

**PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA**

NEWS RELEASE

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Commissioners Wefald, Clark and Cramer

****For Immediate Release****

Phone 701-328-2400

Public Service Commission Releases Annual Consumer Contact Report

The number of questions regarding billing of energy utilities more than doubled in the recent public contact report compiled by the North Dakota Public Service Commission, while the number of telecommunications contacts dropped significantly.

Each fall the Commission releases data on the number and type of contacts received through phone calls, e-mails and letters. Commission staff receive many contacts from people who have questions or need assistance with companies the agency regulates. The reporting period covered in the report includes the dates from September 1, 2007 through August 31, 2008.

Of the 808 contacts the Commission received, those regarding bills for electricity and natural gas totaled 200, which is more than double last year's total of 88.

A sharp increase in Otter Tail Power Co.'s electricity rates in the spring is the main reason why electricity billing contacts increased in the report.

The Commission received about 130 contacts in the first few months of 2008 from Otter Tail Power Co. customers as electricity prices spiked. The reason for the increase in Otter Tail's rates was because a planned outage of one of the company's power plants had not began on schedule and lasted for longer than originally planned. Otter Tail had to purchase power on the open market, which resulted in temporary increases in costs to consumers. The Commission opened an investigation and required the company to provide a detailed explanation of what had happened and an accounting of the power purchases.

Commission President Susan Wefald said the Commission helped Otter Tail customers by working with the company to allow customers more flexibility in paying the bills over time.

"Although Otter Tail was allowed to recover the costs associated with purchasing power during the outage, the Commission made sure customers were given a chance to spread out the bills through payment plans and avoid late fees and interest charges," Wefald said.

Staff received 246 contacts related to telecommunications services. That compares to 507 telecommunications contacts the previous year.

Staff saw large reductions in the number of billing questions received regarding telecommunications services, as well as fewer complaints about cellular phone companies. The number of contacts received regarding cellular phone companies decreased from 127 to 72.

Commissioner Tony Clark, who holds the telecommunications portfolio, said he is optimistic about the decrease in cellular phone complaints.

“It’s encouraging to see the number of telephone complaints decrease, especially the number of cellular phone complaints, because that gives us some indication that service continues to improve,” Clark said. “Although service has improved, we are still hearing from citizens that more needs to be done in certain areas and we will continue our efforts to advocate for better cellular coverage.”

The malfunction of more than 4,000 Xcel Energy gas meter modules in Fargo, West Fargo and Grand Forks resulted in a sharp increase in contacts this year regarding meters. Similar problems also affected Xcel Energy customers in Minnesota.

From March through August, the Commission received 64 contacts from Xcel Energy customers whose bills were estimated because equipment that records gas usage on their meters had failed. Commission staff has been working with each person who contacted the Commission to ensure the estimates were fair. That case is currently under investigation by the North Dakota Public Service Commission, as well as the Minnesota Public Utilities Commission.

Commissioner Kevin Cramer said the Xcel Energy meter issue is a good example of how the public can provide the Commission with valuable information.

“In the Xcel Energy case, as staff began talking to customers and reviewing bills line-by-line, they began to see other problems in addition to the malfunctioning meter modules,” Cramer said. “Customers showed staff confusing bills and they complained of inadequate communications the company had with them. All of that information is useful as we investigate this case.”

The Commission also helps consumers who are facing the threat of disconnection of the utility services. During the reporting period, staff received 112 contacts from people who faced disconnections or who were disconnected from their utilities. That is a decrease of 8 from the report a year ago. In almost every case, staff is able to negotiate a payment plan between the companies and customers to ensure the utilities are kept on or turned back on.

The Commission also regulates grain storage and grain buyers, as well as auctioneers, railroads, pipelines, mine reclamation and weights and measures.

There were 74 contacts recorded in the Licensing Division, an increase of 8 from a year ago. The Testing and Safety Division recorded 15 contacts, a decrease of 9 from the previous year.

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