill the Murrays and bill their tenants for the same
23 usage?

24 Q. Yes. What assurance is there in these records that
25 would show that's not occurring?

1 A. I guess the assurance --

2 MS. HOLM: I would object to that. I'm not following what
3 that has to do with what this action involves. I may not
4 be understanding it right.

5 MR. HOSECK: This action involves trying to find out where
6 these bills are coming from and where they're going. I'm
7 just trying to find out the integrity of the billing
8 system that MidAmerican has. And I want to know whether
9 or not there is a possibility of double billing and what
10 assurances there are to the commission that there hasn't
11 been a double billing.

12 MS. WIEST: Objection overruled.

13 A. MidAmerican has customer account numbers. When the
14 Murray transfers occurred, MidAmerican did not -- credit
15 policy did not have a procedure in place to note on the
16 customer's account the actual account number that was
17 transferred from one address to another address.

18 Since that time, the information is put on all
19 customer final bills, the second final that's been
20 unpaid. And so that information is on the customer's bill
21 to state where the moneys have been transferred from.

22 Q. So it's your testimony here that there is not a
23 double billing situation that would go on under these
24 circumstances that we're talking about here today?

25 A. Yes.

1 Q. Now, we've talked about this transfer policy that you
2 have within MidAmerican, transferring these accounts from
3 inactive to active accounts. Transferring the balances,
4 rather, from the inactive to active accounts.

5 If I'm understanding you correctly, is this a
6 matter of corporate policy?

7 A. Yes.

8 Q. Is this policy written?

9 A. Is it written in the company internal procedures?

10 Q. Yes.

11 A. Yes, it is.

12 Q. Okay. How long has that been a company policy?

13 A. Since we became MidAmerican in August of 19- -- well,
14 since I had a department centralized in Davenport in
15 August of 1995.

16 Q. Was this policy ever disclosed to consumers, do you
17 know, that you would transfer from inactive to active
18 accounts?

19 A. Disclosed to consumers?

20 Q. Yes.

21 A. Consumers are sent a note on their final bill
22 encouraging them to pay. If they don't pay by the second
23 final, another note -- I don't have the verbiage of what
24 is sent on the bill.

25 Thank you. I do have it. The notes that we put on

1 the account is a stamp in red that says, Protect your
2 credit. Payment made on or before the due date of this
3 bill will keep your account from being placed with our
4 collection agency. That's for accounts that have finally
5 gone unpaid.

6 Another red stamp that we put on accounts,
7 depending upon the different situation of the accounts,
8 would be This final bill remains unpaid and will be
9 transferred to your active account, and it gives a space
10 for the account number.

11 This final credit -- for customers that have a
12 credit balance who have paid us too much or double paid
13 us, which sounds like it wouldn't occur very often but
14 actually does occur with some customers. This final credit
15 is the result of an energy assistance payment and will be
16 refunded to the agency. This credit final bill has been
17 transferred to your active account, and there is a place
18 for the account number.

19 So we have four different red stamps that we put on
20 those final bills to mail customers.

21 Q. Were those red stamps used in any of the billings to
22 the Murray Construction Company?

23 A. They were not at that time.

24 Q. What is the reason for that?

25 A. The reason, I think I stated earlier, is that we

1 errored on the Murray Construction account, and this
2 policy of putting the information on the final bills had
3 been instituted directly after June 10. I think it was
4 June 17.

5 Q. Are you aware of any law or rule in South Dakota that
6 permits the transfer of these accounts?

7 A. That permits the transfer of these accounts?

8 Q. Yes.

9 A. I am not aware of a South Dakota law that does not
10 permit the transfer of the accounts. Maybe I should say
11 it that way. That question would be no.

12 And maybe I should clarify that. If it's the same
13 customer with the same name and the same rate
14 classification.

15 Q. In the answer that your company filed in this matter,
16 you give the Murray Construction Company an apology. In
17 light of that, what I wanted to know is what has changed
18 internally within the operations of MidAmerican to prevent
19 this from recurring?

20 A. What's changed internally is that we have our credit
21 employees verifying the class of service and the name and
22 not the mailing address. So they're not just looking at
23 the mailing address is what I'm trying to say.

24 Q. So if I understand the situation, even with those new
25 procedures, you still will transfer from an inactive to an

1 active account; is that correct?

2 A. Same name, same class of service. Same exact name,
3 yes, we would.

4 MR. ROSECK: No further questions.

5 MS. WIEST: Commissioners?

6 MS. NELSON: I have one or two. I think Ms. Murray said
7 that she had one complex where they have like 290 meters.
8 The number isn't really important. But I want to be sure
9 I understand how this process works.

10 It would be my assumption -- I'm assuming that when
11 she has 290 units, that they all have their own meters.
12 So they're all -- so you can keep them all separate. I
13 also understand that your policy is that the owner, the
14 landlord, cannot request that you provide the service
15 unless they're willing to be billed for the service that
16 you're providing; is that correct?

17 A. Yes, it is.

18 MS. NELSON: So in other words, when those units are
19 rented and somebody is the tenant and they are going to be
20 provided gas service, they have to notify you that they
21 want the service, and then the account is in their name?

22 A. That's correct.

23 MS. NELSON: Okay. When the tenant is ready to leave that
24 premise and moves on, you then send them a final bill.
25 How long do they have to pay the final bill before the

1 late charges?

2 A. When the account originally finals, approximately 30
3 days.

4 MS. NELSON: So no late charges after -- so it's 30 days
5 you have to pay off your final bill?

6 A. Yes.

7 MS. NELSON: Okay. Then say you get the 30 days to pay
8 your bill. That person moves on, and they don't pay that
9 bill. They then -- you then have the opportunity to --
10 if they come down and apply to get services at some other
11 unit somewhere else, if you're going to be having an
12 active account with that individual person, they would
13 have to call you again and start up services, right?

14 A. That's correct. They would have to request service at
15 a different premise.

16 MS. NELSON: So you would have the opportunity to not
17 provide them any service until they paid their bill,
18 right?

19 A. That is true. I guess the part that I think we're
20 skipping here is if they haven't paid the bill at a
21 premise and they continue to have service at another
22 premise, same name, same rate classification, why would
23 MidAmerican increase their cost of collections or decrease
24 their chance of recoveries and wait until they applied for
25 new additional service and continue to provide them

1 service at another address? Or even at the same apartment
2 complex but a different apartment.

3 MS. NELSON: Well, I'm not answering questions. I'm
4 asking them.

5 A. Yes.

6 MS. NELSON: I'm just trying to figure out how the process
7 really works because it seems to me that the current
8 policy doesn't work very well.

9 A. The current policy doesn't work very well if you don't
10 pay your bill on or before the due date or you don't pay
11 the bill on the following due date. It doesn't work at
12 that point for those customers.

13 MS. NELSON: I guess it just seems to me that it gets real
14 complicated when you start assigning accounts to inactive
15 and active. I don't know how people ever can really
16 figure out -- if you have more than one property and you
17 don't itemize anything on that last bill, I find it hard
18 to figure out -- if you were transferring like you were
19 saying from several properties to this -- any active
20 account that you find on your computer and you only send
21 them after the bills are -- if it doesn't get paid,
22 perhaps they didn't get this all straightened out in the
23 30 days, I don't see how you can, as a property owner,
24 really figure out who's responsible for what portion of
25 that bill if they get the first -- my assumption is that

1 the customer, whoever that is, who has the tenant or
2 whoever is leasing that unit gets the first bill and the
3 second bill. And then after that it may be assigned to
4 whoever owns the unit.

5 Why isn't that true? In the Murray case that was
6 true. It most certainly was true.

7 MS. MURRAY: Can I say something here?

8 MS. WIEST: No. I'm sorry.

9 MS. NELSON: You could try to clarify it though.

10 A. I don't understand it. I don't understand what
11 you're --

12 MS. NELSON: My understanding is this lady owns the
13 apartment building that has 290 units. Every unit has a
14 meter. Every unit has a customer, a customer of yours.
15 You have a contract with that customer, between you and
16 them. And as long as they talk to you, the customer has
17 actually talked to you, and the landlord is now removed
18 from the situation. This customer notifies they're
19 moving. You send them a final bill. I'm assuming the
20 final bill goes to the customer in that unit. They may
21 get two final bills. They probably do. Is that not
22 right? You send them a final bill once, and if it's not
23 paid, you send them a second final bill? Is that correct?

24 A. If a bill is not paid, we mail a second final bill.

25 MS. NELSON: All right. Let's assume they didn't pay the

1 final bill, so they get their second notice. Then you
2 still have this tenant. He still has a contract with
3 you. The landlord wasn't involved.

4 Talking just about the energy charges that were
5 used between the time you have the contract with the
6 customer, not any usage that would happen after that
7 customer has notified you he's not going to be in that
8 residence anymore, then after that you just
9 automatically -- do you send the final bill to the
10 landlord then because the customer didn't pay?

11 A. No.

12 MS. NELSON: Then you don't send them any correspondence
13 telling them you sent bill one or bill two and this tenant
14 didn't pay bill one or bill two or the bill that you sent
15 him a notice for, but you will go through your computer,
16 if I understand this, and find the name of the landlord
17 and assign them the charges that were unpaid at that
18 premise? Is that not correct?

19 A. That is not correct. What we do is our relationship
20 is with our customer. It's not with our customer and our
21 landlord, if it's in the customer's name. If the account
22 is in the landlord's name, our customer is our landlord.

23 Or in this case if the customer is the property
24 manager, that is our customer. The bills are mailed to
25 that property manager who's responsible for the billing

1 every month. They have active service. Because they have
2 a contract with another tenant, choose to have it taken
3 out of their name and have it put -- have a tenant contact
4 us to have it put in their name instead of the property
5 manager, we final Murray Construction.

6 Murray Construction is responsible for the bills
7 leading up to the time when the service was in their
8 name. At no time do we transfer Murray Construction bills
9 over to a tenant and have a different party -- and have
10 them be responsible. Nor do we likewise take the tenant's
11 bill, if they didn't pay it, and transfer it over to the
12 landlord and have them be responsible. They are not our
13 customer.

14 MS. NELSON: I guess -- all right. I have some questions
15 then about property managers. Are you saying that you
16 deal with the property management people and their billing
17 differently than you deal with other landlord/tenant
18 situations?

19 For instance, let's say in that 290 units that
20 Murray Company was the property management person. How
21 does the process start for those people then? Do you no
22 longer -- is it the property manager then that calls and
23 says that they want -- they're going to be responsible for
24 the billing for all 290 of those units and then -- but
25 they will receive bills for -- separate bills for the 290

1 meters? Because otherwise it seems to me, unless --
2 apparently I'm not getting it.

3 You still have the individual customer who has to
4 call down and request the service, and they're still
5 willing -- you still have a contract between whoever is in
6 those units.

7 A. No, we don't have a contract with whoever is in the
8 units, per se, at all, because we have a contract with
9 whoever contacted MidAmerican for service, whether that
10 was the property manager or the actual tenant in the
11 property. We don't choose who is to take responsibility
12 for making the monthly payment. It's who contacts the
13 company to establish the service and have it in their
14 name.

15 If it's Murray Construction, it would remain
16 in their name until either another party contacted
17 MidAmerican or until Murray Construction chose to have the
18 account finalized.

19 MS. NELSON: Isn't it true you still require, even in a
20 property management situation, that the individual person
21 who is going to be occupying the premise for which you're
22 going to be providing the gas to still has to contact your
23 office?

24 A. That is not true.

25 MS. NELSON: So if you're a property manager, the property

1 managers are now responsible for calling down?

2 A. No. Who is -- I don't think we're saying the same
3 things at all. Who is responsible for contacting
4 MidAmerican is the customer.

5 MS. NELSON: Who is going to accept responsibility for the
6 payment.

7 A. For the bill.

8 MS. NELSON: Right.

9 A. Now, a property manager can --

10 MS. NELSON: My question is: I don't think that even in a
11 property management situation that the property manager is
12 assuming any kind of personal responsibility for
13 contracting for that service. I mean, generally
14 speaking. If they were, then you would have a different
15 kind of agreement than we were talking about, at least in
16 this Murray situation.

17 I mean, I just -- it just seems to me it's not very
18 clear here who gets to pay for what; nor if you were a
19 multi property management kind of person, I don't see with
20 the information that you provide them that it would be --
21 I think it's almost impossible for them to determine who
22 is responsible and liable for those charges.

23 You know, I don't see why you should be able to
24 assign them to any active account just because they have
25 some other active accounts. I mean, people are entitled,

1 it would seem to me, to pay for what they use. They have
2 a contract with you to provide services for a certain
3 length of time. That contract is entered into when they
4 call you up and want the service and you agree to provide
5 it.

6 When they notify you that those services end, it
7 seems to me that the contract between you and them ends.
8 And then they have the responsibility for paying for those
9 charges. I don't really understand how -- and maybe you
10 can help me -- why that becomes a problem for the landlord
11 or any kind of a property management kind of person here.

12 Now, if I missed something, show me where it is.
13 A. If they have contracted with MidAmerican, if they
14 contacted us to become the customer of record, they are
15 responsible for the monthly charges, for payment of those
16 charges. That would be our contract with Murray
17 Construction where they would be responsible for those
18 bills.

