

**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)	FINAL ORDER AND DECISION; NOTICE OF ENTRY OF ORDER 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 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: *Aldine Kaelo*

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