BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE APPLICATION) **OF AVISTA CORPORATION DBA AVISTA UTILITIES—WASHINGTON** WATER POWER DIVISION (IDAHO) FOR AN ORDER APPROVING PROPOSED **REVISIONS TO ELECTRIC LINE EXTENSION SCHEDULE 51.**

CASE NO. AVU-E-01-10 NOTICE OF APPLICATION NOTICE OF MODIFIED PROCEDURE **NOTICE OF COMMENT/PROTEST** DEADLINE

YOU ARE HEREBY NOTIFIED that on June 5, 2001, Avista corporation dba Avista Corporation dba Avista Utilities-Washington Water Power Division, Idaho (Avista; Company), filed an Application with the Idaho Public Utilities Commission (Commission) for an Order approving proposed revisions to the Company's Electric Line Extension Schedule 51 tariff.

On May 4, 2001, the Commission approved tariff changes to Schedule 51 to reflect updated costs associated with the installation of line extensions. The Commission requires that the costs be updated annually. The newly enacted changes reflected a significant increase in costs. The effect of these increased costs as they apply to residential developments, the Company states, is substantial. In fact, the Company states, it appears that Avista will no longer be in a position to compete for service to residential developments when the developer has a choice of service providers. For each development that the Company loses to another service provider, the Company states, it then becomes "locked out" of providing service to adjacent future developments under the (closest to) rules of the Electric Supplier Stabilization Act. Reference Idaho Code §§ 61-332 to 334B. The Company expects to lose all future developments that are competitive.

To address this "competitive disadvantage," and to have a reasonable opportunity to compete for service to new competitive developments in the future, Avista proposes to collect the non-refundable cash payment, presently \$305, from the builder rather than the developer. The cash requirement would be collected from the builder at the time the service to the home is installed. Whether this amount is collected from the developer or the builder, the Company

reasons, the cost ultimately flows through to the home buyer. In order to ensure payment if the home is never built, the amount of the promissory note or credit instrument required from the developer, would be increased by \$305 per lot, from \$550 to \$855 per lot. Under the proposed line extension rules, if a developer provides the ditching for the primary service and an appropriate credit instrument for \$855 per lot, a non-refundable cash payment would not be required. However, if Avista provides the ditching within the development, a cash payment of \$280 per lot would still be required from the developer, in addition to a credit instrument for \$855 per lot.

Under the Company's present accounting procedure, the non-refundable cash payment that is received from the developer is credited against the cost of the electric plant installed to serve the development. In order for the proposed change to have no effect on other customers' rates in the future, the Company states that it will continue to credit electric plant when the primary service is run to a development and, instead of recording the receipt of cash from the developer, it will record an account receivable to be collected from the builder.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. AVU-E-01-10. The Commission has preliminarily determined that the public interest regarding the proposed revisions to the Company's Schedule 51 electric line extension tariff may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application and the Commission's use of Modified Procedure in Case No. AVU-E-01-10 is Friday, July 6, 2001. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the issue on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. AVU-E-01-10 should be mailed to the Commission and the Company at the addresses reflected below.

COMMISSION SECRETARY IDAHO PUBLIC UTILITIES COMMISSION PO BOX 83720 BOISE, IDAHO 83720-0074 THOMAS D DUKICH, DIRECTOR RATES & TARIFF ADMINISTRATION AVISTA CORPORATION 1411 E Mission Avenue PO BOX 3727 SPOKANE, WA 99220-3727 And

Street Address for Express Mail:

472 W WASHINGTON ST BOISE, ID 83702-5983

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-E-01-10 can be reviewed at the Commission's office and at the Idaho offices of Avista Utilities during regular business hours. DATED at Boise, Idaho this

day of June 2001.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Jean D. Jewell Commission Secretary

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