19 MS. NELSON: But am I reaching the wrong conclusion here?
20 Because I thought I heard testimony today that said that
21 whether the landlord or the property management people
22 agreed to have that stuff in their name or not, if the
23 landlord or the property management person had an active
24 account somewhere, that they're going to be charged for
25 that.

1 A. No. No.

2 MS. NELSON: That seems to me what happened in this case.

3 A. I think -- part of what confuses this whole issue, I
4 think, is the error that occurred where the documentation
5 wasn't on the account to show where the dollars were
6 transferred to, and they were transferred improperly to an
7 account they should not have been because it was a
8 different name. MidAmerican erred. MidAmerican
9 apologized in our written reply to this Public Utility
10 Commission inquiry regarding that.

11 I think that's part of what confuses this whole
12 issue is that was an error that we transferred those
13 dollars. We do have processes in place to prevent that
14 from happening, to provide the documentation to our
15 customer of record that was responsible for those
16 charges.

17 As long as a bill -- as long as a customer contacts
18 MidAmerican to establish service, they have a
19 responsibility to pay for those services.

20 MS. NELSON: It seems to me that the issue is compounded
21 by the fact that we have Murray Construction and Murray I
22 and then Arnold Murray in general who probably has an
23 account too. But that aside, I don't see why it would --
24 it wouldn't happen again.

25 Let's just say we only have Arnold Murray

1 Construction. Arnold Murray owns the building where there
2 are 290 units. All of those 290 units have individual
3 meters. Let's just assume for the sake of what I'm
4 talking about that all of those 290 people now have
5 decided that none of the 290 people had Arnold Murray ever
6 calling you wanting the service. It was not available
7 until the individual customer called.

8 They call you. You go hook it up. They live
9 there. They notify you they're moving, and somebody gets
10 a final bill. Are you telling me I can -- it's safe then
11 to assume that they never will be billed, even though
12 Arnold Murray Construction has an active account
13 somewhere, for any final bills that these customers do not
14 pay?

15 Is that true that they would never be billed for
16 any of these individual customers' bills that don't get
17 paid? Just because you have Arnold Murray that owns that
18 building, and he has an active account, there is no way
19 he's going to be billed for those individual units unpaid
20 bills?

21 MS. HUIZENGA: Can I ask for a clarification? Are we
22 saying that the 209 accounts are all separate accounts in
23 the names of the individual tenants? Is that correct?

24 MS. NELSON: What are 209 accounts?

25 MS. HUIZENGA: The 209 apartments. They are in individual

1 names?

2 MS. NELSON: Yes.

3 MS. HUIZENGA: Not in Arnold Murray's name, and you're
4 asking if it could ever be transferred, the final bill, to
5 Arnold Murray in any of its names?

6 MS. NELSON: Right.

7 A. No, it could not.

8 MS. NELSON: Just because Arnold Murray owns the property?

9 A. No. Moneys could be transferred to -- Apartment 1 is
10 in the name of a tenant. Apartment 1 tenant finals and
11 moves to another property, not one of Murray's but another
12 property, signs for service or has service in their name,
13 same class, same rate. The moneys can be transferred to
14 that tenant one at that different address. Same name,
15 same classification.

16 MS. NELSON: I thought, though, I heard you say earlier
17 that two things came into play, the premise to which the
18 bill was owed and the customer who owns the bill. That's
19 not right?

20 Then I don't really understand how you listed four
21 or five properties that got billed over, even assuming
22 that none of them were Murray I, they were all Arnold
23 Murray Construction Company, how those different
24 residents, some on Waltz and somewhere, ever then got
25 billed when the customer didn't pay to Arnold Murray

1 Construction.

2 A. It was an error. If they had all been --

3 MS. NELSON: I thought the error was that we have Arnold
4 Murray Construction, and then we had Murray I. And
5 Murray I supposedly got billed for something that Arnold
6 Murray Construction probably was managing or owned.

7 A. That's true.

8 MS. NELSON: But certainly since they said they had a
9 lease, that made those contracts between the company, and
10 they weren't responsible for those utilities?

11 A. I don't think that we're a party to any lease that
12 they have with the tenant.

13 MS. NELSON: No, and I agree. We cleared that up
14 yesterday. But on the other hand, we still have a
15 situation where you're transferring account balances to
16 active accounts; is that not correct?

17 A. We're transferring account balances that are in the
18 same name, same classification.

19 MS. NELSON: So you're saying the only way that -- say for
20 the sake of argument, keeping things clear, that only if
21 Arnold Murray Construction has 290 units or whatever and
22 he has said at some point that he wants those utilities
23 left on in between tenants, that those balances would ever
24 be transferred to the Arnold Murray Construction account;
25 is that correct?

1 A. That's true.

2 MS. NELSON: All right. I guess then later I'll ask her
3 because I didn't -- I think she is saying that, but that's
4 not what I heard Ms. Murray say. I think I cleared it up
5 in my own mind. Thank you.

6 MR. BURG: If I understand it properly now, you gave us
7 the information here that three separate accounts were
8 transferred to Arnold Murray; is that correct?

9 A. That's correct.

10 MR. BURG: And they were all Murray I accounts; is that
11 correct?

12 A. That's correct.

13 MR. BURG: They were all Murray I accounts, and your error
14 was in transferring to Arnold Murray?

15 A. Our error was in transferring to Murray Construction.

16 MR. BURG: Murray Construction. They were all done by the
17 same credit manager; is that correct?

18 A. No, none of them were done by the credit manager.
19 They were all done by the same credit representative who
20 reports to the credit manager.

21 MR. BURG: The same person made the same error?

22 A. Same individual.

23 MR. BURG: What did you do when you discovered the error?

24 A. As far as the discipline of our employee?

25 MR. BURG: Not necessarily that. I'll presume you did

1 something to correct that. What did you do as far as the
2 accounts? Did you transfer it to the proper one? Or I
3 want to know what action you took as far as clearing that
4 up.
5 A. We have talked with Mrs. Murray regarding it.
6 MR. BURG: What did you do as far as the billing?
7 A. We did not rebill the accounts as the accounts had
8 been paid, and there had been conversation with
9 Mrs. Murray regarding it.
10 MR. BURG: Who paid them then? Did Murray I pay them, or
11 did Murray Construction pay them? You billed Murray
12 Construction. I'm trying to figure out who ended up
13 satisfying that bill.
14 A. The payment was applied to the Murray Construction
15 account. I cannot tell you where the payments were
16 allocated from on Murray's books.
17 MR. BURG: Because they say the same person handled both;
18 is that correct?
19 A. Yes.
20 MR. BURG: The other question I have is the last -- what
21 was the last date? Final payment date was what? The
22 second final payment.
23 A. On which account, sir?
24 MR. BURG: On this account that we've been talking about
25 all day. Murray I account.

1 A. On the Murray I account, the one we've been talking
2 about that had the \$77 balance, is that the one of the
3 three you're talking about?

4 MR. BURG: Yes.

5 A. And your question was when was the payment applied?

6 MR. BURG: The second final date was what? 4/29? Is that
7 correct? Second final bill.

8 A. Yes, it should have been issued then.

9 MR. BURG: When was it transferred to the -- in error to
10 the Murray Construction?

11 A. June 10 of 1997.

12 MR. BURG: You're looking at two months later?

13 A. Yes.

14 MR. BURG: That bill went two months unpaid before you
15 finally transferred it?

16 A. Yes, it did.

17 MR. BURG: How about the other two that you transferred in
18 error? How long had they been there?

19 A. The service address at 704 West -- pardon me. That's
20 the one we just talked about, 704 West Bailey Street. One
21 of the accounts was 1128 North Waltz Avenue. The bill
22 finalized September 30, 1996. The account balance unpaid
23 was transferred on June 10, 1997.

24 MR. BURG: You're looking at about eight months there,
25 right?

1 A. Eight months. The third account, 1126 North Waltz
2 Avenue, finalized on July 17, 1996. A partial payment was
3 received August 7, 1996, and MidAmerican transferred the
4 unpaid portion of that bill, which was \$8.02, on June 10,
5 1997. Ten months.

6 MR. BURG: You waited quite awhile there for those two
7 accounts?

8 A. Ten months.

9 MR. BURG: And you -- your policy, and pursuant to South
10 Dakota rule, allows you to consolidate those bills into an
11 active account?

12 A. That's true.

13 MR. BURG: I think we have a South Dakota rule that says
14 that. We can get somebody from our staff to testify to
15 that if necessary on that.

16 Would it be fair to say that most of the time these
17 consolidations are done in situations where there is
18 multiple accounts and multiple apartment ownerships,
19 things like that?

20 A. No, it would not. It could be just a residential
21 party moving from one address to another.

22 MR. BURG: So one last question. In your mind, has there
23 been anything here today to dispute that this bill that
24 we've been talking about was actually a Murray I bill, the
25 attachments A, B, C, and D? Have you heard anything here

1 today to dispute that that was actually a Murray I bill?

2 A. No.

3 MR. BURG: So you actually transferred a Murray I bill to
4 an active account, but it happened to be an erroneous
5 account in this case?

6 A. That's true, yes.

7 MR. BURG: The one thing that is unanswered to me yet that
8 I would like to know is how you clarify to go to the right
9 account once you noticed the error. Maybe I need a
10 statement, late filed statement, to say you took an action
11 once you realized it was in the wrong account to get it to
12 it right account. Or else I need something to show that
13 Murray I actually made the payment to satisfy Murray
14 Construction's billing. Is that what happened?

15 A. That's what happened is Murray I, we believe, paid the
16 account. MidAmerican does apologize or did apologize and
17 does to Murray Construction for the error that we've
18 caused, the confusion that it caused their record
19 keeping. The bill has been paid. MidAmerican's records
20 would not indicate whether it was paid by Murray
21 Construction or Murray I. The dollars were sitting on a
22 Murray Construction account and paid on July 10, 1997.

23 MR. BURG: If I understand something you said earlier, you
24 made two changes since this occurred to try to fix this.
25 One is to make sure the accounts are identical, and you

1 don't look at the addresses. Is that accurate?
2 A. Yes. We look at the name on the account, same name,
3 same rate classification or type of service, residential
4 to residential, commercial to commercial.
5 MR. BURG: Secondly, you came up with this red stamp that
6 identifies the fact that you are transferring to an active
7 account?
8 A. And gives the appropriate information. So any
9 customer who could be a landlord or could be a property
10 owner/manager or could be just a regular residential
11 customer knows where the dollars came from.
12 MR. BURG: And so that should satisfy -- this change
13 should satisfy the idea of being able to know where that
14 consolidated transfer, if it were consolidated, came from?
15 A. The account numbers and the dollars for each and every
16 one.
17 MR. BURG: Both of these things took place after the
18 filing of this complaint?
19 A. It happened on the same day the one transaction was
20 transferred.
21 MR. BURG: Was it a result of this complaint, or was this
22 something in the process?
23 A. It was a result of this complaint.
24 MR. BURG: Thank you.
25 MS. NELSON: I have a couple more. Let's look at one of

1 these exhibits where it says 704 West Bailey, 4903 Oxbow.

2 A. Pardon me. Which exhibit?

3 MS. NELSON: Exhibit 4 and Exhibit 5. Exhibit 4 says 704
4 West Bailey, and Exhibit 5 says 4903 South Oxbow.

5 A. Yes.

6 MS. NELSON: Who contacted you and requested service at
7 704 West Bailey?

8 A. 704 West Bailey?

9 MS. NELSON: Right.

10 MS. HUIZENGA: Can I clarify? On what date are you asking
11 for that particular account? Is that what you're asking?

12 MS. NELSON: I'm asking about Exhibit 4. On there all I
13 know is what it says, 704 West Bailey. I want to figure
14 out who contracted with you for services at 704 West
15 Bailey. In other words, who came down or called you on
16 the phone and said I want gas service at 704 West Bailey?
17 Who is the customer of record at this property?

18 A. Murray I is the customer of record. This record does
19 not show the name of the party that contacted us to
20 establish service.

21 MS. NELSON: But I think that's very relevant in this
22 case. I want to know who contracted with you for those
23 services. Now, maybe if you don't know, maybe Murray I
24 knows if they did it or if the customer did it. Because
25 the contract exists between you and whoever contracted

1 with you. Now, if Murray I did that, then I can see why
2 you would transfer accounts -- I don't necessarily agree
3 with the policy, but I can see why you might look for an
4 active account and transfer that.

5 I want to know in this case and in all of the other
6 cases on the exhibits you submitted here today who is the
7 customer of record. Who made the contact with your
8 company to start service, and who made the contract with
9 you to disconnect the service?

10 A. Our customer of record would be the customer where it
11 says name on the upper left-hand corner of any of the
12 documents. So Exhibit 5 our customer of record is Murray
13 Construction. They still have an active account with us.

14 MS. NELSON: I want to know if you can testify yourself
15 and you know for a fact that someone representing Murray I
16 contacted your office and said at 704 West Bailey I want
17 gas service, and if Murray I called you later and said I
18 no longer want gas services at 704 West Bailey?

