

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-19-19**  
**POWER'S APPLICATION FOR )**  
**AUTHORITY TO MODIFY ELECTRIC )**  
**SERVICE REGULATION NO. 12 FOR ) ORDER NO. 34558**  
**UNDERGROUND LINE EXTENSIONS )**  
**AND SCHEDULE 300 )**

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On November 22, 2019, Rocky Mountain Power (“Company”), a division of PacifiCorp, applied to the Commission for authority to revise its Electric Service Regulation No. 12—Line Extensions (“Regulation No. 12”) and Electric Service Schedule No. 300—Regulation Charges. The Company requested its Application be processed by Modified Procedure and the tariff changes have an effective date of February 21, 2020.

On December 24, 2019, the Commission issued a Notice of Application and Notice of Modified Procedure, setting public and Company reply comment deadlines. Commission Staff filed the only comments and recommended the Commission approve the modifications. The Company did not reply.

With this Order we approve the Company’s Application.

**BACKGROUND**

A line extension is the addition of primary electric facilities to a property, subdivision, or commercial building. By policy, the Company offers a line extension allowance, providing a credit to new customers who require a line extension, to offset some of the upfront facility charges. The purpose of the allowance is to provide adequate service to new customers who build or develop beyond the Company’s current distribution build-out without affecting the rate base to the detriment of other customers.

The Company’s line extension policies primarily are in Schedule 12 of the Company’s Electric Service Regulations. The line extension policies have been modified several times:

- In Order No. 27682, Case No. UPL-E-96-04, the Company’s policies were updated to provide an allowance to residential developers equal to the actual cost of the transformer, meter, and service in order to match residential customer allowances. The order also changed the five-year refund period for

the initial applicant to recover his or her investment from successive applicants who connected to the line extension. *Id.*

- In Order No. 30684, Case No. PAC-E-08-06, the policies were changed to improve the likelihood of refunds to initial customers. These changes required each of the next four customers who connected to the line to pay 20% of the line extension but provided developers the opportunity to waive refunds. *Id.*
- In Order No. 33721, Case No. PAC-E-16-13, the policies were amended to change the allowances from transformer, meter, and service drop to a \$1,550 for residential customer line extensions and \$3,536 non-residential customer line extensions.

### **THE APPLICATION**

The Company's Application requested authority to modify Regulation No. 12 to clarify the definition of line extensions by adding substation and distribution facilities and proposed that the same refund process apply to customer-provided underground work as is applied to customer line extension advances. The proposed changes relate to Residential Extensions, Non-Residential Extensions, Extensions to Non-Residential and Residential Planned Developments under Regulation No. 12. The Company requested changes to tariff Sheet Nos. 12R.2 through 12R.14.

In its "Residential Extensions," the Company's proposal included eliminating the policy of the Company providing trenching, backfilling, conduits, etc. required for residential underground line extensions at the customer's expense. Instead, the Company would provide an allowance for customers who provide their own trenching, backfilling, conduits, etc. for extensions.<sup>1</sup> The Company's proposed allowance for upgrades due to additional load was \$550 and \$1,550 if secondary or transformer upgrades are necessary. The Application also stated that the refund for applicant-acquired right-of-way will be determined using the Company's standard costing approach.

For its "Non-Residential Extensions," the Company proposed several changes. These included:

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<sup>1</sup> The refund base amount for applicant-provided labor and material on an underground extension will be determined by using the Company's average costs for standard trenching, conduits, and vaults with footages and sizes as per the Company's design.

1. A requirement that an applicant whose load is of “speculative nature or questionable permanency” and in excess of the Company’s engineering limits for distribution voltage, take delivery at transmission voltage;
2. Customers taking delivery below 46,000 volts will pay Contract Minimum Billing<sup>2</sup> for at least five years, but no more than 30 years. This is opposed to the old rule in which customers could potentially pay Contract Minimum Billing indefinitely; and
3. During the first five years following a non-residential line extension upgrade, each of the next four 1,000 kVA, or greater, applicants must pay the Company their proportional share of the already installed upgrade cost.

For its “Extensions to Non-Residential and Residential Planned Developments Refunds,” the Company clarified it does not provide refunds on developer advances for facilities located inside the development and used to serve the development, but a “developer who paid a refundable advance may receive refunds when an applicant outside the development receives power from an extension if the connection was to a primary voltage line installed to, alongside, or through the development.”

The Company also updated its service terms for remote or isolated loads. The Company proposed that if the cost of service was more than five times the estimated annual revenue the customer would pay for Contract Minimum Billing unless the load is no longer distant or remote. Additionally, the Company clarified that a customer could request relocation of distribution facilities and the Company would relocate such facilities if the customer could secure and maintain an adequate right-of-way or easement for the relocation.

The Company also proposed updates to Schedule No. 300 facilities charges that are used to calculate contract minimum billings for line extensions.

### **THE COMMENTS**

Staff reviewed the Company’s Application and recommended Commission approval. Staff also reviewed the history of the Company’s line extension policy modifications in the context of the proposed modifications in this case. Staff noted that it supported the proposed changes to Regulation No. 12 because “these changes improve the cost equity split between parties requiring line extensions and protect existing customers from potential cost shifting attributed to line

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<sup>2</sup> Contract Minimum Billing is defined in the Company’s Electric Service Regulation No. 12 Sheet 12R.1 1(b).

extension costs.” Staff felt the changes improved transparency of the line extension process and added clarification to the Regulations’ language. Staff noted the changes are a step toward improved consistency for the line extension policies across similar, but separate, customer groups that include residential, non-residential, and residential and non-residential planned developments.

Staff’s review included an audit of the data used to update Schedule No. 300’s, facilities charges. Staff believed the proposed changes were reasonable.

### **COMMISSION FINDINGS AND DECISION**

The Company is an electric corporation under *Idaho Code* §61-119, and a public utility under *Idaho Code* §61-129. The Commission has jurisdiction over the issues in this case under Title 61 of Idaho Code, including *Idaho Code* §§ 61-303, 61-313, 61-503. The Commission has reviewed the record, including the Application and Staff’s comments. Based on our review, we approve the Company’s Application to modify Electric Service Regulation No. 12 and Schedule No. 300.

We find the clarifications proposed by the Company make Regulation No. 12 easier for customers to understand when deciding whether to upgrade their service through line extension. We support these clarifications, which ensure fair treatment for similarly situated customers who will be eligible for refunds for customer-provided work for both above-ground and underground line extensions.


We have reviewed the Company’s workpapers regarding its updates to Electric Service Schedule 300’s Regulation Charges. We agree with Staff and the Company that the proposed changes are reasonable and represent the most up-to-date data available to the Company. We encourage the Company to continue to update Schedule No. 300’s Regulation Charges regularly.

### **ORDER**

IT IS HEREBY ORDERED that the Company’s Application to modify Electric Service Regulation No. 12 and Electric Service Schedule No. 300 is approved, effective as of February 21, 2020.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21-days of the service date of this Order regarding any matter decided in this Order. Within seven days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup>  
day of February 2020.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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