19 A. I cannot testify to that from this record that I'm
20 looking at right here. I don't have that record with me.

21 MS. NELSON: Well, in order for me to know whether or not
22 balances are getting transferred appropriately, I need to
23 know in the cases that we're talking about where balances
24 were transferred that the right people requested the
25 service who was billed for those services in the end.

1 A. I don't believe Mrs. Murray is saying that she hasn't
2 contacted our company to request services.

3 MS. NELSON: At some point in time. I want to know who
4 the customers of record are here. I mean, if Murray I is
5 the one who is taking responsibility, then possibly if you
6 have a policy that you do -- not that I necessarily agree
7 with it -- you could transfer those to another Murray I
8 active account.

9 But you told me when we were doing the hypothetical
10 290 units that for the most part you expect customers to
11 contact you themselves to get services and to disconnect
12 those services. Those bills are then sent to those
13 customers who have called and talked to you about getting
14 services and disconnecting services. So I guess I need to
15 know.

16 A. Our customer of record on these specific examples that
17 you have would be the customer in the left-hand corner by
18 the -- where it says name. It would be Murray I.

19 MS. NELSON: So you're testifying under oath right here
20 today that you're absolutely positive that it was somebody
21 representing Murray I or Murray Construction that for
22 these properties always called and wanted the services
23 started and wanted the services disconnected?

24 A. Yes.

25 MS. NELSON: Well, that's good. I'm glad you're so sure.

1 I guess later do I have an opportunity to ask that same
2 question of Ms. Murray?

3 MS. WIEST: Yes.

4 MS. NELSON: All right. Thank you.

5 MS. WIEST: Any other questions from the commissioners?

6 EXAMINATION

7 BY MS. WIEST:

8 Q. Could you look at the exhibits from Murray
9 Construction? It's attachment 10B and 10C.

10 A. Yes.

11 Q. Could you tell me what the difference is between those
12 two numbers? One is 76.18, and the other one is 77.32.

13 A. Yes. Attachment B would be an original final bill
14 which has an amount due of \$76.18 if it's paid by April --
15 before April 8. After April 8, the late payment charge
16 applies to the utility final bill, which would make it
17 77.32.

18 Attachment C is a second final bill that printed on
19 April 29, 1997. It's in the upper left-hand corner. It's
20 the date it printed for Attachment C. And it shows 77.32,
21 which is the balance including the late payment charge.

22 Q. And where is that late payment charge itemized?

23 A. The late payment charge, it is not itemized on
24 Attachment C. And on Attachment B, it's not itemized as
25 far as breaking it down into a dollar to say actual late

1 payment charge and the dollar amount.

2 Q. Aren't you required to itemize late payment charges on
3 the bills according to 20:10:17?

4 A. Late payment charge is shown on this bill, and so is
5 the regular charge.

6 Q. Where is the late payment charge?

7 A. On the final bill dated 3/17/97 in the upper right-
8 hand corner.

9 MR. BURG: Second final she's looking --

10 A. It's not on the second final bill. It's on the first
11 final bill.

12 Q. (BY MS. WIEST) Okay. And then is it MidAmerican's
13 policy that when you transfer accounts, same name, same
14 class of service, you don't have to list those separate
15 meters separately on the bill, but now you use some sort
16 of stamp that shows the separate charges?

17 A. What we're transferring is not -- it's inactive
18 dollars that went unpaid.

19 Q. Right.

20 A. MidAmerican's policy would be that we now list that
21 account number and dollar amount on the bill we're
22 transferring the dollars to.

23 Q. So if you transferred three inactive to an active
24 account, three separate inactive accounts, they would now
25 be listed separately?

1 A. Yes.

2 Q. That's by a stamp?

3 A. Yes.

4 Q. Could you late file that for me, an example of that?

5 A. Yes. Certainly.

6 MS. WIEST: That's all I have. Are there any more
7 questions of this witness?

8 MR. BURG: I do have a clarification on what you just
9 asked. Let's take the final bill, second final bill,
10 Attachment 10C, which would be Exhibit 14. Is that the
11 one that would have the red stamp on it?

12 A. Yes, it would.

13 MR. BURG: Okay. On that bill now there would be a red
14 stamp that gives the language you said and also says the
15 account that it would be transferred to?

16 A. Yes, it would.

17 MR. BURG: But bill 10D then, which is the bill that
18 actually has the transferred amounts on it and has three
19 of them on it, right?

20 A. Yes.

21 MR. BURG: Under your new policy, is there any way it
22 would be identified by each of those three amounts?

23 A. Each of the three amounts would be identified on the
24 second final 10C, and it would not be identified on 10D.

25 MR. BURG: I think that's one of the questions that's

1 here. For clarification purposes, especially people that
2 have a lot of properties, if you're going to transfer
3 separate accounts, they need to be itemized.

4 A. On the active account?

5 MR. BURG: Yes, on the active account that you've
6 transferred them to. That isn't resolved. I would
7 probably ask if we bring the witness back from Murray if
8 that's what they're actually requesting.

9 MS. WIEST: Any more questions of this witness? Thank
10 you. Does MidAmerican have any further witnesses?

11 MS. HOLM: Can I maybe just -- just because I think there
12 was confusion over this, maybe I can simplify it or get it
13 out there so we're all clear on exactly what goes on with
14 these bills.

15 EXAMINATION

16 BY MS. HOLM:

17 Q. Can you look -- I'm looking at the 10A, B, and C that
18 Murray provided here today. On 10A, first of all, can you
19 tell me who your customer of record is from 10A?

20 A. Murray I.

21 Q. Okay. Murray I then, I can assume, is the -- that
22 would be the entity that would have established service
23 under this bill?

24 A. Yes.

25 Q. Okay. Now, this bill then was sent to Murray I,

1 correct?

2 A. Yes. It was at a mailing address.

3 Q. And as far as MidAmerican Energy would know, there
4 isn't a tenant then living at whatever address this bill
5 is for?

6 A. MidAmerican Energy would not be a party to that or
7 have any knowledge.

8 Q. You wouldn't be aware of that. Right. Okay. So this
9 bill then gets sent to Murray I. And then if I am to
10 understand Ms. Murray's testimony, she indicated -- and I
11 believe this was sent March 6. I believe Ms. Murray
12 indicated in her testimony that on March 14 a tenant would
13 have called to establish service at the address that's
14 reflected in all of these bills, and that end of it --
15 we're not dealing with that end here today.

16 Would it be fair then for me to assume the March 17
17 final bill would be the result of the change in service
18 from Murray I to the new tenant?

19 A. Yes.

20 Q. Okay. So this final bill would then reflect, as the
21 commissioner noted, service up through that March 14 when
22 the change was reflected?

23 A. Yes.

24 Q. This bill then would be sent to Murray I or to the
25 tenant?

- 1 A. To Murray I.
- 2 Q. And why would that be?
- 3 A. Murray I was our customer of record at the time this
- 4 bill was incurred. They are the customer for this.
- 5 Q. And again, as far as you know, there wasn't a tenant
- 6 responsible for these charges as far as MidAmerican knows?
- 7 A. As far as MidAmerican would know, there would be -- we
- 8 would have no knowledge.
- 9 Q. So this final bill then gets sent on March 17 to
- 10 Murray I for payment. I believe we indicated that after
- 11 April 8, that's when the final charge comes in. That's
- 12 reflected on this line under the amount due; is that
- 13 correct?
- 14 A. That's correct.
- 15 Q. If no payment is then made by that April 8 time frame,
- 16 then what happens?
- 17 A. A second final bill is issued.
- 18 Q. That would be Attachment 10C.
- 19 A. The credit department looks for transfer opportunities
- 20 at that time.
- 21 Q. Before the second final bill is sent?
- 22 A. And stamps the second final bill.
- 23 Q. That's now, right? Not at this time. That's the new
- 24 policy?
- 25 A. Yes, that's now.

1 Q. So after the final bill is not paid by the due date,

2 then you do a second final bill?

3 A. Yes.

4 Q. And the second final bill is still to the same

5 customer?

6 A. Same customer.

7 Q. And in this case that was again Murray I?

8 A. Yes.

9 Q. And the second final bill then, if I understand it,
10 reflects the new amount because the first final bill was
11 not paid by the due date and there was an interest penalty
12 or late charge penalty that's been reflected on the second
13 final bill?

14 A. Correct.

15 Q. Okay. And it's only after this second final bill
16 would go unpaid that that's when we start talking about
17 the transfers?

18 A. Correct.

19 Q. Now, if back in the very beginning, if this had been
20 one of the properties managed by Murray I and the tenant
21 had established service, the tenant had established
22 service, who would the final bills go to then?

23 A. Murray I.

24 Q. If the tenant had established the service?

25 A. No. If Murray established service.

1 Q. Sorry. I'm changing on you here. If a tenant from
2 Murray I -- like, for example, on March 14 apparently a
3 tenant has called to establish service, which is why the
4 final bill would have been sent. That tenant then
5 established service. If that tenant then later decided to
6 terminate their service, who would get that final bill?

7 A. The tenant would.

8 Q. And the tenant would get the second final bill if it
9 went unpaid?

10 A. Yes.

11 Q. And would Murray I ever receive -- if that second
12 final bill went unpaid, would that balance get transferred
13 to Murray I?

14 A. No, it would not. Our customer of record is that
15 tenant.

16 Q. So transfers would only occur from that tenant to that
17 tenant at another address?

18 A. That's correct.

19 Q. And Murray I would never receive that bill?

20 A. No, or have knowledge of it.

21 MS. HOLM: Okay. I don't think I have anything further.

22 MS. WIEST: Any other questions?

23 MS. MURRAY: I have one.

24 EXAMINATION

25 BY MS. MURRAY:

1 Q. You already testified that you don't know who from
2 Murray I contacted you to place this in their name. From
3 these sheets you can't tell who called you to name Murray
4 I as the responsible party, can you?

5 A. No. I thought that was a statement.

6 Q. I just wanted to clarify that part. On this sheet
7 here, the one thing I don't understand is why you seem to
8 think you know that 704 West Bailey is even rental
9 property. Is there something on here that tells me it's
10 rental property?

11 MS. HOLM: Which sheet are you looking at?

12 MS. MURRAY: Defendant's Exhibit 4. They all kind of look
13 pretty much the same to me here.

14 A. An indication to me is that there is a landlord letter
15 on this account. On Defendant's Exhibit 4 it's coded
16 LLRD, so we do have a landlord letter.

17 Q. (BY MS. MURRAY) What does that say?

18 A. I don't have the specifics in front of me of what the
19 landlord letter says. But that would tell me it's
20 property that gets rented out and that the property owner
21 has selected different options to have the service turned
22 on or turned off at different times, and that the bill is
23 mailed to a mailing address, a different address than what
24 the premise is. The service address is 704 West Bailey
25 Street. There is a mailing address on this account. This

1 screen does not show me what the mailing address is, but
2 it would be a different address.

3 MS. NELSON: Where do you find all of this?

4 A. At the top of the screen, top of the screen like an
5 inch down. LLRD is on the left.

6 MS. NELSON: Okay.

7 A. Where it says mail on the right, that's a mailing
8 address.

9 MS. NELSON: Where it says mail, is the address then the
10 one that's listed here?

11 A. No. What's listed here is the actual service address
12 where we're providing utility service to.

13 MS. NELSON: Where would I find the mailing address?

14 A. It's on another one of our customer information
15 screens. I don't know that we brought the screen of the
16 mailing address with us.

17 MS. NELSON: Okay.

18 Q. (BY MS. MURRAY) I think I can clear up part of this
19 little problem that we have with who requested Murray I.
20 Your landlord letter will state on our duplexes that if
21 the name of the tenant -- if the gas service is to be shut
22 off on the tenant or if you have no one else to bill, that
23 it will fall to the responsibility of Murray I so that
24 during the winter months we don't have frozen pipes.

25 Okay. Now, I'll clear this one up for you. You

1 have on record that Murray I will be responsible for all
2 things. So basically if I take my duplex and on the first
3 of January you move into it, you're there for four months,
4 you move out, you take it out of your name, MidAmerican is
5 going to step in the first of May and put it in my name
6 because I have given them consent to do this. I don't
7 want frozen pipes.

8 A. Okay.

9 Q. May and June it's mine. July comes a new tenant until
10 September. October is mine. At what point is my account,
11 the Arnold Murray, Murray I account, inactive? It's a
12 matter of record. It's a matter of record on your own
13 sheets. I have given you consent to do this. My account
14 would never be a -- my account would not be inactive.

15 You testified earlier that the difference between
16 an active account and inactive account was the use of
17 energy. At no point during this hypothetical thing we
18 just went through has the energy stopped flowing through
19 the house.

20 A. That's correct. It has not stopped flowing through
21 the house. We have distinct -- there is different account
22 numbers. The number remains the same, and we have a
23 premise customer ID number that changes so that, for
24 example, your tenant -- you may be tenant 1. Then you
25 rent to a tenant. A tenant contacts us and contracts with

1 us for service. They become tenant 2. They move.
2 Because you have a landlord letter, during winter months
3 it goes into your name. You are then tenant 4. Then you
4 rent it for a period of months. So another tenant comes
5 in. Your account finals. The new tenant is tenant 5, and
6 it's just --

7 Q. So what you're telling me is because of what's in-
8 house with your own company, my account will end up
9 inactive even though that letter is sitting in your file?
10 The meters don't change. You don't change the meters,
11 right?

12 A. No, we do not.

13 Q. The meter numbers don't change. Nothing about them
14 changes except for people going in and out.

15 A. And reading meters.

16 Q. But nothing else changes. I'm there responsible. I
17 fail to see why my account would ever become inactive
18 because unless the building burns or the meter was
19 removed, that meter is going to be there.

20 A. It would be a function of the current customer
21 information system that we have.

22 Q. That was my question. It's your system?

23 A. Our system.

24 Q. It's the way you choose to do the business. It's the
25 way you choose to run your computer system and bookkeeping

1 system that does this?

2 A. Yes.

3 Q. Okay. Going back to this one, the 1128 North Waltz,
4 which is Defendant's Exhibit 6, this is the one that's 10
5 months here.

6 A. Yes.

7 Q. All of the other ones have a lot of activity going
8 through them. Bills were sent. Stuff was done. Nothing
9 happened on this bill from September of '96 to June of
10 '97.

11 A. That would be correct.

12 Q. Why? Is it possible something -- or you can't tell
13 me from this, that that \$2 was probably a late fee or
14 something or a miscalculation, could have been any number
15 of things. It was \$2, and when it got to October of '96
16 that MidAmerican just wrote it off, and that's why there
17 is no activity in this account until the purchase of it
18 back, and you start transferring balances and dug it out
19 of the basement here?

20 A. I don't have the records in front of me to show the
21 usage on this \$2 bill. The reason it wasn't transferred
22 to a collection agency is we do not transfer anything for
23 less than \$25. I believe I testified to that earlier.

24 Q. You testified you couldn't find a collection agency
25 that would do an active collection on anything less than

1 \$25.

2 A. Correct.

3 Q. Okay. But, however, you did not mail any additional
4 billings. You didn't attempt to collect this \$2.

5 A. This would have gone through a first final and second
6 final process.

7 Q. But that's not here. That's not on here.

8 A. It does not show on this screen you're looking at, no.

9 Q. So as far as you know from looking at this screen you
10 have here, the last billing or the last correspondence you
11 had with our company was September 6 of '96 until you
12 transferred its balance in June of '97? That's what this
13 screen tells you?

14 A. We would have mailed a final bill on September 6 of
15 '96. There would have been a second final. This screen
16 does not show me the date of the second final. The first
17 final was due on September 30. So it's reasonable for me
18 to make an assumption the first week of October a second
19 final was made. That does not show on our computer
20 system on this screen.

21 Q. Still using your assumption --

22 A. It is the same billing process. We have not changed
23 the process of mailing bills to customers.

24 Q. But you can't show me that you sent a second final on
25 this?

1 A. No, I didn't bring copies of that.

2 MS. MURRAY: That's all I have.

3 MS. WIEST: Any other questions of this witness? If not,
4 thank you. Does MidAmerican have any other witnesses?

5 MS. HUIZENGA: No more witnesses.

6 MS. WIEST: Does commission staff have any witnesses?

7 MR. HOSECK: No witnesses.

8 MS. WIEST: Ms. Murray, do you have any rebuttal testimony
9 you would like to give at this time?

10 MS. MURRAY: No, ma'am.

11 MS. WIEST: I believe there were some questions. Do the
12 commissioners have questions of Ms. Murray at this time?

13 MS. NELSON: I think I do, but they may have cleared it
14 up. Do you agree with the testimony that Jeannette gave
15 us that Murray I or Murray Construction is not being --
16 their accounts aren't transferred to either of those --
17 let's try it again.

18 Do you believe that -- like take 704 West Bailey.
19 Well, Exhibit 4, Exhibit 5, Exhibit 6. Do you believe
20 that -- do you agree that Murray, whoever is listed,
21 Murray I -- and two of them are Murray I's, I guess, and
22 one is Murray Construction -- are the customer of record?

23 MS. MURRAY: They're the owner of record.

24 MS. NELSON: Well, I'm a little confused as to when you're
25 the customer and when somebody else is the customer at

1 these properties.

2 MS. MURRAY: That was my point of why would I have an
3 inactive account because I am only supposed to be
4 responsible for these billings. Now, 4903 is not marked
5 that they have the landlord letter. The other three are
6 stating that they have -- that they have a letter. Or
7 actually what I believe happened was we went through with
8 Mini-Gasco about three or four years ago and put a whole
9 bunch of meters down where we didn't want them shut off.
10 If the tenant didn't pay them or something else happened,
11 they agreed to tell us. It was all done by phone.

12 Murray Construction over here does not have that.
13 That's a unit bought and sold, bought and sold, bought and
14 sold.

15 MS. NELSON: But is it accurate for me to believe that
16 accounts from this billing may have been transferred to
17 Murray Construction?

18 MS. MURRAY: Accounts from Murray I were transferred to
19 Murray Construction.

20 MS. NELSON: That was an error. Assuming there wasn't an
21 error, is it also fair to assume that they still would
22 transfer -- you're the customer of record at 4903, so any
23 unpaid thing would be transferred to your Murray
24 Construction account?

25 MS. MURRAY: I would assume by what she's saying if I have

1 the same name on the account and the same rate of payment,
2 that it's going to transfer to anything that comes up in
3 the name of Murray.
4 MS. HOLM: Murray I. This whole confusion, Murray I and
5 Murray Construction, those are different names. That was
6 the mistake.
7 MS. MURRAY: What happens when you have Murray
8 Construction, LLC, which owns particular units? You have
9 Arnold Murray, individual person, who owns individual
10 units. You have in this case Murray Construction. It's
11 the wrong owner, but there are some of your bills in that
12 name. Where are -- where is Arnold's personal bill going
13 to go?
14 MS. WIEST: She can't testify.
15 MS. MURRAY: Okay.
16 MS. NELSON: I guess I'm asking her that question, if she
17 knows this.
18 MS. MURRAY: I don't know. That's what's causing us the
19 problem with taking time to pay bills.
20 MS. NELSON: I'm not sure looking at this. Some of these
21 when you say you have a landlord letter, I can
22 understand -- not that I necessarily agree -- that you
23 could transfer that -- you would transfer that to an
24 active account. But in a case like this where it is the
25 final, I mean, would you still transfer that? Because

1 obviously there are other Arnold Murray Construction
2 properties.

3 So if someone who had -- I don't know if this is an
4 apartment or not. It's a house. So would then the -- say
5 somebody was renting this house or something and they
6 didn't pay and you send them the first and the final bills
7 and you still haven't recovered your money, where would
8 the bill then -- would it not be transferred to an active
9 Murray Construction account?

10 MS. HOLM: If I'm understanding you, you're saying if the
11 bill is in the tenant's name and the tenant has been
12 billed?

13 MS. NELSON: I'm not saying that anymore. I'm saying
14 maybe it was in the tenant's name. You're telling me if
15 it's in the tenant's name and they don't pay, you'll
16 transfer it to an active account?

17 MS. HOLM: No.

18 MS. LOSE: If it's in the tenant's name and the tenant
19 doesn't pay, it might get transferred to the tenant's new
20 service, same name, same residential classification or
21 commercial classification. It would not be transferred to
22 a different name, to a different customer.

23 MS. NELSON: Say that the tenant lives there. Arnold
24 Murray Construction is the customer of record here. I
25 don't understand how the transfer is going to go to Arnold

1 Murray Construction. Could this person have lived in this
2 house?

3 Are you telling me Arnold Murray Construction -- I
4 assume since their name is on there, they're the customer
5 of record. When I look at this, Arnold Murray
6 Construction has phoned up and said on whatever date that
7 Arnold Murray authorized you to connect the services, and
8 then they're going to be disconnecting no matter who is
9 living in that property. Is that true?

10 MS. LOSE: Possibly. That would be their choice to
11 disconnect service should she choose not to want the
12 service in their name. That's a relationship between them
13 as property owner or property manager and their tenants.
14 MidAmerican does not get involved in that.

15 MS. NELSON: Is it right for me to assume if Arnold Murray
16 Construction is listed on the top of this bill as the
17 party that you're going to bill, that regardless of who is
18 living there and if this bill is not paid, that if you can
19 find anywhere in your system another active account for
20 Arnold Murray Construction, that the charges for this
21 address are going to be billed to another active account
22 at Arnold Murray Construction?

23 MS. LOSE: That's correct.

24 MS. NELSON: All right. Thank you.

25 Q. (BY MS. MURRAY) What does the EIS mean?

1 A. It's an energy efficiency code.

2 Q. So this one doesn't have -- this one also doesn't tell
3 you who with Murray Construction called and placed this
4 service? In this case I know you don't have a letter in
5 the file. What I'm wondering is, if I remember right,
6 this screen doesn't tell who you called you?

7 A. This screen does not show that record, no.

8 Q. Are you aware that I could go out in that hallway and
9 call MidAmerican, and if I had your address, I could cut
10 your gas off in a heartbeat just over the phone?

11 MS. HOLM: Objection. What does that have to do with
12 this?

13 MS. MURRAY: She testified earlier -- she testified
14 earlier that someone from our office always calls, or they
15 always contact someone from our office. That's not true.
16 We can have a tenant call up. I can take it out of my
17 name and say it belongs to the owner. When it came to
18 where did you get the names for here, you testified that
19 you got them from us.

20 MS. WIEST: Objection overruled. She answered the
21 question.

22 A. The question was am I aware someone could call on the
23 phone and terminate someone else's utility service?

24 Q. (BY MS. MURRAY) Yes.

25 A. Yes, I'm aware the potential for that does exist.

1 Q. I could also go up and call this address and put it in
2 your name over the phone and make you the responsible
3 party?

4 A. The potential for fraudulent acts does occur.

5 Q. But there is nothing on this screen that tells me who
6 did it? You have no way of knowing it?

7 A. No.

8 MS. MURRAY: That's all I have.

9 EXAMINATION

10 BY MS. HUIZENGA:

11 Q. Did this customer pay this bill?

12 A. Which bill?

13 Q. Any of the bills that are listed on these screens?

14 A. No, they have not paid them. They had not paid them
15 before they were transferred.

16 Q. Have they eventually been paid?

17 A. Yes, they have.

18 Q. Is this some indication they took responsibility as
19 customer of record for these bills?

20 A. That does indicate responsibility, yes.

21 EXAMINATION

22 BY MS. MURRAY:

23 Q. But the other side of this, now you're going to get
24 the bill. This is my whole entire point of this thing.
25 You're going to go home today and get the bill that I put

1 in your name. Whether I put it in there or not, you're
2 going to get a bill. Now, it's got a due date of anywhere
3 from 15 to 30 days later. You're going to call up
4 MidAmerican and say this is not my bill. They're going to
5 spend two or three days trying to research this for you.
6 Then they're going to get back to you.

7 Meanwhile, this is going back and forth, and your
8 due date is gone. Now they're going to transfer this
9 balance that you don't think is yours to your new address
10 because you've moved. They're going to do it whether or
11 not -- there is nothing even on these bills that say
12 they're disputed. There is nothing on this screen that
13 says -- I know on that 4903 I personally called in. There
14 is nothing on this screen that says this client called and
15 said this isn't my balance. This client called, and this
16 person told me that balances were transferred from one,
17 not four, one previous address. Why?

18 A. Doing business over the phone does create a potential
19 for fraudulent acts. If MidAmerican is notified of a
20 potential fraudulent act and a disputed bill, we do remove
21 those charges. You're right. You may get another bill
22 while it's being researched. MidAmerican will remove
23 those charges and research to bill the appropriate party.
24 Q. I'm not talking about the charges. I'm talking about
25 the transferability of it. If I'm late paying my bills,

1 I'll pay the late charges. There is nothing here --
2 whether it's disputed or not, at the end of that due
3 period, whether it's been resolved or not, you're going to
4 transfer that balance, right?

5 You can see the writing all over them. Those were
6 disputed bills the entire length of time they were going
7 on. Yet they were still transferred.

8 A. Because they were fraudulent, they were disputed?

9 Q. I'm not talking fraudulent. I was bringing up a point
10 you shouldn't do it over the phone for one thing. You're
11 the one who testified that somebody from our office called
12 you to tell you who the owner is. I am saying these bills
13 were disputed. They went past your due date. They were
14 transferred. Nothing in here tells you that I disputed
15 those bills, and you transferred them.

16 MS. HOLM: Were you disputing the gas bills that are
17 listed there, these bills?

18 MS. MURRAY: Those are the disputed bills.

19 MS. HUIZENGA: Are you disputing the gas was used at those
20 premises?

21 MS. MURRAY: No. It doesn't matter why they're disputed.
22 The instance that I gave you was that I could have done it
23 to you.

24 MR. BURG: I have one question for Ms. Murray. Are you
25 disputing the 77.32?

1 MS. MURRAY: It's now our bill. That belongs to the
2 tenant. I will have to go get it from the tenant.
3 MR. BURG: Are you disputing whether MidAmerican
4 accurately billed you for it?
5 MS. MURRAY: No, it shouldn't have been billed to me.
6 MR. BURG: Who should it have been billed to?
7 MS. MURRAY: The tenant.
8 MR. BURG: But from your own testimony, this tenant didn't
9 call in until March 14.
10 MS. MURRAY: Yes, because I have the landlord letter.
11 MR. BURG: This bill occurred before March 14. Do you
12 dispute that?
13 MS. MURRAY: I haven't looked at it. The bill is paid.
14 MR. BURG: By who?
15 MS. MURRAY: Murray I paid that one, and Murray
16 Construction paid the Oxbow.
17 MR. BURG: If you didn't feel you owed it, why did you pay
18 it?
19 MS. MURRAY: It's not that I didn't feel I owed it.
20 MR. BURG: That's the question I'm trying to get to. Did
21 they accurately bill this usage?
22 MS. MURRAY: I would assume they read the meter and billed
23 the right usage.
24 MR. BURG: Okay.
25 MS. MURRAY: My dispute is that in the course of trying to

1 straighten it out, to get that tenant to call them, it is
2 a disputed bill. It had no right to be transferred from
3 an inactive to an active.

4 MR. BURG: The point is you haven't disputed the fact this
5 was billed properly to you. Now, you should be able to
6 get it back from your tenant. That's between you and
7 them.

8 MS. MURRAY: That's right.

9 MR. BURG: But the bill was unpaid for, what, three or
10 four months in this case?

11 MS. MURRAY: Almost six, I think.

12 MR. BURG: So you feel it's inaccurate or should not be
13 allowed to be transferred for those three months?

14 MS. MURRAY: I don't feel any commercial account should be
15 allowed to be transferred. Because for any commercial
16 account to not pay the bill, there has to be a problem
17 with it. That's my first thing. If you pull all of
18 Arnold Murray Construction's house meters, their house
19 meter accounts, not one of them are late or transferred or
20 anything. They are specific. They are there. It's a
21 building. They're not late. They're paid. You get into
22 landlord/tenant, people moving in and out, you get into a
23 whole new world of hurt.

24 The other side of the thing, like you and I were
25 talking about, I can rent that unit, and that tenant can

1 call you on the phone and place the gas in their name,
2 correct?

3 MS. LOSE: Correct.

4 MS. MURRAY: But I can't call in and place it in the
5 tenant's name?

6 MS. LOSE: No.

7 MS. MURRAY: But when they move, in the case of this town
8 house with no landlord letter, you took it from the
9 previous owner -- mind you it was previously owned not
10 even leased -- and placed it into Arnold Murray
11 Construction's name without any consent because Murray
12 Construction was the developer and happened to be the new
13 owner. As a matter of fact, not even that. It's Arnold
14 Murray Construction, LLC, that bought that particular town
15 house, not the construction company.

16 It's kind of like we're not on a level playing
17 field here. My tenant can do anything they want over the
18 phone, but I can't. And you won't work with us on
19 disputed bills.

20 MS. HUIZENGA: Are we asking questions or testifying, or
21 what are we doing?

22 MS. MURRAY: I'm done.

23 MS. WIEST: Any closing statements of any of the parties?

24 MR. HOSECK: Yes.

25 MS. WIEST: Do any other parties wish to make closing

1 statements? Go ahead.

2 MR. HOSECK: Commissioners, commission staff would have a
3 couple comments to bring this to a quick close here. I'm
4 not so sure that this complaint itself isn't moot because
5 at least in one sense it seems that the company has
6 apologized, and their testimony here today is that they
7 are not going to repeat this process.

8 In another sense, the staff would like to emphasize
9 that this is not about refusal of service. It's not about
10 disconnection, but it's rather about switching of balances
11 from one account to another.

12 Now, to the extent that that may recur, staff's
13 position would be that this type of a transfer, if it is
14 from a tenant to a landlord, without the landlord's
15 permission, is it impermissible to transfer it? And if
16 that involves the use of the terms active or inactive
17 accounts, from an inactive to an active account, that that
18 same principal applies.

19 It's staff's position in this that this basically
20 boils down to a matter of contract, who asked for the
21 service and who should pay for the bill. And our position
22 would be that the person who contracted for the service
23 should be responsible for the bill and that the utilities
24 should not automatically transfer balances without -- for
25 instance, in this case a landlord or property manager's

1 permission. Thank you.

2 MS. WIEST: I believe I did ask for a late filed exhibit.

3 The commission will receive that exhibit, and afterwards

4 it will make its decision at the commission meeting. No

5 briefs are required of the parties. Thank you. I'll

6 close this hearing.

7 (The hearing was concluded at 11:20 a.m.,

8 September 30, 1997.)

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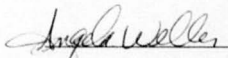
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I, Angela Weller, Court Reporter in
the above-named County and State, certify that the
above-entitled proceedings were reported by me, and the
foregoing pages 1 - 108, inclusive, are a true and correct
transcript of my stenotype notes.

Dated at Sioux Falls, South Dakota, this 22nd
day of October, 1997.



Angela Weller

Section

- 20:10:20:01 Reasons for refusal -- Use.
20:10:20:02 Insufficient reasons for refusal.
20:10:20:03 Nonpayment of past due bills as reason for disconnection.
20:10:20:04 Other reasons for disconnection.
20:10:20:05 The notice of disconnection.
20:10:20:06 The disconnecting act.
20:10:20:07 Last minute payments.
20:10:20:08 Insufficient reasons for disconnection.
20:10:20:09 Landlord and tenant rule.
20:10:20:10 Residential winter disconnection.
20:10:20:11 Residential medical emergency.

m 9 2 97 *ARW*
Def. Sec. 1

20:10:20:01. Reasons for refusal -- Use. Utility service may be refused for one or more of the following reasons:

(1) An applicant is indebted to the same utility for past bills incurred and refuses to liquidate the debt for the same class of service;

(2) An applicant refuses to pay a reasonable deposit, advance payment, or installation charge;

(3) An applicant, although not personally liable to the utility, is attempting to return service to an indebted household and no attempts are forthcoming to liquidate the debt of that household;

(4) An applicant is unwilling to provide correct information about any or all of the following:

- (a) Past utility service;
- (b) Previous employment;
- (c) Previous address.

(5) An applicant is in violation of state statutes or utility rules filed with the commission concerning evasion of payment, use of service for unlawful purposes, interference with or destruction of service facilities, or violation of service regulations.

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

Cross-References: SDCL 49-34-18 to 49-34-21.

20:10:20:02. Insufficient reasons for refusal. A utility may not refuse service for the following reasons:

(1) To an applicant who will not liquidate a debt to another utility, a debt for another class of service, or a debt for other bills not based on filed rates or charges;

(2) For nonpayment of a bill for which the applicant is a guarantor unless

the guarantor is legally liable for a particular bill and has refused to pay it;

(3) To an applicant requesting service for a dwelling at which the former occupant was delinquent in paying a debt to the utility; or

(4) To an applicant who is living with someone indebted to the utility in an attempt to force payment of that indebtedness, except in the instance described in subdivision 20:10:20:01(3).

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986; 13 SDR 40, effective October 14, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

20:10:20:03. Nonpayment of past due bills as reason for disconnection.
Following is a list of conditions, all of which must be satisfied before a customer may be disconnected for nonpayment of a bill:

(1) Only the class of service for which payment is past due can be disconnected;

(2) The customer has received a payment period of not less than 20 days from billing transmittal date to due date and an additional notice period of not less than 10 days during which the particular bill has been owing. The payment period may be shortened if the customer has been properly placed on an early payments list. The payment period may also be waived in cases of customer fraud or illegal use or when it is clear that the customer has left or is preparing to leave without paying a past due bill;

(3) The customer has received written notice of the utility's intention to disconnect, which notice has been either mailed or delivered to the address to which bills are customarily sent or the address where the service is provided. In the case of a customer's first disconnection, the utility shall provide personal notice by either telephone, visit, or certificate of mailing. The written notice and personal notice shall contain a statement of the customer's right to appeal and where to appeal the decision to disconnect. The utility shall make every reasonable effort to provide notice of a pending disconnection;

(4) The customer, especially if the customer claims inability to pay or extenuating circumstances, is unwilling to enter into a reasonable agreement with the utility to liquidate the debt;

(5) There is no bona fide and just dispute surrounding the bill. A dispute may not be defined as bona fide and just if a customer does not pay the undisputed portion of a bill and does not contact the commission with the unresolved dispute within 10 working days after the disconnect notice was sent; and

(6) If the customer is receiving gas and electric service from the same utility, the utility shall make every reasonable effort to inform the customer that the customer may have payments applied to either the gas or electric portion of a bill in order to avoid the disconnection of that service.

utility shall also provide the customer with a breakdown of the customer's current gas and electric charges. If the customer then requests that payments be applied in part or in whole to preserve either gas or electric service, the utility shall act in accordance with the customer's designation and the utility shall not thereafter disconnect that customer's gas or electric service if payment for that service is made in full.

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

20:10:20:04. Other reasons for disconnection. A utility may disconnect a customer after reasonable notice for any one of the following:

- (1) Violation of subdivision 20:10:20:01(3) or 20:10:20:01(5);
- (2) Failure to comply with an agreement to liquidate a continuing debt as described in subdivision 20:10:20:03(4);
- (3) Failure to pay an increased deposit or a deposit as described in § 20:10:19:02;
- (4) Failure to grant the utility access to read meters, inspect the utility's facilities and conduct investigations for hazardous conditions.

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

20:10:20:05. The notice of disconnection. The notice of disconnection sent to the customer shall contain a specific explanation of the following:

- (1) The particular ground upon which the proposed disconnection is based;
- (2) The utility's intention to disconnect service unless the customer takes corrective action;
- (3) The corrective action which the customer must take to avoid disconnection;
- (4) Notice of the customer's right to appeal and where to appeal.

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

20:10:20:06. The disconnecting act. Service shall not be disconnected on any Friday, Saturday, Sunday, legal holiday, or at any time when the utility's business offices are not open to the public.

Source: 3 SDR 2, effective July 19, 1976; 12 SDR 86, effective November 24, 1985; 12 SDR 151, 12 SDR 155, effective July 1, 1986.

General Authority: SDCL 49-34A-4.

Law Implemented: SDCL 49-34A-3, 49-34A-4, 49-34A-27.

20:10:20:07. Last minute payments. The customer has the right to pay any delinquent bill at any time prior to disconnection in order to preserve

ACCT NO 8885180-20 CYCLE 03 STATUS INACTIVE ON DATE 10/96 PAGE 1
 NAME MURRAY I RD ROUTE 7118 RMKI CRED
 SERV ADD 704 W BAILEY ST 09/26/97
 CITY/ST SIOUX FALLS, SD BALANCE 0.00 MAIL CIS ACTIVITY NONE
 LLRD SERV G

AREC ***** ACCOUNTS RECEIVABLE HISTORY INFORMATION *****

DATE	TRAN	PAY CODE/ DUE DATE	UTILITY BILL/PAYMENT	OTHER BILL/PAYMENT	BALANCE
06/10/97	CPAY GROSS	DAV81	\$77.32-		\$0.00
04/08/97	LPMT		\$1.14		\$77.32
03/17/97	BILL DUE	04/08/97	\$19.05		\$76.18
03/06/97	BILL DUE	03/28/97	\$57.13		\$57.13
02/18/97	CPAY NET	DAC05	\$85.95-		\$0.00
02/12/97	CPAY PART	B2303	\$86.37-		\$85.95
02/05/97	BILL DUE	02/27/97	\$85.95		\$172.32
01/07/97	BILL DUE	01/29/97	\$86.37		\$86.37
12/26/96	CPAY NET	D4202	\$66.37-		\$0.00
12/03/96	BILL DUE	12/27/96	\$66.37		\$66.37

TRAN CODE - _____

PF3 - END

PF8 - FWD

PF15 - MENU

W. 3097
Det E4 3

ACCT NO 8885180-20 CYCLE 03 STATUS INACTIVE ON DATE 10/96 PAGE 1
NAME MURRAY I RD ROUTE 7118 RMKI CRED
SERV ADD 704 W BAILEY ST 09/26/97
CITY/ST SIOUX FALLS,SD BALANCE 0.00 CIS ACTIVITY NONE
LLRD MAIL SERV G

CRED ***** CREDIT INFORMATION *****
CURR 30 60 90
BUDGET AMT CUSTOMER'S PHONE 605-336-1680
BUDGET ARREARS SOC. SEC. NO.
MERCH AMT DUE DISCONNECT HISTORY 0000
CREDIT AMT DUE NSF HISTORY 000000000000
LAST PAY AMT \$77.32 LAST PAYMENT DATE 06/10/97
LAST GOOD READ DATE 03/05/97
LIEAP CODE N NOT LIEAP/ITP WELFARE PYMT CODE N NO WELFARE
OWNER CODE DISCONNECT DUE DATE 05/08/97 NO MONTHS EST

***** CREDIT ARRANGEMENTS *****
CONT CD CREDIT AMT CONT DATE TIME OPER DATE DUE COMMENTS
NO CONTA C 06/10/97 17:14 51138 TRSF FNL TO ACTV ACC
#9110630-12 (MURRAY CONSTRUCTION) SAME RATES/SAME MAIL ADD CONNIE/CREDIT

TRAN CODE - ____

PF3 - END

PF8 - FWD

PF15 - MENU

93047
- Def Eq 4

ACCT NO 9110630 12 CYCLE 09 STATUS ACTIVE ON DATE 04/97 PAGE 1
 NAME MURRAY CONSTRUCTION RD ROUTE 7138 RMKI 09/25/97
 SERV ADD 4903 S OXBOW AVE
 CITY/ST SIOUX FALLS,SD BALANCE 0.00 CIS ACTIVITY NONE
 MAIL SERV G

EEIS
 AREC ***** ACCOUNTS RECEIVABLE HISTORY INFORMATION *****
 PAY CODE/ UTILITY OTHER
 DATE TRAN DUE DATE BILL/PAYMENT BILL/PAYMENT BALANCE
 09/23/97 CPAY NET C3037 \$5.49- \$0.00
 09/11/97 BILL DUE 10/03/97 \$5.49 \$5.49
 08/25/97 CPAY NET R2065 \$5.67- \$0.00
 08/12/97 BILL DUE 09/04/97 \$5.67 \$5.67
 07/28/97 CPAY NET E2048 \$29.82- \$0.00
 07/14/97 BILL DUE 08/05/97 \$5.49 \$29.82
 07/10/97 CPAY PART DAC22 \$84.69- \$24.33
 07/07/97 LPMT \$1.61 \$109.02
 06/12/97 BILL DUE 07/07/97 \$7.38 \$107.41
 06/10/97 CPAY TRANS DAV81 \$2.00 \$100.03
 06/10/97 CPAY TRANS DAV81 \$8.02 \$98.03
 06/10/97 CPAY TRANS DAV81 \$77.32 \$90.01
 06/05/97 LPMT \$1.19 \$12.69
 05/19/97 CPAY PART D2041 \$5.11- \$12.50
 05/13/97 BILL DUE 06/05/97 \$12.50 \$17.61
 TRAN CODE - PF3 - END PF8 - FWD PF15 - MENU

11/9/2007
 Del Eq. 5

ACCT NO	8836700-15	CYCLE 03	STATUS	CHRG OFF	ON DATE 08/96	PAGE 1
NAME	MURRAY I		RD ROUTE	7091		CRED
SERV ADD	1128 N WALTZ AVE					09/26/97
CITY/ST	SIOUX FALLS, SD		BALANCE	0.00		CIS ACTIVITY NONE
	LLRD				MAIL	SERV G
AREC *****	ACCOUNTS	RECEIVABLE HISTORY	INFORMATION *****			
	PAY CODE/	UTILITY	OTHER			
DATE	TRAN	DUE DATE	BILL/PAYMENT	BILL/PAYMENT		BALANCE
06/10/97	CPAY NO CR	DAV81	\$2.00-			\$0.00
09/06/96	BILL DUE	09/30/96	\$2.00			\$2.00

TRAN CODE - _____

PF3 - END

PF8 - FWD

PF15 - MENU

11/2/97
- [Signature] 6

ACCT NO 8836700-15 CYCLE 03 STATUS CHRG OFF ON DATE 08/96 PAGE 1
NAME MURRAY I RD ROUTE 7091 CRED
SERV ADD 1128 N WALTZ AVE 09/26/97
CITY/ST SIOUX FALLS,SD BALANCE 0.00 CIS ACTIVITY NONE
LLRD MAIL SERV G

CRED ***** CREDIT INFORMATION *****
CURR 30 60 90
BUDGET AMT CUSTOMER'S PHONE 605-336-1680
BUDGET ARREARS SOC. SEC. NO.
MERCH AMT DUE DISCONNECT HISTORY
CREDIT AMT DUE NSF HISTORY 000000000000
LAST PAY AMT \$2.00 LAST PAYMENT DATE 06/10/97
LAST GOOD READ DATE 08/30/96
LIEAP CODE N NOT LIEAP/ITP WELFARE PYMT CODE N NO WELFARE
OWNER CODE DISCONNECT DUE DATE NO MONTHS EST

CHARGED OFF DATE 12/06/96 CHARGED OFF TO IN-HOUSE COLLEC
***** CREDIT ARRANGEMENTS *****
CONT CD CREDIT AMT CONT DATE TIME OPER DATE DUE COMMENTS
NO CONTA C 06/10/97 17:13 51138 TRSF CHG OFF TO ACTV
ACCT #9110630-12 (MURRAY CONSTRUCTION) SAME RATES/SAME MAIL ADD CONNIE/CREDIT

TRAN CODE - _____

PF3 - END

PF8 - FWD

PF15 - MENU

M. J. 7
Def Ex 7

ACCT NO 8836690-15 CYCLE 03 STATUS CHRG OFF ON DATE 06/96 PAGE 1
 NAME MURRAY I RD ROUTE 7091 RMKI CRED
 SERV ADD 1126 N WALTS AVE 09/26/97
 CITY/ST SIOUX FALLS,SD BALANCE 0.00 MAIL CIS ACTIVITY NONE
 LLRD SERV G

AREC *****		ACCOUNTS	RECEIVABLE HISTORY	INFORMATION *****
DATE	TRAN	PAY CODE/ DUE DATE	UTILITY BILL/PAYMENT	OTHER BILL/PAYMENT
06/10/97	CPAY NO CR	DAV81	\$8.02-	
08/07/96	CPAY PART	01135	\$4.40-	
07/17/96	BILL DUE	08/08/96	\$8.02	
07/01/96	BILL DUE	07/24/96	\$4.40	
				BALANCE
				\$0.00
				\$8.02
				\$12.42
				\$4.40

TRAN CODE - _____

PF3 - END

PF8 - FWD

PF15 - MENU

M. J. ...
Deb. Exp. 8

ACCT NO 8836690-15 CYCLE 03 STATUS CHRG OFF ON DATE 06/96 PAGE 1
 NAME MURRAY I RD ROUTE 7091 RMKI CRED
 SERV ADD 1126 N WALTS AVE 09/26/97
 CITY/ST SIOUX FALLS,SD BALANCE 0.00 CIS ACTIVITY NONE
 LLRD MAIL SERV G

CRED ***** CREDIT INFORMATION *****
 CURR 30 60 90
 BUDGET AMT CUSTOMER'S PHONE 605-336-1680
 BUDGET ARREARS SOC. SEC. NO.
 MERCH AMT DUE DISCONNECT HISTORY 0
 CREDIT AMT DUE NSF HISTORY 000000000000
 LAST PAY AMT \$8.02 LAST PAYMENT DATE 06/10/97
 LAST GOOD READ DATE 06/28/96
 LIEAP CODE N NOT LIEAP/ITP WELFARE PYMT CODE N NO WELFARE
 OWNER CODE DISCONNECT DUE DATE NO MONTHS EST

CHARGED OFF DATE 10/15/96 CHARGED OFF TO IN-HOUSE COLLEC
 ***** CREDIT ARRANGEMENTS *****
 CONT CD CREDIT AMT CONT DATE TIME OPER DATE DUE COMMENTS
 NO CONTA C 06/10/97 17:12 51138 TRSF CHG OFF TO ACTV
 ACCT #9110630-12 (UNDER MURRAY CONSTRUCTION) SAME RATES - SAME MAIL ADD CONNIE
 CREDIT

TRAN CODE - PF3 - END PF8 - FWD PF15 - MENU

M 2-22-97
Def. 24.9

PLEASE TYPE OR PRINT CLEARLY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

COMPLAINT

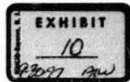
Complainant(s) (The party filing the complaint)		Respondent(s) (The person or Company complained against)	
Name	Arnold Murray Const Arnold Murray	Contact Person	
Address	333 W Phillips Ave	Company	Mid American Energy
City, State, Zip	Sioux Falls SD 57104	Address	
Work Phone	605-336-1680	City, State, Zip	Sioux Falls SD
Home Phone	605-362-9849	Work Phone	
Cellular Phone	-	Cellular Phone	
Fax	605-336-1680	Fax	

If the Complainant is represented by an attorney, please list the attorney's name, address, telephone number and fax number below.
If Complainant is not represented by an attorney, please leave blank:

The facts giving rise to my complaint:

Mid American Energy is transferring final bills from one meter that is inactive to an active meter. They do not provide usage, addresses etc. We did not give our permission for this. As a property manager, who fee manages for other owners, this is very confusing. We are getting the bills for other owners and/or tenants and properties that should not be paid by us. The bills cannot even be checked for accuracy without a separate bill. We have approx 100 T accounts that took 2 days of phone calls to straighten out. Finally they agree with us. However these are billed out of Des Moines. Would you pay a bill that you did not know the address? Or better yet, if I send you a bill because I manage for you that had my name on it with 5 different amounts, would you write me a check? I don't think so.

NOTE: Please attach additional pages. This form is subject to the rules of any state or federal court which may apply to any dispute.



RESOLUTION REQUEST

I ask that the Public Utilities Commission grant the following relief. (What do you think the Commission should do to solve this problem?)

Order them to stop this practice. I'm not allowed
to master meter. They should not be allowed to
master bill. They should have to require my consent
to do this. Someone with only 3 property might
appreciate it. However, I don't

NOTE: Please attach any additional pages, if necessary.

VERIFICATION

Signature must be witnessed by a notary public.

Bonnie Murray
Complainant's Signature

7-8-97
Date

State of South Dakota

County of Minnehaha

On this 8th day of July, 1997, Bonnie Murray, below me
personally came and appeared Bonnie Murray
known to me to be the individual described herein and who executed the foregoing instrument, and who duly acknowledged to me
that he/she executed same for the purposes therein contained.

IN WITNESS WHEREOF, I have set my hand and official seal.

Sandra Liesinger
Notary of Notary Public



(SEAL)

My commission expires: 7-27-2003

For Service/Information Call the following numbers any time, any day: MidAmerican 800-336-9497
Customer Office: 115 50 MAIN AVE SIOUX FALLS, SD ENERGY

*** BILLING SUMMARY ***

Previous Balance as of 05/15/97
Present Balance 05/15/97
Late Payment Charged On 06/05/97
Transferred Final
1 Account balance before Billing
2 Sioux Falls City Tax
3 Sioux Falls City Tax
4 50 Dakota State Sales Tax
Total Current Billing
Account Balance

AMOUNT DUE IF PAID BY JUL 07, 1997

***** BULLETIN BOARD *****

CONSUMER REQUESTS Questions about your bill... FIRST CALL MIDAMERICAN AT 1-800-658-6478
CONSUMER If you are unable to resolve a problem and wish to file a complaint, you may call 1-865-773-3201 to contact the South Dakota PUC.
INQUIRIES

***** COMPARATIVE INFORMATION *****

THIS YR	LAST YR	DAYS		USE/DAY	AIR TEMPERATURE		COST PER DAY
		TOTAL	USAGE		Normal	Gas	
1997	1996	30	3	1.2	58°	6.23	6.23
					Last Yr		

***** GAS SERVICE *****

Rate for Residential Gas
Billing Period 05/10 Days
Usage 2653
Cost of Natural Gas 1.035
05/12/97 to 06/11/97
Billing Usage, Therms 4

Billing Usage, Therms

Service Charge	30 Days X	9.1726	=	\$3.18
Non-Gas Cost				
Fixed	250 Therms	9.1727		2.29
Variable	250 Therms	9.1727		2.29
Cost of Natural Gas	0.3	6.6526		1.99
Commodity	4 Therms X \$ 0.74450			2.98
	4 Therms X \$ 0.254178			1.02

*** GAS CHARGES ***

Name: MURRAY CONSTRUCTION
Address: 4963 S OXIDE AVE SIOUX FALLS, SD
Account No. 910630-12
Billing Date 06/12/97

Page 1 of 1



RECEIVED

AUG 25 1997

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

MidAmerican Energy Company
One RiverCenter Plaza
100 East Second Street
P.O. Box 4250
Des Moines, Iowa 50308
319 323-6000 Telephone
319 323-8521 Facsimile

Karen M. Huizenga
Attorney

August 22, 1997

By Federal Express

William Bullard
Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

Re: Docket No. NG97-012
South Dakota Public Utilities Commission

Dear Mr. Bullard:

Enclosed please find an original and two copies of MidAmerican Energy Company's Answer in the above-captioned matter. We request you date-stamp and return one copy in the enclosed envelope for our files. A Certificate of Service is also enclosed.

Sincerely,

A handwritten signature in cursive script, appearing to read "Karen M. Huizenga".

KMH-ckt
Encl.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE COMPLAINT FILED)	
BY ARNOLD MURRAY CONSTRUCTION,)	
SIOUX FALLS, SD, AGAINST)	ANSWER
MIDAMERICAN ENERGY COMPANY)	NG97-012
REGARDING TRANSFERRING UNPAID)	
BALANCES TO ITS ACCOUNT)	

Comes now, MidAmerican Energy Company ("Respondent" or "MidAmerican"), by and through its attorneys, and for its Answer to Complaint in the above-captioned proceeding states:

1. MidAmerican does transfer final bills that remain unpaid from inactive accounts of a customer to active accounts of that customer for the same class of service.
2. It is MidAmerican's practice to review accounts wherein two billings for a finaled account have been sent out and both remain unpaid. MidAmerican notes that both of these bills would have the service address, account number, and other pertinent information for the finaled accounts.
3. For the instance that is the subject of this Complaint:
 - a. On March 14, 1997, a Murray 1 account, 8885180-20, 704 W. Bailey, Sioux Falls, SD, was finaled. The bill included usage from 2/5/97 - 3/14/97 for \$76.18 with a due date of April 8, 1997.
 - b. On May 6, 1997, because the first final bill remained unpaid, a second final bill with a due date of approximately May 15, 1997 was issued.
 - c. When the second final bill also went unpaid, the account printed on the Credit Report (accounts to be charged off). Accounts appearing on this



report are reviewed to check for the possibility of transfer to other active accounts. If none are found, the delinquent accounts are listed with an outside collection agency.

- d. On June 10, 1997 a credit representative transferred the balance due on the above inactive account to an active account. This transfer occurred 25 days after the due date of the second final bill.
- e. However, in this instance the credit representative violated Company policy by transferring the delinquent balance of an account styled "Murray I, c/o A. Murray Construction" with a mailing address of 333 N. Phillips Ave., to an account styled "Murray Construction" with a mailing address of 333 N. Phillips Ave. While the party responsible for payment may be identical, it is NOT MidAmerican's policy to transfer balances from inactive delinquent accounts to active accounts unless the customer name is the same. In this case, it was not and MidAmerican apologizes to Complainant.

4. MidAmerican notes that any confusion resulting from the transfer of delinquent account balances from finaled accounts to active accounts can be avoided by Complainant paying the balance due at least before the date due on the second final bill. Further such transfer minimizes collection costs, which in turn benefits all ratepayers.

5. To the extent the relief Complainant is actually requesting is that MidAmerican never transfer delinquent finaled balances, MidAmerican states that there is no rule in the Gas and Electric Customer Billing Rules, Chapter 20:10:17, South Dakota Administrative Code

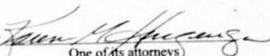
that prohibits such transfer.

CONCLUSION

Because the transfer of delinquent balances from inactive to active accounts of the same class of service does not violate a Commission rule or tariff, Complainant's request should be denied.

MIDAMERICAN ENERGY COMPANY

By



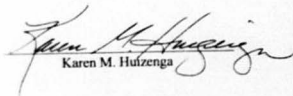
One of its attorneys

Suzan M. Stewart, Managing Senior
Regulatory Attorney
Karen M. Huizenga, Attorney
106 East Second Street
P.O. Box 4350
Davenport, Iowa 52808
319/333-8006 (Voice)
319/333-8021 (Facsimile)

PROOF OF SERVICE

I hereby certify that I have on this 22nd day of August, 1997 served a copy of the foregoing document upon the following parties:

Arnold Murray Construction
Bonnie Murray
333 N. Phillips Ave.
Sioux Falls, South Dakota 57104


Karen M. Hutzenga

BILLING DATE 03/06/97
SXF 1019787

ACCOUNT NO. 8885180-20 8

Mid-American
ENERGY

AMOUNT DUE	\$57.13
Make checks payable to MidAmerican Energy	

After MAR 28, 1997 pay \$57.99

|||||
MURRAY I
2 A MURRAY CONSTRUCTION
333 N PHILLIPS AVE
SIOUX FALLS, SD 57102-6005

Attachment 10a

**** IF PAYING BY MAIL, DETACH AND INCLUDE THIS PORTION - DO NOT STAPLE ****

8885180208 00000057136 00000057990 1 8885180208 00000057136 00000057990

For Service/Information Call the following numbers any time, any day, MidAmerican 605-336-9497 -
Customer Office: 114 SO MAIN AVE SIOUX FALLS, SD Energy

*** BILLING SUMMARY ***

Previous Balance As Of 02/05/97	\$172.32	
Payments As Of 03/06/97	172.32CR	
Account Balance Before Billing		\$ 0.00
Total Gas Charges	\$53.89	
2% Sioux Falls City Tax	1.08	
4% So Dakota State Sales Tax	2.16	
Total Current Billing And		\$57.13
Account Balance		

AMOUNT DUE IF PAID BY MAR 28, 1997

\$57.13

***** BULLETIN BOARD *****

CONSUMER
INQUIRIES

Questions about your bill...FIRST CALL MIDAMERICAN AT 1-800-458-4478

CONSUMER
INQUIRIES

If you are unable to resolve a problem and wish to file a complaint,
you may call 1-605-773-3201 to contact the South Dakota PUC.

***** COMPARATIVE INFORMATION *****

GAS COMPARISON				AVG TEMPERATURE		COST PER DAY	
	DAYS	TOTAL USAGE, Therms	USE/DAY			Gas	\$1.86
THIS YR	29	106	3.7	This Yr	18°		
LAST YR	29	192	3.5	Normal	21°		
				Last Yr	28°		

***** GAS SERVICE *****

Rate SVF RESIDENTIAL GAS	New Reading (ACTUAL)	MAR 05	9364
Billing Period 29 Days	Prior Reading	FEB 04	9255
Meter Number 301377549	Usage		109
02/04/97 to 03/05/97	Pressure Factor, multiply by		.967
	BTU Factor, multiply by		1.009

Billing Usage, Therms 106

Service Charge	29 Days X	\$ 1.726	=	\$5.01
NON-GAS COST:				
First	250 Therms	106 @	\$ 1.3727	14.55
Additional	Therms	0 @	\$ 0.8824	.00
COST OF NATURAL GAS:				
Pipeline Transportation	106 Therms X @	.075180	=	7.97
Commodity	106 Therms X @	.248690	=	26.36

Gas Charges

\$53.89

Name MURRAY I
Account No. 8885180-20 8

Address 704 W BAILEY ST SIOUX FALLS, SD
Billing Date 03/06/97 Page 1 of 1



FINAL BILL
BILLING DATE 05/17/97
SXF 1025041

ACCOUNT NO. 8885180-20 8

AMOUNT

DUE

\$76.18

Make checks payable to MidAmerican Energy

After APR 08, 1997 pay

\$77.32

|||||
MURRAY I
2 A MURRAY CONSTRUCTION
333 N PHILLIPS AVE
SIOUX FALLS, SD 57102-6005

Attachment 108

**** IF PAYING BY MAIL, DETACH AND INCLUDE THIS PORTION - DO NOT STAPLE ****

8885180208 00000076182 00000077321 1 8885180208 00000076182 00000077321

For Service/Information Call the following numbers any time, any day: MidAmerican 605-336-9497
Customer Office: 114 SO MAIN AVE SIOUX FALLS, SD Energy

**** BILLING SUMMARY ****

Previous Balance As Of 03/06/97

\$57.13

Total Gas Charges

17.97

2% Sioux Falls City Tax

.36

4% So Dakota State Sales Tax

.72

Total Current Billing

Account Balance

19.05

\$76.18



AMOUNT DUE IF PAID BY APR 08, 1997

\$76.18

******* BULLETIN BOARD *********FINAL
BILL**

If you have any questions, please call your local office.
The phone number is listed at the top of your bill.

**CONSUMER
INQUIRIES**

Questions about your bill... FIRST CALL MIDAMERICAN AT 1-800-458-4478

**CONSUMER
INQUIRIES**

If you are unable to resolve a problem and wish to file a complaint,
you may call 1-605-775-3201 to contact the South Dakota PUC.

****** COMPARATIVE INFORMATION ******

THIS YR LAST YR	GAS COMPARISON		USE/DAY	AVG TEMPERATURE		COST PER DAY	
	DAYS	TOTAL USAGE, Therms		(this bill period)			
9	29	102	3.5	This Yr	26°	Gas	\$2.00
			3.5	Normal	27°		
				Last Yr	29°		

Name MURRAY I
Account No. 8885180-20 8

Address 704 W BAILEY ST SIOUX FALLS, SD
Billing Date 05/17/97 Page 1 of 2

MidAmerican
ENERGY2ND FINAL
BILLING DATE 04/29/97
SXF 1000484

ACCOUNT NO. 8885180-20 8

AMOUNT
DUE

\$77.32

Make checks payable to MidAmerican Energy

Payment due by MAY 08, 1997

MURRAY I
T & MURRAY CONSTRUCTION
333 N PHILLIPS AVE
SIOUX FALLS, SD 57104-6005**Attachment 10C**

**** IF PAYING BY MAIL, DETACH AND INCLUDE THIS PORTION - DO NOT STAPLE ****

8885180208 00000077321 00000077321 1 8885180208 00000077321 00000077321

For Service/Information Call the following numbers any time, any day: MidAmerican 605-336-9497
Customer Office: 114 50 MAIN AVE SIOUX FALLS, SD Energy

** BILLING SUMMARY **

Account Balance

\$77.32

AMOUNT DUE

\$77.32

*Transferred to 4903 Billing**Display held for final*

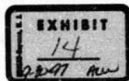
AMOUNT DUE BY MAY 08, 1997

\$77.32

***** BULLETIN BOARD *****

FINAL
NOTICE

To avoid further collection activity please pay in full or make arrangements by the due date. Thank you for your cooperation

*Trans June 10, 1997 to CHTA
Final - meter read - akwan Resp. 3-14-97*Name MURRAY I
Account No. 8885180-20 8Address 704 W BAILEY ST SIOUX FALLS, SD
Billing Date 04/29/97 Page 1 of 1

MidAmerican Energy Company

Attachment 100

For Service/Information Call the following numbers any time, any day: MidAmerican 605-336-9497
Customer Office: 114 50 MAIN AVE SIOUX FALLS, SD Energy

** BILLING SUMMARY **

Previous Balance As Of 05/15/97 \$17.61
Payment Received 05/19/97 5.11CR
Late Payment Charged On 06/05/97 87.34
Transferred Final 87.34
Account Balance Before Billing \$100.03
Total Gas Charges 96.96
2% Sioux Falls City Tax .14
4% So Dakota State Sales Tax .28
Total Current Billing 7.38
Account Balance \$107.41

Handwritten: 84.69, 107.41, 87.34, 20.07

AMOUNT DUE IF PAID BY JUL 07, 1997 \$107.41

***** BULLETIN BOARD *****

CONSUMER INQUIRIES

Questions about your bill...FIRST CALL MIDAMERICAN AT 1-800-458-4478

CONSUMER INQUIRIES

If you are unable to resolve a problem and wish to file a complaint, you may call 1-605-773-3201 to contact the South Dakota PUC.

***** COMPARATIVE INFORMATION *****

GAS COMPARISON				AVG TEMPERATURE		COST PER DAY	
	DAYS	TOTAL USAGE, Therms	USE/DAY	This Yr	50°	Gas	\$.23
THIS YR	30	4	.1	Normal	61°		
LAST YR	30	5	.2	Last Yr	61°		

***** GAS SERVICE *****

Rate SVF RESIDENTIAL GAS
Billing Period 30 Days
Meter Number A00516479
05/12/97 to 06/11/97

New Reading (ACTUAL) JUN 11 2683
Prior Reading MAY 12 2679
Usage 4
Pressure Factor, multiply by .967
BTU Factor, multiply by 1.005
Billing Usage, Therms 4

- Service Charge 30 Days X \$.1726 = \$5.18
NON-GAS COST:
First 250 Therms 4 @ \$.13727 = .55
Additional Therms 0 @ \$.08324 = .00
COST OF NATURAL GAS:
Pipeline Transportation 4 Therms X \$.074530 = .29
Commodity 4 Therms X \$.234170 = .94

- Gas Charges \$6.96

Name MURRAY CONSTRUCTION
Account No. 9110630-12 1

Address 4903 S OXBOW AVE SIOUX FALLS, SD
Billing Date 06/12/97 Page 1 of 1



ATTACHMENT 10E

For Service/Information Call the following numbers any time, any day, MidAmerican 605-336-9497
Customer Office: 114 50 MAIN AVE SIOUX FALLS, SD Energy

** BILLING SUMMARY **

Previous Balance As Of 06/12/97 \$107.41
Late Payment Charged On 07/07/97 1.61
Payment Received 07/10/97 84.69CR
Account Balance Before Billing \$24.33
Total Gas Charges \$5.18
2% Sioux Falls City Tax .10
4% So Dakota State Sales Tax .21
Total Current Billing \$29.82
Account Balance

Q#20445

AMOUNT DUE IF PAID BY AUG 05, 1997

\$29.82

***** BULLETIN BOARD *****

CONSUMER INQUIRIES

Questions about your bill...FIRST CALL MIDAMERICAN AT 1-800-458-4478

CONSUMER INQUIRIES

If you are unable to resolve a problem and wish to file a complaint, you may call 1-605-773-3201 to contact the South Dakota PUC.

***** COMPARATIVE INFORMATION *****

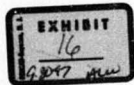
GAS COMPARISON				AVG TEMPERATURE		COST PER DAY	
DAYS	TOTAL USAGE, Therms	USE/DAY		This Yr	70°	Gas	\$.17
THIS YR	30	0		Normal	70°		
LAST YR	32	.1		Last Yr	72°		

***** GAS SERVICE *****

Rate SVF RESIDENTIAL GAS
Billing Period 30 Days
Meter Number A00516479
06/11/97 to 07/11/97

New Reading (ACTUAL) JUL 11 2683
Prior Reading JUN 11 2683
Usage 0
Pressure Factor, multiply by .967
BTU Factor, multiply by 1.012

Billing Usage, Therms 0



Service Charge 30 Days X \$.1726 = \$5.18
NON-GAS COST:
First 250 Therms 0 \$.13727 .00
Additional Therms 0 \$.08324 .00
COST OF NATURAL GAS:
Pipeline Transportation 0 Therms X \$.074530 = .00
Commodity 0 Therms X \$.231230 = .00

\$5.18

Gas Charges

Name MURRAY CONSTRUCTION
Account No. 9110630-12 1

Address 4903 S OXBOW AVE SIOUX FALLS, SD
Billing Date 07/14/97 Page 1 of 1



RECYCLED PAPER

MidAmerican Energy Company

METER ADDRESS: 1209 N. PRAIRIE AVENUE

After reviewing 7 months of 1997, checking payment dates against due dates there was only 1 month, (usage 3/3-4/2) where the bills were not paid prior to the tenth of the month. These bills followed bills that were all credit balances, causing a delay by having to check all bills. The delay on this billing cycle was 3 days. ATTACHMENT #1

The billings for 8/1/97 and 8/27/97 have the same "next reading date."

Arnold Murray Construction does not choose to age their bills. The bills must be reviewed for accuracy and divided by property to be paid by the proper owner. We also have to review meters to be certain whether or not the meters should be in a residents name. (if the unit has been re-rented.) Since NSP changes names by only a telephone call, the residents can have the electricity removed from their name at will. Then we need to wait while we find the resident and have them call NSP back. Many residents are immigrants who do not understand the concept of needing to call NSP. Then we have to find an interpreter or sponsor to have them place the electricity in the residents name.

The bills are then held for a final billing. The local office is helpful in recalculating bills, but this will cause a delay until we receive the final bill. All bills are paid by our company on the tenth of each month. If a bill is received on the twelfth of that month it is not paid until the tenth of the following month.

At no time did Arnold Murray Construction, L.L.C. or its subsidiaries give their consent to have transferred balances placed against any of their accounts, ESPECIALLY from one owner to another.

If MidAmerican Energy and Northern States Power are so certain that what they are doing is right, why don't they transfer balances to house meters instead of the individual units? What is going to happen when in mid billing cycle a resident takes over the meter and there sits a transferred balance?

Why transfer monies owed NSP? or MidAmerican? They do not send checks for credit balances. They do not transfer credit balances from one meter to another.

MidAmerica does not even itemize late charges on transferred balances. ATTACHMENTS 10B AND 10C



NSP:

Billing for 600 W. Bennett #11 has a balance transfer from 1209 N. Prairie #5. First, the name on the account is wrong. NSP was notified in April that the account should be in the name of Murray I. They changed this name from Quail Ridge Apartments to Arnold Murray Construction when this account belongs to Murray I.

ATTACHMENT 2 AND 3

Secondly, they state that they always put an address on the transfer. We had to contact NSP to find out where this balance was coming from.

The final on 1209 N. Prairie #5 was done on 4/2/97. Payment was sent on 5/13/97 for this amount. It was transferred to 600 W. Bennett St. #11 on 5/2/97. By telephone NSP states that they do not transfer balances until a second final is sent and ten days pass. This account was transferred in thirty days.

Attached also is a final bill from 1201 N. Prairie #1 which has transferred balances from 8 different units. Two of these transfers are from a different property. None of the transferred balances have addresses on them.

ATTACHMENT #4

1209-2 due date first final 5/12 paid 5/13 trans. 5/15/97
1205-12 due date first final 5/12 paid 5/13 trans. 5/15/97
1205-11 due date first final 5/12 paid 5/13 trans. 5/15/97
1205-7 due date first final 5/12 paid 5/13 trans. 5/15/97
1205-1 due date first final 5/12 paid 5/13 trans. 5/15/97
808-5 due date first final (corrected billing) 4/30 trans 5/3
804-4 due date first final 5/8 paid 5/13 trans. 5/13/97

ATTACHMENT #5A,B,C,D,E,F,G

As you can see there are only 3-5 days from date due to date transferred on these accounts. Again they are not waiting even the ten days to transfer balances. Again on two accounts they are crossing property lines. Each of these buildings have house meters. After reviewing billings, they needed to correct one billing as it was for the wrong amount.

708 W. Rice ATTACHMENT #6 (Lights had been turned off to final)

We received this bill dated 8/1/97 on 8/7/97 in the amount of \$4.04. It is marked a corrected final bill. Before we had a chance to pay this bill, we received a credit check for \$29.23 on 8/7.

Even better, 812 W. Bailey #2 due date 6/30/97 has a transferred balance from 804 W. Bailey #2 of \$13.15. If you see, they are transferring not only the balance due, but also showing the

payment of \$13.15.

ATTACHMENT #7A

They have also credited \$11.47 against a \$18.58 charge. Where did they get these amounts? The top of the statement is mailed with the payments. This occurs again with 700 W. Rice #3 the transferred amounts are showing the payments. Why were these not posted to the correct addresses. ATTACHMENT #7B

4506 S. Louise #1, due date 6/30/97, held for final per Katie at NSP. Has a transferred balance from 4504 S. Louise #2. This is two very different owners. Arnold Murray Construction owns 4500 S. Louise #1 the bill is sent to Eagle's Nest Apartments c/o Arnold Murray Construction, Sioux Falls. It has a transferred balance from RSP Properties who owns 4504 S. Louise #2 and are out of Beresford, S.D. ATTACHMENT #8

They have also transferred a balance from 1201 N. Prairie #1 to 1201 N. Prairie #12 for \$13.40. The account they transfer to has a credit balance of \$73.35 of which they remit a check. ATTACHMENT #9

After reviewing 196 bills of NSP's the following has proven true: of the 196 bills issued 28 were corrected billings, 12 were canceled billings, 20 had credit balances, and 13 were transfer balances. Late charges were charged against 62 of these billings since they were not paid on time. However, the late payments are actually the fault of NSP and NOT Arnold Murray Const. 73 of their bills or 37% of their billings have errors.

These 196 bills are only for individual units. The house meters were paid late 2 months out of 7 and 15 of those were credit balance bills.

MidAmerican Energy:

MidAmerican went from one step posting to three step posting. When done locally one person received and posted the payments. Now, three different people handle each payment.

Previous balance on the account at 704 W. Bailey was -0- as of 3/6/97. A final was billed on 3/17/97, we determined this was a tenant balance of \$19.05. We discussed this bill with MidAmerican and this bill was placed in the tenants name on 3/14/97. On 4/29/97 a second final was issued again with a balance of \$77.32. Then the balance transferred to a different owners account at 4903 S. Oxbow Avenue.

ATTACHMENTS 10A, 10B, 10C

This bill was originally the responsibility of Murray I and the resident Mr. Akwan. The transfer went to Arnold Murray Construction. The transfer is not even within the same property, let alone the same owner.

They then charged late fees on the transfer balance to the account that it was transferred to. Showing that account (4903) as late. This billings are in the proper name. MidAmerican CANNOT claim ignorance about not knowing it was not the correct owner. ATTACHMENT 10D

The billing does not show the address it was transferred from. We had to call to find out where this meter was and what address it originated from. It took the local office two days to find out this information.

Checks were then issued from the proper owners for their proper balances. However, it is sloppy work like this that causes the delays in payments. With approximately 125 gas meters to check and 400 electrical meters to check in any given month, the more they mess up their billings the longer it takes us to straighten them out. ATTACHMENTS 10D AND 10E

Their excuse has been that it is the computer causing these problems and that they have spent so much money on this system. This does not wash. A computer is only as good as the information that the human is feeding it.

After reviewing 120 MidAmerican bills:

The average of 1997 is 15 bills per month:

Of those all but 2 are in the wrong name:

They were notified April 1997 of the name changes.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT FILED)	FINAL ORDER AND
BY ARNOLD MURRAY CONSTRUCTION,)	DECISION; NOTICE OF
SIOUX FALLS, SD, AGAINST MIDAMERICAN)	ENTRY OF ORDER
ENERGY COMPANY REGARDING)	
TRANSFERRING UNPAID BALANCES TO ITS)	NG97-012
ACCOUNT)	

On July 8, 1997, the South Dakota Public Utilities Commission (Commission) received a complaint from Arnold Murray Construction (AMC), Sioux Falls, South Dakota, against MidAmerican Energy Company (MidAmerican) regarding transferring unpaid balances to its account. In the complaint, AMC alleged that MidAmerican is transferring final bills from one meter that is inactive to an active meter without providing usage, addresses, etc. AMC stated that as a property manager who fee manages for other owners, this practice is very confusing. Further, AMC explained that it is receiving bills for other owners and/or tenants and properties that should not be paid by AMC. With 100+ accounts, AMC alleged that it takes two days of telephone calls to straighten out the billing. In the complaint, AMC stated that MidAmerican did not have permission to bill in this manner. AMC requested the Commission to order MidAmerican to stop this practice and to require MidAmerican to obtain consent to bill in this manner.

At its regularly scheduled July 29, 1997, meeting, the Commission found probable cause of an unlawful or unreasonable act, rate, practice, or omission and served the complaint on MidAmerican. MidAmerican filed its response on August 25, 1997.

Pursuant to its Order for and Notice of Hearing dated September 18, 1997, a hearing was held on September 30, 1997, at the Days Inn Empire, 3401 Gateway Boulevard, Sioux Falls, South Dakota. At the end of the hearing, the Commission took the matter under advisement.

At its November 18, 1997, meeting, the Commission considered this matter. The Commission voted to find that although MidAmerican may transfer bills involving the same name and same class of service, its failure to itemize the transfers and identify the transfers by account numbers on the bills the transfers are added to is an unreasonable practice. In addition, the Commission found that MidAmerican's failure to itemize late charges on the bills when the late charges are actually incurred or transferred is an unreasonable practice.

Based on the evidence and testimony of record, the Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

I

On July 8, 1997, the Commission received a complaint from Arnold Murray Construction (AMC), Sioux Falls, South Dakota, against MidAmerican Energy Company (MidAmerican) regarding the transferring of unpaid balances to AMC's account.

II

Bonnie Murray, a representative of AMC, stated that MidAmerican should not be allowed to transfer balances without AMC's consent. Tr. at 7. In addition, Ms. Murray alleged that MidAmerican transfers balances from one owner to another. Id.

III

In its answer, MidAmerican apologized for the incident in which it transferred a bill to a different customer. Tr. at 32-33; Exhibit 2. Jeannette Lose, a representative of MidAmerican, stated that to prevent future mistakes MidAmerican's employees must now verify the class of service and name, not just the mailing address. Tr. at 58.

IV

Ms. Lose further testified that when service is terminated MidAmerican issues a final bill. Tr. at 38. The customer has approximately 30 days to pay the bill. Tr. at 39. If the bill is still unpaid, a second final bill is issued. Id. When the second final bill is sent a search is done to see if there is an active account with the same name and same rate classification. Id. If an active account is found, the inactive account is transferred to the active account. Id.

V

MidAmerican places a red stamp on some final bills which states that if the final bill remains unpaid, it will be transferred to the customer's active account and there is a space provided for the account number. Tr. at 57. However, when those bills are actually transferred, the transferred amounts are not separately itemized on the bill for the active account. Tr. at 83. Instead, all transferred amounts are added together and listed as a single amount and no account numbers are provided for those transferred amounts. Exhibit 15. In addition, when late charges are actually incurred, those charges are not itemized on that bill. Tr. at 82; Exhibit 14.

VI

The Commission finds that although MidAmerican may transfer bills involving the same name and same class of service, its failure to itemize each transfer and identify each transfer by account number on the bill the transfers are added to is an unreasonable practice. In addition, the Commission finds that MidAmerican's failure to itemize late charges on the bills when the late charges are actually incurred or transferred is an unreasonable act and violates ARSD 20 10 17 03(6).

CONCLUSIONS OF LAW

I

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26, 49-34A, and ARSD 20 10 01 15 and 20 10 17 03.

II

The Commission finds that although MidAmerican may transfer bills involving the same name and same class of service, its failure to itemize each transfer and identify each transfer by account number on the bill the transfers are added to is an unreasonable practice.

III

In addition, the Commission finds that MidAmerican's failure to itemize late charges on the bills when the late charges are actually incurred or transferred is an unreasonable practice and violates ARSD 20 10 17 03(6). This rule provides that a bill for gas service must list the late fee.

It is therefore

ORDERED that MidAmerican must itemize each transfer and identify each transfer by account number on the bill the transfers are added to, and it is

FURTHER ORDERED that MidAmerican must itemize late charges on the bills when the late charges are actually incurred or transferred.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 2nd day of December, 1997. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 2nd day of December, 1997

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By

Nelson Kacho

Date

12/4/97

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

PAM NELSON, Commissioner
dissenting

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner