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Ada Highway Dist. V. Public Utilities Com'n Clerk's Record v. 1 Dckt. 37294

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IN THE SUPREME COURT OF THE STATE OF IDAHO

THE BUILDING CONTRACTORS)
ASSOCIATION OF SOUTHWESTERN)
IDAHO, Appellant,)
)
v.)
)
IDAHO PUBLIC UTILITIES COMMISSION)
and IDAHO POWER COMPANY, Respondents)
)
)

DOCKET NO. 37293-2010

LAW CLERK

ADA COUNTY HIGHWAY DISTRICT,)
Appellant,)
)
v.)
)
IDAHO PUBLIC UTILITIES COMMISSION)
and IDAHO POWER COMPANY, Respondents)

DOCKET NO. 37294-2010

CONSOLIDATED AGENCY
RECORD ON APPEAL

APPEAL FROM THE IDAHO PUBLIC UTILITIES COMMISSION
Commissioner Marsha H. Smith, Presiding

Michael C. Creamer
Givens Pursley LLP
601 West Bannock Street
P. O. Box 2720
Boise ID 83701

Attorney for Appellant
Building Contractors
Association of
Southwestern Idaho

Merlyn W. Clark
D. John Ashby
Hawley Troxell Ennis &
Hawley LLC
877 Main Street, Suite 1000
P.O. Box 1617
Boise ID 83701-1617

Attorneys for Appellant
Ada County Highway
District

Lisa D. Nordstrom
Barton L. Kline
1221 West Idaho St.
P.O. Box 70
Boise ID 83707

Attorneys for Respondent
Idaho Power Company

LAWRENCE G. WASDEN
Attorney General

Weldon B. Stutzman
Kristine A. Sasser
Deputy Attorneys General
472 W. Washington St.
P.O. Box 83720
Boise ID 83720-0074

Attorneys for Respondent
Idaho Public Utilities
Commission

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37294

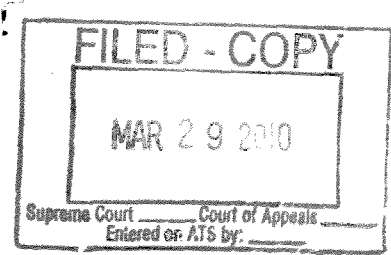


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IDAHO PUBLIC
UTILITIES COMMISSION

LISA D. NORDSTROM
Senior Attorney

October 30, 2008

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-08-22
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY
FOR AUTHORITY TO MODIFY ITS RULE H TARIFF RELATED TO NEW
SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR
ALTERATIONS*

Dear Ms. Jewell:

Enclosed please find for filing an original and seven (7) copies of Idaho Power's Application in the above matter.

In addition, enclosed are an original and eight (8) copies each of the testimonies of Gregory W. Said, Scott Sparks, and David Lowry that are being submitted in support of Idaho Power's enclosed filing. One copy of each of the testimonies has been designated as the "Reporter's Copy." In addition, a disk containing Word versions of each of the above testimonies has been provided for the Reporter and has been marked accordingly.

Finally, I would appreciate it if you would return a stamped copy of this letter for Idaho Power's file in the enclosed stamped, self-addressed envelope.

Very truly yours,

Lisa D. Nordstrom

LDN:csb
Enclosures

LISA D. NORDSTROM, ISB No. 5733
BARTON L. KLINE, ISB No. 1526
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
Tel: 208-388-5825
Fax: 208-338-6936
lnordstrom@idahopower.com
bkline@idahopower.com

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Idaho Power Company

Street Address for Express Mail:
1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-08-22
AUTHORITY TO MODIFY ITS RULE H)	
TARIFF RELATED TO NEW SERVICE	)	APPLICATION
ATTACHMENTS AND DISTRIBUTION)	
LINE INSTALLATIONS OR ALTERATIONS)	
_____)	

Idaho Power Company ("Idaho Power" or "Company"), pursuant to Idaho Code §§ 61-502 and 61-507 and Rules of Procedure 052, 121 and 123, hereby applies to the Idaho Public Utilities Commission ("Commission") for authority to modify the charges and credits listed in the Company's Rule H tariff governing New Service Attachments and Distribution Line Installations or Alterations. The Company requests that the Commission approve the proposed tariff changes no later than March 1, 2009, to become effective 120 days later.

In support of this Application, Idaho Power represents as follows:

I. BACKGROUND

1. The Company last filed an application for major changes to its Rule H tariff in 1995, Case No. IPC-E-95-18. The purpose of the 1995 application was to reduce upward pressure on rates by shifting more of the cost of new service attachments and distribution line installations or alterations from system revenue requirement to new customers that request construction. In February 1997, the Commission issued Order No. 26780 approving changes to the cost estimating methodology, allowances, refunds, engineering charges, overhead fees and other miscellaneous provisions.

2. Approximately eleven (11) years later, the Company, in Case No. IPC-E-08-02, requested to update charges in Section 4(b) of Rule H concerning Underground Service Attachment Charges. The Commission approved this update in May 2008 in Order No. 30558 and the new charges went into effect June 1, 2008.

3. In this present Application, Idaho Power is once again moving to defer rate increases by proposing Rule H revisions to update line installation charges and allowances, thereby shifting more of the cost burden for new service attachments and distribution line installations or alterations from general ratepayers to new customers requesting construction for these services. The philosophy underlying Idaho Power's approach is described in Gregory Said's testimony that accompanies this Application. The tariff has also been extensively reworded and formatted to make it easier to read and understand. In keeping with the recommendations of Staff and the Commission in Case No. IPC-E-08-02 and Order No. 30558, the Company proposes to update its charges and credits in its Rule H tariff on an annual basis.

II. PROPOSED TARIFF MODIFICATIONS

4. Idaho Power proposes modifications to the existing Rule H tariff that reorganize the tariff sections, add or revise definitions, update charges and allowances, modify refund provisions, and delete the Line Installation Agreements section. These modifications are described in greater detail in the proposed tariff (Attachment No. 1) and testimony of Scott Sparks that accompany this Application.

5. New Section Titles and Arrangement. Section titles were arranged to more closely reflect the manner in which customers are charged and to better match the arrangement of the Company's cost estimation process. Below are the new titles and their arrangement:

Section 1. Definitions

Section 2. General Provisions

Section 3. Line Installation Charges

Section 4. Service Attachment Charges

Section 5. Vested Interest Charges

Section 6. Other Charges

Section 7. Line Installation and Service Attachment Allowances

Section 8. Refunds

Section 9. Local Improvement Districts

Section 10. Relocations in Public Road Rights-of-Way

Section 11. Existing Agreements

6. Definitions and General Provisions. The following *Definitions* and *General Provisions* have been added or revised: Alteration, Conversion, Cost Quote, Service

Attachment, Standard Terminal Facilities, Subdivision, Terminal Facilities, Unusual Conditions, Upgrade, Work Order Cost, Rights-of-Way, Property Specifications, Conditions for Start of Construction, and Interest on Payment.

7. Updated Charges. Idaho Power has created separate sections for *Line Installation Charges* and *Service Attachment Charges*. In the *Service Attachment Charges* section, Idaho Power separated the overhead and underground service attachments, updated the charges for underground service attachments less than 400 amperages, and outlined the calculation for determining underground service attachment charges greater than 400 amperages. The *Vested Interest Charges* section was reworded and some definitions were removed. The available options and calculations in this section were not changed. Engineering charges, temporary service attachment charges, and return trip charges were updated in the *Other Charges* section.

8. Company-funded Allowances. The *Line Installation and Service Attachment Allowances* section was modified and updated to reflect costs associated with providing and installing "standard terminal facilities" for single phase and three phase service attachments and line installations. Idaho Power further proposes one allowance toward the cost of terminal facilities and line installations and modifies Company-funded allowances inside subdivisions. These two major revisions to the tariff specifically address the Company's and Commission's desire to shift more of the cost for service attachments, distribution line installations, and alterations out of base rates.

First, the Company has calculated new service attachment and line installation allowances based on the cost of providing and installing "standard terminal facilities."

Standard terminal facilities are the overhead terminal facilities the Company considers to be most commonly installed for overhead single phase and three phase services. Single phase standard terminal facilities include the cost of providing and installing one overhead service conductor and one 25 kVA transformer to serve a 200 amperage meter base. Three phase standard terminal facilities include the cost of providing and installing one overhead service conductor and three 15 kVA transformers to serve a 200 amperage meter base. Overhead service has long been considered the Company's standard service and by providing maximum allowances equal to these costs, the Company can reduce its revenue requirement by shifting more of the cost of construction to those customers requesting new service attachments, line installations, or alterations. This revision is consistent with the Commission's findings in Case No. IPC-E-95-18: "To the extent that any allowance is ordered, some portion of distribution cost will continue to be recovered through rates. Whether the allowance is applied in exact proportions toward the terminal facilities component, the line extension component, or both, is not critical." Order No. 26780 at 15. The Commission also determined that "current allowances should be reduced somewhat to prevent an unreasonable portion of the line extension costs from being shifted to base rates." *Id.* For these reasons, Idaho Power is proposing one allowance for single phase services and one allowance for three phase services.

Second, the revised Rule H tariff provides that all costs within subdivisions, other than costs offset by Company-funded allowances given for installed transformers, be borne by subdividers. This revision continues the approach approved in Order No.

26780, where the Commission recognized the need to shift more construction costs to subdividers by reducing subdivision lot refunds from \$1,200 to \$800.

9. Refunds. Under Idaho Power's current proposal, subdividers and new Applicants will continue to be eligible for Vested Interest Refunds outside of subdivisions and will become eligible for Vested Interest Refunds inside subdivisions for additional line installations that were not part of the initial line installation. Idaho Power also proposes to change the availability of Vested Interest Refunds from a 5-year period to a 4-year recovery period and discontinue all subdivision lot refunds.

10. Local Improvement Districts. The Company proposes replacing "Conversion" with "Alteration" to improve clarity.

11. Elimination of Line Installation Agreements. Idaho Power proposes elimination of existing language describing Line Installation Agreements for Line Installation Allowances paid in excess \$75,000. The Company does not believe such agreements are necessary.

12. Relocations in Public Road Rights-of-Way. The Company proposes to add this section to address funding of roadway Relocations required under Idaho Code § 62-705. This section identifies when and to what extent the Company will fund roadway Relocations. Specifically, the section outlines Road Improvements for General Public Benefit, Roadway Improvements for Third-Party Beneficiary, and Road Improvements for Joint Benefit. The testimony of David Lowry explains how cost responsibility for relocations is generally assigned and offers specific examples of why clarification of the existing Rule H language is needed to address third-party requests affecting utility facilities in public rights-of-way.

13. Existing Agreements. No changes were proposed in this section.

14. Effective Date. The Company is requesting that the updated tariff be approved no later than March 1, 2009. The Company also requests a 120-day implementation period from the approval date to train employees, reprogram computerized accounting systems, and reconstruct internal processes. Therefore, the Company requests that the Commission's Order set an effective date for service requests priced under the revised tariff at 120 days beyond the date of Commission approval.

15. Proposed Tariff. The Company's proposed Rule H tariff is included as Attachment No. 1. Due to the extensive reorganization of Rule H language proposed in this Application, it is not practical to provide the proposed changes in typical legislative format. Instead, Idaho Power has provided the text of each section in legislative format independent of the overall restructuring of Rule H in Attachment No. 2 so that the substantive changes can more easily be seen. The Company believes this meets the requirements of RP 121(a).

III. MODIFIED PROCEDURE

16. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and, therefore, respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony and support the Application in such hearing.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

17. Idaho Power has planned a special communications effort to advise builders and developers in its service territory of the changes proposed by this Application. Attachment No. 3 contains Idaho Power's press release, Idaho Business Review ad, and mailing to active builders and developers in its service territory.

18. Communications and service of pleadings with reference to this Application should be sent to the following:

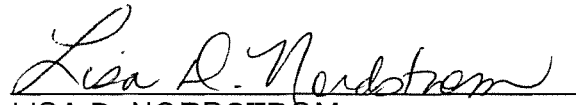
Lisa Nordstrom
Barton L. Kline
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
lnordstrom@idahopower.com
bkline@idahopower.com

Scott Sparks
Gregory W. Said
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
ssparks@idahopower.com
gsaid@idahopower.com

V. REQUEST FOR RELIEF

19. Idaho Power respectfully requests that the Commission issue an Order: (1) authorizing that this matter may be processed by Modified Procedure and (2) approving the proposed Rule H modifications no later than March 1, 2009, to become effective 120 days later.

DATED at Boise, Idaho this 30th day of October 2008.


LISA D. NORDSTROM
Attorney for Idaho Power Company

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-08-22

IDAHO POWER COMPANY

PROPOSED TARIFF

ATTACHMENT NO. 1

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS

This rule applies to requests for electric service under Schedules 1, 4, 5, 7, 9, 19, 24, 45, and 46 that require the installation, alteration, relocation, removal, or attachment of Company-owned distribution facilities. New construction beyond the Point of Delivery for Schedule 9 or Schedule 19 is subject to the provisions for facilities charges under those schedules. This rule does not apply to transmission or substation facilities, or to requests for electric service that are of a speculative nature.

1. Definitions

Additional Applicant is a person or entity whose Application requires the Company to provide new or relocated service from an existing section of distribution facilities with a Vested Interest.

Alteration is any change or proposed change to existing distribution facilities. An alteration may include Relocation, Upgrade, Conversion, and/or removal.

Applicant is a person or entity whose Application requires the Company to provide new or relocated service from distribution facilities that are free and clear of any Vested Interest.

Application is a request by an Applicant or Additional Applicant for new electric service from the Company. The Company, at its discretion, may require the Applicant or Additional Applicant to sign a written application.

Company Betterment is that portion of the Work Order Cost of a Line Installation and/or Alteration that provides a benefit to the Company not required by the Applicant or Additional Applicant. Increases in conductor size and work necessitated by the increase in conductor size are considered a Company Betterment if the Connected Load added by the Applicant or Additional Applicant is less than 100 kilowatts. If, however, in the Company's discretion, it is determined that the additional Connected Load added by the Applicant or Additional Applicant, even though less than 100 kilowatts, is (1) located in a remote location, or (2) a part of a development or project which will add a load greater than 100 kilowatts, the Company will not consider the work necessitated by the load increase to be a Company Betterment.

Connected Load is the total nameplate kW rating of the electric loads connected for commercial, industrial, or irrigation service. Connected Load for residences is considered to be 25 kW for residences with electric space heat and 15 kW for all other residences.

Conversion is a request by a customer to replace overhead facilities with underground facilities.

Cost Quote is a written cost estimate provided by the Company that must be signed and paid by the Applicant or Additional Applicant prior to the start of construction. Cost Quotes are derived from Work Order Cost estimates.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

1. **Definitions (Continued)**

Fire Protection Facilities are water pumps and other fire protection equipment, served separately from the Applicant's other electric load, which operate only for short periods of time in emergency situations and/or from time to time for testing purposes.

Line Installation is any installation of new distribution facilities owned by the Company. Line Installations are exclusive of Service Attachments and eligible for Vested Interest Refunds.

Line Installation Allowance is the portion of the estimated cost of a Line Installation funded by the Company.

Line Installation Charge is the partially refundable charge assessed an Applicant or Additional Applicant whenever a Line Installation is built for that individual.

Local Improvement District is an entity created by the appropriate city or county governing body, as provided by Idaho Code §50-2503, whose purpose is to provide for the study, financing and construction of a distribution Line Installation or Alteration. The governing body shall assess property owners to recover the cost of the distribution Line Installation or Alteration. A Local Improvement District has discernible property boundaries.

Multiple Occupancy Projects are projects that are intended to be occupied by more than four owners or tenants. Examples include, but are not limited to condominiums and apartments.

Point of Delivery is the junction point between the facilities owned by the Company and the facilities owned by the customer; OR the point at which the Company's lines first become adjacent to the customer's property; OR as otherwise specified in the Company's tariff.

Relocation is a change in the location of existing distribution facilities.

Residence is a structure built primarily for permanent domestic dwelling. Dwellings where tenancy is typically less than 30 days in length, such as hotels, motels, camps, lodges, clubs, and structures built for storage or parking do not qualify as a Residence.

Service Attachment is the interconnection between the Company's distribution system and the Applicant's or Additional Applicant's Point of Delivery.

Standard Terminal Facilities are the overhead Terminal Facilities the Company considers to be most commonly installed for overhead single phase and three phase services. Single phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and one 25 kVA transformer to serve a 200 amperage meter base. Three phase

RULE H
NEW SERVICE ATTACHMENTS
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INSTALLATIONS OR
ALTERATIONS
(Continued)

1. **Definitions (Continued)**

Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and three 15 kVA transformers to serve a 200 amperage meter base.

Subdivision is the division of a lot, tract, or parcel of land into two or more parts for the purpose of transferring ownership or for the construction of improvements thereon that is lawfully recognized, platted and approved by the appropriate governmental authorities.

Temporary Line Installation is a Line Installation for electric service of 18 calendar months or less in duration.

Temporary Service Attachment is a Service Attachment to a customer-provided temporary pole which typically furnishes electric service for construction.

Terminal Facilities include transformer, meter, overhead service conductor, or underground service cable and conduit (where applicable). These facilities are not eligible for Vested Interest Refunds.

Underground Service Attachment Charge is the non-refundable charge assessed an Applicant or Additional Applicant whenever new underground service is required by a customer attaching to the Company's distribution system.

Unusual Conditions are construction conditions not normally encountered. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip-sealing, rock digging/trenching, boring, nonstandard facilities or construction practices, and other than available voltage requirements.

Upgrade is a request by a customer to increase capacity and/or size of Company-owned distribution facilities. Upgrades are eligible for Vested Interest Refunds.

Vested Interest is the right to a refund that an Applicant or Additional Applicant holds in a specific section of distribution facilities when Additional Applicants attach to that section of distribution facilities.

Vested Interest Charge is an amount collected from an Additional Applicant for refund to a Vested Interest Holder.

Vested Interest Holder is an entity that has paid a refundable Line Installation Charge to the Company for a Line Installation. A Vested Interest Holder may also be an entity that has paid a refundable charge to the Company under the provisions of a prior rule or schedule.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

1. **Definitions (Continued)**

Vested Interest Refund is a refund payment to an existing Vested Interest Holder resulting from a Vested Interest Charge to an Additional Applicant.

Vested Interest Portion is that part of the Company's distribution system in which a Vested Interest is held.

Work Order Cost is a cost estimate performed by the Company for a specific request for service by an Applicant or Additional Applicant. The Work Order Cost will include general overheads related to the management of construction.

2. **General Provisions**

- a. Cost Information. The Company will provide preliminary cost information addressing in the charges contained in this rule, to potential Applicants and/or Additional Applicants. This preliminary information will not be considered a formal Cost Quote and will not be binding on the Company or Applicant but rather will assist the Applicant or Additional Applicant in the decision to request a formal Cost Quote. Upon receiving a request for a formal Cost Quote, the Applicant or Additional Applicant will be required to prepay non-refundable engineering costs to the Company. A Cost Quote will be binding in accordance with its terms.
- b. Ownership. The Company will own all distribution line facilities and retain all rights to them.
- c. Rights-of-Way and Easements. The Company will construct, own, operate, and maintain lines only along public streets, roads, and highways that the Company has the legal right to occupy, and on public lands and private property across which rights-of-way or easements satisfactory to the Company will be obtained at the Applicant's or Additional Applicant's expense.
- d. Removals. The Company reserves the right to remove any distribution facilities that have not been used for 1-year. Facilities shall be removed only after providing 60 days written notice to the last customer of record and the owner of the property served.
- e. Property Specifications. Applicants or Additional Applicants must provide the Company with final property specifications as required and approved by the appropriate governmental authorities. These specifications may include but are not limited to: recorded plat maps, utility easements, final construction grades, property pins and proof of ownership.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

2. General Provisions (Continued)

- f. Undeveloped Subdivisions. When electric service is not provided to the individual spaces or lots within a Subdivision, the Subdivision will be classified as undeveloped.
- g. Mobile Home Courts. Owners of mobile home courts will install, own, operate, and maintain all termination poles, pedestals, meter loops, and conductors from the Point of Delivery.
- h. Conditions for Start of Construction. Construction of Line Installations and Alterations will not be scheduled until the Applicant or Additional Applicant pays the appropriate charges to the Company.
- i. Terms of Payment. All payments listed under this section will be paid to the Company in cash, a minimum of 30 days and no more than 120 days, prior to the start of Company construction, unless mutually agreed otherwise.
- j. Interest on Payment. If the Company does not start construction on a Line Installation or Alteration within 30 days after receipt of the construction payment, the Company will compute interest on the payment amount beginning on the 31st day and ending once Company construction actually begins. Interest will be computed at the rate applicable under the Company's Rule L. If this computation results in a value of \$10.00 or more, the Company will pay such interest to the Applicant, Additional Applicant, or subdivider. An Applicant, Additional Applicant, or subdivider may request to delay the start of construction beyond 30 days after receipt of payment in which case the Company will not compute or pay interest.
- k. Fire Protection Facilities. The Company will provide service to Fire Protection Facilities when the Applicant pays the full costs of the Line Installation including Terminal Facilities, less Company Betterment. These costs are not subject to a Line Installation Allowance, but are eligible for Vested Interest Refunds under Section 6.a.
- l. Customer Provided Trench Digging and Backfill. The Company will, at its discretion, allow an Applicant, Additional Applicant or subdivider to provide trench digging and backfill. In a joint trench, backfill must be provided by the Company. Costs of customer-provided trench and backfill will be removed from or not included in the Cost Quote and will not be subject to refund.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

3. Line Installation Charges

If a Line Installation is required, the Applicant or Additional Applicant will pay a partially refundable Line Installation Charge equal to the Work Order Cost less applicable Line Installation Allowances identified in Section 7.

4. Service Attachment Charges

a. Overhead Service Attachment Charge. If an overhead Service Attachment is required, the Applicant or Additional Applicant will pay a non-refundable Service Attachment Charge equal to the Work Order Cost less applicable Service Attachment allowances identified in Section 7.

b. Underground Service Attachment Charge. Each Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge for attaching new Terminal Facilities to the Company's distribution system. The Company will determine the location and maximum length of service cable.

i. Single Phase 400 Amps, or Less

Underground Service Cable (Base charge plus Distance charge)

Base charge from:

underground	\$ 41.00
overhead including 2" riser	\$407.00
overhead including 3" riser	\$558.00

Distance charge (per foot)

Company Installed Facilities with:

1/0 underground cable	\$ 7.20
4/0 underground cable	\$ 7.80
350 underground cable	\$10.00

Customer Provided Trench & Conduit with:

1/0 underground cable	\$ 2.10
4/0 underground cable	\$ 2.70
350 underground cable	\$ 4.10

ii. All Three Phase and Single Phase Greater than 400 Amps

If a three phase or single phase underground Service Attachment greater than 400 amps is required, the Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge equal to the Work Order Cost.

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

5. Vested Interest Charges

Additional Applicants connecting to a vested portion of a Line Installation will pay a Vested Interest Charge to be refunded to the Vested Interest Holder. Additional applicants will have two payment options:

Option One - An Additional Applicant may choose to pay an amount determined by this equation:

Vested Interest Charge = A x B x C where;

A = Load Ratio: Additional Applicant's load divided by the sum of Additional Applicant's load and Vested Interest Holder's load.

B = Distance Ratio: Additional Applicant's distance divided by original distance.

C = Vested Interest Holder's unrefunded contribution

Option Two - An Additional Applicant may choose to pay the current Vested Interest, in which case the Additional Applicant will become the Vested Interest Holder and, as such, will become eligible to receive Vested Interest Refunds in accordance with Section 8.a.

If Option One is selected, the Additional Applicant has no Vested Interest and the previous Vested Interest Holder remains the Vested Interest Holder. The Vested Interest Holder's Vested Interest will be reduced by the newest Additional Applicant's payment.

The Vested Interest Charge will not exceed the sum of the Vested Interests in the Line Installation. If an Additional Applicant connects to a portion of a vested Line Installation which was established under a prior rule or schedule, the Vested Interest Charges of the previous rule or schedule apply to the Additional Applicant.

6. Other Charges

- a. Alteration Charges. If an Applicant or Additional Applicant requests a Relocation, Upgrade, Conversion or removal of Company facilities, the Applicant or Additional Applicant will pay a non-refundable charge equal to the Cost Quote.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

6. Other Charges (Continued)

- b. Engineering Charge. Applicants or Additional Applicants will be required to prepay all engineering costs for Line Installations and/or Alterations greater than 16 estimated hours. Estimates equal to or less than 16 hours will be billed to the Applicant or Additional Applicant as part of the construction costs, or after the engineering is completed in instances where construction is not requested. Engineering charges will be calculated at \$58.00 per hour.
- c. Engineering Charges for Agencies and Taxing Districts of the State of Idaho. Under the authority of Idaho Code Section §67-2302, an agency or taxing district of the State of Idaho may invoke its right to decline to pay engineering charges until the engineering services have been performed and billed to the agency or taxing district. Any state agency or taxing district that claims it falls within the provisions of Idaho Code §67-2302 must notify Idaho Power of such claim at the time Idaho Power requests prepayment of the engineering charges. Idaho Power may require that the state agency or taxing district's claim be in writing. If the state agency or taxing district that has invoked the provisions of Idaho Code Section §67-2302 does not pay the engineering charges within the 60 day period as provided in that statute, all the provisions of that statute will apply.
- d. Rights-of-Way and Easement Charge. Applicants or Additional Applicants will be responsible for any costs associated with the acquisition of rights-of-way or easements.
- e. Temporary Line Installation Charge. Applicants or Additional Applicants will pay the installation and removal costs of providing Temporary Line Installations.
- f. Temporary Service Attachment Charge. Applicants or Additional Applicants will pay for Temporary Service Attachments as follows:
 - i. Underground - \$41

The Customer-provided pole must be set within two linear feet of the Company's existing transformer or junction box.
 - ii. Overhead - \$182

The Customer-provided pole shall be set in a location that does not require more than 100 feet of #2 aluminum service conductor that can be readily attached to the permanent location by merely relocating it.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
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(Continued)

6. Other Charges (Continued)

The electrical facilities provided by the Customer on the pole shall be properly grounded, electrically safe, meet all clearance requirements, and ready for connection to Company facilities.

The Customer shall obtain all permits required by the applicable state, county, or municipal governments and will provide copies or verification to the Company as required. The above conditions must be satisfied before the service will be attached.

- g. Temporary Service Return Trip Charge. If the conditions stated in Section 6.f. of this rule are not satisfied prior to the Customer's request for temporary service, a Temporary Service Return Trip Charge of \$41.00 will be assessed each time Company personnel are dispatched to the job site, but are unable to connect the service. The charge will be billed after the conditions have been satisfied and the connection has been made.

- h. Unusual Conditions Charge. Applicants, Additional Applicants, and subdividers will pay the Company the additional costs associated with any Unusual Conditions included in the Cost Quote. This payment, or portion thereof, will be refunded to the extent that the Unusual Conditions are not encountered.

In the event that the estimate of the Unusual Conditions included in the Cost Quote is equal to or greater than \$10,000, the Applicant, Additional Applicant or subdivider may either pay for the Unusual Conditions or may furnish an Irrevocable Letter of Credit drawn on a local bank or local branch office issued in the name of Idaho Power Company for the amount of the Unusual Conditions. Upon completion of that portion of the project which included an Unusual Conditions estimate, Idaho Power Company will bill the Applicant, Additional Applicant or subdivider for the amount of Unusual Conditions encountered up to the amount established in the Irrevocable Letter of Credit. The Applicant, Additional Applicant or subdivider will have 15 days from the issuance of the Unusual Conditions billing to make payment. If the Applicant, Additional Applicant or subdivider fails to pay the Unusual Conditions bill within 15 days, Idaho Power will request payment from the bank.

- i. Joint Trench Charge. Applicants, Additional Applicants, and subdividers will pay the Company for trench and backfill costs included in the Cost Quote. In the event the Company is able to defray any of the trench and backfill costs by sharing a trench with other utilities, the cost reduction will be included in the Cost Quote.

RULE H
NEW SERVICE ATTACHMENTS
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INSTALLATIONS OR
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(Continued)

6. Other Charges (Continued)

j. Underground Service Return Trip Charge. When a residential Customer agrees to supply the trench, backfill, conduit, and compaction for an underground service, an Underground Service Return Trip Charge of \$68.00 will be assessed each time the Company's installation crew is dispatched to the job site at the Customer's request, but is unable to complete the cable installation and energize the service.

7. Line Installation and Service Attachment Allowances

The Company will contribute an allowance toward the Terminal Facilities and Line Installation costs necessary for Line Installations and/or Service Attachments. Allowances are based on the cost of providing and installing Standard Terminal Facilities for single phase and three phase services.

a. Allowances for Overhead and Underground Line Installations and Overhead Service Attachments

<u>Class of Service</u>	<u>Maximum Allowance per Service</u>
Residential:	
Schedules 1, 4, 5	\$1,780
Non-residence	Cost of new meter only
Non-residential:	
Schedules 7, 9, 24	
Single Phase	\$1,780
Three Phase	\$3,803
Large Power Service	
Schedule 19	Case-By-Case

b. Allowances for Subdivisions and Multiple Occupancy Projects

Developers of Subdivisions and Multiple Occupancy Projects will receive a \$1,780 allowance for each single phase transformer installed within a development and a \$3,803 allowance for each three phase transformer installed within a development. Subdividers will be eligible to receive allowances for Line Installations inside residential and non-residential subdivisions.

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

8. Refunds

- a. Vested Interest Refunds. Vested Interest Refunds will be paid by the Company and funded by the Additional Applicant's Vested Interest Charge as calculated in accordance with Section 5. The initial Applicant will be eligible to receive refunds up to 80 percent of their original construction cost. Additional Applicants that become Vested Interest Holders will be eligible to receive refunds up to their total contribution less 20 percent of the original construction cost.

A Vested Interest Holder and the Company may agree to waive the Vested Interest payment requirements of Additional Applicants with loads less than an agreed upon level. Waived Additional Applicants will not be considered Additional Applicants for purposes of Section 8.a.i. (1) below.

i. Vested Interest Refund Limitations

- (1). Vested Interest Refunds will be funded by no more than 4 Additional Applicants during the 4-year period following the completion date of the Line Installation for the initial Applicant.
- (2). In no circumstance will refunds exceed 100 percent of the refundable portion of any party's cash payment to the Company.

b. Subdivision Refunds.

- i. Applicants will be eligible for Vested Interest Refunds for facilities installed inside Subdivisions if the construction was NOT part of the initial Line Installation. Customers requesting additional Line Installations within a Subdivision will be considered new Applicants and become eligible for Vested Interest Refunds.
- ii. A subdivider will be eligible for Vested Interest Refunds for payments for Line Installations outside subdivisions.

9. Local Improvement Districts

Unless specifically provided for under this paragraph, a Local Improvement District will be provided service under the general terms of this rule.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

9. Local Improvement Districts (Continued)

The Company will provide a cost estimate and feasibility study for a Local Improvement District within 120 days after receiving the resolution from the requesting governing body. The Cost Quote will be based on Work Order Costs and will not be considered binding on the Company if construction is not commenced within 6 months of the submission of the estimate for reasons not within the control of the Company. The governing body issuing the resolution will pay the Company for the costs of preparing the cost estimate and feasibility study regardless of whether the Line Installation or Alteration actually takes place.

After passage of the Local Improvement District ordinance, the Company will construct the Line Installation or Alteration. Upon completion of the project, the Company will submit a bill to the Local Improvement District for the actual cost of the work performed, including the costs of preparing the cost estimate and feasibility study. If the actual cost is less than the estimated cost, the Local Improvement District will pay the actual cost. If the actual cost exceeds the estimated cost, the Local Improvement District will pay only the estimated cost. The governing body will pay the Company within 30 days after the bill has been submitted.

A Local Improvement District will be eligible for a Line Installation Allowance for any new load connecting for service upon the completion of the Line Installation. A Local Improvement District will retain a Vested Interest in any Line Installation to the Local Improvement District. A Local Improvement District may waive payments for Vested Interest from Additional Applicants within the Local Improvement District.

10. Relocations in Public Road Rights-of-Way

The Company often locates its power line facilities within state and local public road rights-of-way under authority of Idaho Code § 62-705 (for locations outside Idaho city limits) and the Company's city franchise agreements (for locations within Idaho city limits). At the request of the state or local agency that administers the road, such as the Idaho Department of Transportation or city or county highway districts ("Public Road Agency"), the Company will Relocate its power line facilities from or within the public road right-of-way to make way for road improvements. The road improvements may be for the benefit of the general public, or in some cases, road improvements are made by a Public Road Agency to benefit private or public third parties such as real estate developers, local improvement districts, or adjacent landowners ("third-party beneficiaries").

The Company's cost of Relocations from or within the public road rights-of-way shall be paid as follows:

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

10. Relocations in Public Road Rights-of-Way (Continued)

- a. Road Improvements for General Public Benefit – Where the road improvements requiring the Relocation are funded solely by the Public Road Agency, the Company will bear the cost of the Relocation.
- b. Road Improvements for Third-Party Beneficiary – Where the Public Road Agency performs road improvements which are funded by a third-party beneficiary, such third-party beneficiary will also pay the Company for the cost of the Relocation.
- c. Road Improvements for Joint Benefit – Where the road improvements requiring a Relocation are funded by both the Public Road Agency and a third-party beneficiary, the Company will bear the percentage of the Relocation costs equal to the percentage of the road improvement costs paid by the Public Road Agency, and the third-party beneficiary will pay the Company for the percentage of the Relocation costs equal to the percentage of the road improvement costs paid by the third-party beneficiary.
- d. Private Right of Occupancy – Notwithstanding the other provisions of this Section 10, where the Company has a private right of occupancy for its power line facilities within the public road right-of-way, such as an easement or other private right, the cost of the Relocation is borne by the Public Road Agency.

All payments from third-party beneficiaries to the Company under this section shall be paid in advance of the Company's Relocation work, based on the Company's Work Order Cost.

11. Existing Agreements

This rule shall not cancel existing agreements, including refund provisions, between the Company and previous Applicants, or Additional Applicants. All Applications will be governed and administered under the rule or schedule in effect at the time the Application was received and dated by the Company.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-08-22

IDAHO POWER COMPANY

**TARIFF SECTIONS IN
LEGISLATIVE FORMAT**

ATTACHMENT NO. 2

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS

This rule applies to requests for electric service under Schedules 1, 4, 5, 7, 9, 19, 24, 45, and 46 that require the installation, alteration, relocation, removal, or attachment of Company-owned distribution facilities. New construction beyond the Point of Delivery for Schedule 9 or Schedule 19 is subject to the provisions for facilities charges under those schedules. This rule does not apply to transmission or substation facilities, or to requests for electric service that are of a speculative nature.

—1. Definitions

Additional Applicant is a person or entity whose Application requires the Company to provide new or relocated service from an existing section of distribution facilities with a Vested Interest.

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Applicant is a person or entity whose Application requires the Company to provide new or relocated service from distribution facilities that are free and clear of any Vested Interest.

Application is a request by an Applicant or Additional Applicant for new electric service from the Company. The Company, at its discretion, may require the Applicant or Additional Applicant to sign a written application.

Company Betterment is that portion of the Work Order Cost of a Line Installation, ~~alteration,~~ and/or ~~Alteration~~ Relocation that provides a benefit to the Company not required by the Applicant or Additional Applicant. Increases in conductor size and work necessitated by the increase in conductor size are considered a Company Betterment if the Connected Load added by the Applicant or Additional Applicant is less than 100 kilowatts. If, however, in the Company's discretion, it is determined that the additional Connected Load added by the Applicant or Additional Applicant, even though less than 100 kilowatts, is (1) located in a remote location, or (2) a part of a development or project which will add a load greater than 100 kilowatts, the Company will not consider the work necessitated by the load increase to be a Company Betterment.

Connected Load is the total nameplate kW rating of the electric loads connected for commercial, industrial, or irrigation service. Connected Load for residences is considered to be 25 kW for residences with electric space heat and 15 kW for all other residences.

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RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

1. Definitions (Continued)

Fire Protection Facilities are water pumps and other fire protection equipment, served separately from the Applicant's other electric load, which operate only for short periods of time in emergency situations and/or from time to time for testing purposes.

Line Installation is any installation of new distribution facilities ~~(excluding Relocations or alteration of existing distribution facilities)~~ owned by the Company. Line Installations are exclusive of Service Attachments and eligible for Vested Interest Refunds.

Line Installation Allowance is the portion of the estimated cost of a Line Installation funded by the Company.

Line Installation Charge is the partially refundable charge assessed an Applicant or Additional Applicant whenever a Line Installation is built for that individual.

Local Improvement District is an entity created by the appropriate city or county governing body, as provided by Idaho Code §50-2503, whose purpose is to provide for the study, financing and construction of a distribution ~~Distribution~~ Line Installation or Alteration ~~alteration~~. The governing body shall assess property owners to recover the cost of the distribution Line Installation or Alteration ~~alteration~~. A Local Improvement District has discernible property boundaries.

Multiple Occupancy Projects are projects that are intended to be occupied by more than four owners or tenants. Examples include, but are not limited to, condominiums and apartments.

Point of Delivery is the junction point between the facilities owned by the Company and the facilities owned by the customer; OR the point at which the Company's lines first become adjacent to the customer's property; OR as otherwise specified in the Company's tariff.

Relocation is a change in the location of existing distribution facilities.

Residence is a structure built primarily for permanent domestic dwelling. Dwellings where tenancy is typically less than 30 days in length, such as hotels, motels, camps, lodges, clubs, and structures built for storage or parking do not qualify as a Residence.

Service Attachment is the interconnection between the Company's distribution system and the Applicant's or Additional Applicant's Point of Delivery.

Standard Terminal Facilities are the overhead Terminal Facilities the Company considers to be most commonly installed for overhead single phase and three phase services. Single phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and one 25 kVA transformer to serve a 200 amperage meter base. Three phase

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

1. Definitions (Continued)

Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and three 15 kVA transformers to serve a 200 amperage meter base.

Subdivision is the division of a lot, tract, or parcel of land into two or more parts for the purpose of transferring ownership or for the construction of improvements thereon, that is lawfully recognized, platted and approved by the appropriate governmental authorities.

———Temporary Line Installation is a Line Installation for electric service of 18 calendar months or less in duration.

———Temporary Service Attachment is a Service Attachment to a customerservice attachment to a Customer-provided temporary pole which typically furnishes electric service for construction.

———Terminal Facilities include transformer, meter, overhead service conductor, or underground service cable, and underground conduit (where applicable). These facilities are not eligible for Vested Interest Refunds.

———Underground Service Attachment Charge is the non-refundable charge assessed an Applicant or Additional Applicant whenever new single-phase underground service is required by a Schedule 1, 4, 5, or 7 customer attaching to the Company's distribution system.

Unusual Conditions are construction conditions not normally encountered. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip-sealing, rock digging/trenching, boring, nonstandard facilities or construction practices, and other than available voltage requirements.

Upgrade is a request by a customer to increase capacity and/or size of Company-owned distribution facilities. Upgrades are eligible for Vested Interest Refunds.

Vested Interest is the right to a refund that an Applicant or Additional Applicant holds in a specific section of distribution facilities when Additional Applicants attach to that section of distribution facilities.

Vested Interest Charge is an amount collected from an Additional Applicant for refund to a Vested Interest Holder.

Vested Interest Holder is an entity that has paid a refundable Line Installation Charge to the Company for a Line Installation. A Vested Interest Holder may also be an entity that has paid a refundable charge to the Company under the provisions of a prior rule or schedule.

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

1. Definitions (Continued)

~~Unusual Conditions~~ are construction conditions not normally encountered. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip sealing, rock digging, boring, nonstandard facilities or construction practices, and other than available voltage requirements.

~~Vested Interest~~ is the right to a refund that an Applicant or Additional Applicant holds in a specific section of distribution facilities when Additional Applicants attach to that section of distribution facilities.

~~Vested Interest Charge~~ is an amount collected from an Additional Applicant for refund to a Vested Interest Holder.

~~Vested Interest Holder~~ is an entity that has paid a refundable Line Installation Charge to the Company for a Line Installation. A Vested Interest Holder may also be an entity that has paid a refundable charge to the Company under the provisions of a prior rule or schedule.

Vested Interest Refund is a refund payment to an existing Vested Interest Holder resulting from a Vested Interest Charge to an Additional Applicant.

Vested Interest Portion is that part of the Company's distribution system in which a Vested Interest is held.

~~Work Order Cost~~ is a cost estimate performed by the Company for a specific request for service by an Applicant or Additional Applicant. The Work Order Cost will include general overheads related ~~limited to the management of construction.~~

~~1.5 percent. General overheads in excess of 1.5 percent will be funded by the Company.~~

RULE H
NEW SERVICE ATTACHMENTS
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ALTERATIONS
(Continued)

2. General Provisions

- a. Cost Information. The Company will provide preliminary cost information ~~addressing gas~~ reflected in the charges contained in this rule, to potential Applicants and/or Additional Applicants. This preliminary information will not be considered a formal Cost Quote ~~cost quote~~ and will not be binding on the Company or Applicant but rather will assist the Applicant or Additional Applicant in the decision to request a formal Cost Quote ~~cost quote~~. Upon receiving a request for a formal Cost Quote ~~cost quote~~, the Applicant or Additional Applicant will be required to prepay non-refundable engineering costs to the Company. A Cost Quote will be binding in accordance with its terms.
- b. Ownership. The Company will own all distribution line facilities and Line Installations ~~and retain all rights to them.~~
- c. Rights-of-Way and Easements. The Company will construct, own, operate, and maintain lines only along public streets, roads, and highways that the Company has the legal right to occupy, and on public lands and private property across which rights-of-way or easements ~~satisfactory to the Company~~ will ~~may be~~ obtained at the Applicant's or Additional Applicant's expense.
- d. Removals. The Company reserves the right to remove any distribution facilities that have not been used for 1-one ~~one~~ year. Facilities shall be removed only after providing 60 days written notice to the last customer ~~Customer~~ of record and the owner of the property served, ~~giving them a reasonable opportunity to respond.~~
- e. Property Specifications. Applicants or Additional Applicants must provide the Company with final property specifications as required and approved by the appropriate governmental authorities. These specifications may include but are not limited to: recorded plat maps, utility easements, final construction grades, ~~and property pins and proof of ownership.~~
- f. Undeveloped Subdivisions. When electric service is not provided to the individual spaces or lots within a Subdivision, the Subdivision will be classified as undeveloped.
- g. Mobile Home Courts. Owners of mobile home courts will install, own, operate, and maintain all termination poles, pedestals, meter loops, and conductors from the Point of Delivery.
- h. Conditions for Start of Construction. Construction of the ~~Line Installations and Alterations~~ ~~or Relocations~~ will not be scheduled until the Applicant or Additional Applicant pays the appropriate charges to the Company.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

2. General Provisions (Continued)

~~i. Terms of Payment. All payments listed under this section will be paid to the Company in cash, a minimum of 30 days and no more than 120 days, prior to the start of Company construction, unless mutually agreed otherwise.~~

i. Terms of Payment. All payments listed under this section will be paid to the Company in cash, a minimum of 30 days and no more than 120 days, prior to the start of Company construction, unless mutually agreed otherwise.

~~j. Interest on Payment. If the Company does not start construction on a Line Installation Extension and/or Alteration Relocation within 30 days after receipt of the construction payment, the Company will compute interest on the payment amount beginning on the 31st day and ending once Company construction actually begins. Interest will be computed at the rate applicable under the Company's Rule L. If this computation results in a value of \$10.00 or more, the Company will pay such interest to the Applicant, Additional Applicant, or subdivider. An Applicant, Additional Applicant, or subdivider may request to delay the start of construction beyond 30 days after receipt of payment in which case the Company will not compute or pay interest.~~

~~k. Fire Protection Facilities. The Company will provide service to Fire Protection Facilities when the Applicant pays the full costs of the Line Installation including Terminal Facilities, less Company Betterment. These costs are not subject to a Line Installation Allowance, but are eligible for Vested Interest Refunds under Section 6.a.~~

~~l. Customer Provided Trench Digging and Backfill. The Company will, at its discretion, allow an Applicant, Additional Applicant or subdivider to provide trench digging and backfill. In a joint trench, backfill must be provided by the Company. Costs of customer Customer-provided trench and backfill will be removed from or not included in the Cost Quote Work Order Costs and will not be subject to refund.~~

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
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(Continued)

(NEW SECTION – EXISTING SECTION 4)

3.4. Charges for Line Installations and Additional Charges for Underground Service Attachments

An Applicant or Additional Applicant will pay the Company for construction of Line Installations and/or underground service attachments, less **Line Installation Charges** Allowances, based upon the charges listed in this section.

a. **Line Installation Charge.** If a Line Installation is required, the Applicant or Additional Applicant will pay a partially refundable Line Installation Charge equal to the Work Order Cost less applicable Line Installation Allowances identified in Section 7.

4. Service Attachment Charges (NEW SECTION TITLE)

i. **Line Installation Charges Inside Subdivisions.** Inside a Overhead Service Attachment Charge. If an overhead Service Attachment is required Residential Subdivision, the Applicant or Additional Applicant will pay a non-refundable Service Attachment Charge equal to Line Installation Charges are calculated using the Work Order Cost less applicable Service Attachment allowances identified in Section 7 Terminal Facilities. The maximum refund will be the total per lot refund amount as specified in Section 6.b., but not more than the Work Order Cost less Terminal Facilities. Costs of new facilities outside Subdivisions are subject to Vested Interest Refunds.

Inside a non-Residential Subdivision, the Line Installation Charges are calculated as follows:

	<u>Maximum Allowance</u>
<u>Schedule 7</u>	
Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities
<u>Schedule 9</u>	
Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities

b. **Underground Service Attachment Charge.** Each Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge for attaching new Terminal Facilities to the Company's distribution system. The Company will determine the location and maximum length of service cable.

i. **Single Phase 400 Amps or Less**

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NEW SERVICE ATTACHMENTS
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(Continued)

4. Service Attachment Charges (continued)

4. Charges for Line Installations and Additional Charges for Underground Service Attachments (Continued)

Schedules 1, 4, 5 and 7, Single Phase

Underground Service Cable

(Base charge plus Distance charge)

Base charge from:

— from underground

\$ 41\$ 30.00

— from overhead including 2" riser

\$407\$255.00

overhead including 3" riser

\$558.00

Distance charge

Charge (per foot)

— Company Installed Facilities with:

\$ 5.05

1/0 underground cable

\$ 7.20

4/0 underground cable

\$ 7.80

350 underground cable

\$10.00

Customer Provided Trench & Conduit with:

— 1/0 underground cable

\$ 2.10

4/0 underground cable

\$ 2.70

350 underground cable

\$.05

(Schedules

1, 4, 10 and 5 only,

Single Family and Duplex)

ii. All Three Phase and Single Phase Greater than 400 Amps

If a three phase or single phase underground Service Attachment greater than 400 amps is required, the Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge equal to the Work Order Cost

c. Vested Interest Charge

Additional Definitions for Section 4.c. and Section 6.a.:

Original Investment — Work Order Cost less Terminal Facilities Allowance.

Vested Interest Holder's Contribution — Customer Payment plus Line Installation Allowances other than Terminal Facilities.

Vested Interest — Amount potentially subject to refund.

Load Ratio — Additional Applicant load divided by the sum of Additional Applicant's load and Vested Interest Holder's load.

Distance Ratio — Additional Applicant distance divided by original distance.

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NEW SERVICE ATTACHMENTS
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(Continued)

4. Service Attachment Charges (continued)

~~i. The initial Applicant will pay the original investment cost less any allowances. An Additional Applicant connecting to a Vested Interest Portion will have two options:~~

~~Option One An Additional Applicant may choose to pay the current Vested Interest Holder's Vested Interest, in which case the Additional Applicant will become the Vested Interest Holder and, as such, will become eligible to receive Vested Interest Refunds up to that new Vested Interest Holder's contribution less 20 percent of the original investment.~~

~~Option Two An Additional Applicant may choose to pay an amount determined by this equation:~~

~~Vested Interest Payment = Load Ratio x Distance Ratio x Vested Interest Holder's unrefunded contribution.~~

~~4. Charges for Line Installations and Additional Charges for Underground Service Attachments (Continued)~~

~~If Option Two is selected, the Additional Applicant has NO Vested Interest and the previous Vested Interest Holder remains the Vested Interest Holder. The Vested Interest Holder's Vested Interest will be reduced by the newest Additional Applicant's payment.~~

~~ii. The Vested Interest Charge will not exceed the sum of the Vested Interests in the Vested Interest Portion.~~

~~iii. If an Additional Applicant connects to a Vested Interest Portion which was established under a prior rule or schedule, the Vested Interest Charges of the previous rule or schedule apply to the Additional Applicant.~~

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NEW SERVICE ATTACHMENTS
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(Continued)

5. Vested Interest (NEW SECTION – EXISTING SECTION 4)
4. Charges

~~for Line Installations and Additional Applicants connecting to a vested portion of a Line Installation will pay a Vested Interest Charge to be refunded to the Vested Interest Holder. Additional applicants will have two payment options: Charges for Underground Service Attachments~~

~~Option One - An Additional Applicant may choose to pay an amount determined by this equation: An Applicant or Additional Applicant will pay the Company for construction of Line Installations and/or underground service attachments, less Line Installation Allowances, based upon the charges listed in this section.~~

~~Vested Interest Charge = A x B x C where: a. Line Installation Charge. If a Line Installation is required, the Applicant or Additional Applicant will pay a partially refundable Line Installation Charge equal to the Work Order Cost less applicable Line Installation Allowances.~~

~~i. Line Installation Charges Inside Subdivisions. Inside a Residential Subdivision, the Line Installation Charges are calculated using the Work Order Cost less Terminal Facilities. The maximum refund will be the total per lot refund amount as specified in Section 6.b., but not more than the Work Order Cost less Terminal Facilities. Costs of new facilities outside Subdivisions are subject to Vested Interest Refunds.~~

~~A = Load Ratio: Additional Applicant's~~

~~Inside a non-Residential Subdivision, the Line Installation Charges are calculated as follows:~~

	<u>Maximum Allowance</u>
<u>Schedule 7</u>	
Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities
<u>Schedule 9</u>	
Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities

~~b. Underground Service Attachment Charge. Each Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge for attaching new Terminal Facilities to the Company's distribution system. The Company will determine the location and maximum length of service cable.~~

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

5. Vested Interest (continued)

4. Charges for Line Installations and Additional Charges for Underground Service Attachments (Continued)

Schedules 1, 4, 5 and 7, Single Phase

Underground Service Cable

(Base charge plus distance charge)

Base Charge

from underground \$ 30.00

from overhead including riser \$255.00

Distance Charge (per foot)

Company Installed Facilities \$ 5.05

Customer Provided Trench & Conduit \$ 1.05 (Schedules 1, 4 and 5 only,
Single Family and Duplex)

c. Vested Interest Charge

Additional Definitions for Section 4.c. and Section 6.a.:

Original Investment - Work Order Cost less Terminal Facilities Allowance.

Vested Interest Holder's Contribution - Customer Payment plus Line Installation Allowances other than Terminal Facilities.

Vested Interest - Amount potentially subject to refund.

Load Ratio - Additional Applicant load divided by the sum of Additional Applicant's load and Vested Interest Holder's load.

B = Distance Ratio - Additional Applicant's distance divided by original distance.

C = Vested Interest Holder's unrefunded contribution

i. The initial Applicant will pay the original investment cost less any allowances. An Additional Applicant connecting to a Vested Interest Portion will have two options:

Option TwoOne - An Additional Applicant may choose to pay the current Vested Interest Holder's Vested Interest, in which case the Additional Applicant will become the Vested Interest Holder and, as such, will become eligible to receive Vested Interest Refunds in accordance with Section 8.a. up to that new Vested Interest Holder's contribution less 20 percent of the original investment.

Option Two - An Additional Applicant may choose to pay an amount determined by this equation:

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(Continued)

5. Vested Interest (continued)

~~_____ Vested Interest Payment = Load Ratio x Distance Ratio x Vested Interest Holder's unrefunded contribution.~~

_____ If Option ~~One~~ Two is selected, the Additional Applicant has ~~no~~ NO Vested Interest and the previous Vested Interest Holder remains the Vested Interest Holder. The Vested Interest Holder's Vested Interest will be reduced by the newest Additional Applicant's payment.

~~_____ ii. _____ The Vested Interest Charge will not exceed the sum of the Vested Interests in the Line Installation. Vested Interest Portion.~~

~~_____ iii. _____ If an Additional Applicant connects to a portion of a vested Line Installation Vested Interest Portion which was established under a prior rule or schedule, the Vested Interest Charges of the previous rule or schedule apply to the Additional Applicant.~~

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(Continued)

6

5. Other Charges (SECTION 6 – EXISTING SECTION 5)

~~All charges in this section are non-refundable.~~

- ~~a. Alteration Relocation and Removal Charges. If an Applicant or Additional Applicant requests a Relocation, Upgrade, Conversion or removal of Company facilities, the Applicant or Additional Applicant will pay a non-refundable charge equal to the Work Order Cost Quote.~~
- ~~b. Engineering Charge. Applicants or Additional Applicants will be required to prepay all engineering costs for Line Installations, and/or Alterations Relocations greater than 16 estimated hours. Estimates equal to or less than 16 hours will be billed to the Applicant or Additional Applicant as part of the construction costs, or after the engineering is completed in instances where construction is not requested. Engineering charges will be calculated at \$5850.00 per hour.~~
- ~~c. Engineering Charges for Agencies and Taxing Districts of the State of Idaho. Under the authority of Idaho Code Section §67-2302, an agency or taxing district of the State of Idaho may invoke its right to decline to pay engineering charges until the engineering services have been performed and billed to the agency or taxing district. Any state agency or taxing district that claims it falls within the provisions of Idaho Code §67-2302 must notify Idaho Power of such claim at the time Idaho Power requests prepayment of the engineering charges. Idaho Power may require that the state agency or taxing district's claim be in writing. If the state agency or taxing district that has invoked the provisions of Idaho Code Section §67-2302 does not pay the engineering charges within the 60-day period as provided in that statute, all the provisions of that statute will apply.~~
- ~~d. Rights-Right-of-Way and Easement Charge. Applicants or Additional Applicants will be responsible for any costs associated with the acquisition of rights-of-way or easements.~~
- ~~e. Temporary Line Installation Charge. Applicants or Additional Applicants will pay the installation and removal costs of providing Temporary Line Installations.~~
- ~~f. Temporary Service Attachment Charge. Applicants or Additional Applicants will pay for Temporary Service Attachments as follows:~~
- ~~i. Underground - \$41140~~

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

65. Other Charges (Continued)

_____ The Customer-provided pole must be set within two linear feet of the Company's existing transformer or junction box.

ii. Overhead - \$182420

_____The Customer-provided pole shall be set in a location that does not require more than 100 feet of #2 aluminum service conductor that can be readily attached to the permanent location by merely relocating it.

_____The electrical facilities provided by the Customer on the pole shall be properly grounded, electrically safe, meet all clearance requirements, and ready for connection to Company facilities.

_____The Customer shall obtain all permits required by the applicable state, county, or municipal governments and will provide copies or verification to the Company as required. The above conditions must be satisfied before the service will be attached.

_____g. Temporary Service Return Trip Charge. If the conditions stated in Section 65.f. of this rule are not satisfied prior to the Customer's request for temporary service, a Temporary Service Return Trip Charge of \$4135.00 will be assessed each time Company personnel are dispatched to the job site, but are unable to connect the service. The charge will be billed after the conditions have been satisfied and the connection has been made.

_____h. Unusual Conditions Charge. Applicants, Additional Applicants, and subdividers will pay the Company the additional costs associated with any Unusual Conditions included in the ~~Work Order Cost Quote related to the construction of a Line Installation or Relocation.~~ This payment, or portion thereof, will be refunded to the extent that the Unusual Conditions are not encountered. ~~Unusual Conditions payments for Line Installations will also be refunded, under the provisions of Section 6, if the Unusual Conditions are encountered.~~

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

65. Other Charges (Continued)

—In the event that the estimate of the Unusual Conditions included in the ~~Work Order~~ Cost Quote is equal to or greater than ~~exceeds~~ \$10,000, the Applicant, Additional Applicant or subdivider may either pay for the Unusual Conditions or may furnish an Irrevocable Letter of Credit drawn on a local bank or local branch office issued in the name of Idaho Power Company for the amount of the Unusual Conditions. Upon completion of that portion of the project which included an Unusual Conditions estimate, Idaho Power Company will bill the Applicant, Additional Applicant or subdivider for the amount of Unusual Conditions encountered up to the amount established in the Applicant, Additional Applicant or subdivider fails to pay the Unusual Conditions bill within 15 days, Idaho Power will request payment from the bank.

i. Joint Trench Charge. Applicants, Additional Applicants, and subdividers will pay the Company for trench and backfill costs included in the Cost Quote ~~work order prepared for an unshared trench~~. In the event that the Company is able to defray any of the trench and backfill costs ~~by included in the work order through the sharing of the trench with other utilities~~, the trench and backfill cost reductions ~~savings~~ will be included in the Cost Quote ~~refunded~~.

j. Underground Service Return Trip Charge. When a residential Customer agrees to supply the trench, backfill, conduit, and compaction for an underground service, an Underground Service Return Trip Charge of ~~\$6850.00~~ will be assessed each time the Company's installation crew is dispatched to the job site at the Customer's request, but is unable to complete the cable installation and energize the service.

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NEW SERVICE ATTACHMENTS
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7—3. Line Installation and Service Attachment Allowances

(NEW SECTION TITLE – EXISTING SECTION 3)

—The Company will contribute an allowance toward for the Terminal Facilities and Line Installation costs necessary for service attachments and/or Line Installations and/or Service Attachments. Allowances are based on the cost of providing and installing Standard Terminal Facilities for single phase and three phase services. — A Line Installation Allowance will be applied to the Line Installation costs for a Subdivision as outlined in Section 4.a.i. Subdividers may recoup their payments only through the refunding provisions under Section 6 of this rule.

a. Allowances for Overhead and Underground Line Installations and Overhead Service Attachments

<u>Class of Service</u>	<u>Maximum Allowance per Service</u>
<u>Residential:</u>	
—Schedules 1, 4, or 5	\$1,780
Non-residence	Cost of new meter only
<u>Non-residential:</u>	
Schedules 7, 9, 24	
Single Phase	\$1,780
Three Phase	\$3,803
<u>Large Power Service</u>	
Schedule 19	Case-By-Case

<u>b. Allowances for Subdivisions and Non-Electric Heat Residence</u>	
Overhead Terminal Facilities + \$1,000	
All-Electric Residence	Overhead Terminal Facilities + \$1,300
Non-Residence	Cost of Meter Only

Multiple Occupancy Projects

Developers of Subdivisions and Multiple Occupancy Projects will receive a \$1,780 allowance for each single phase transformer installed within a development and a \$3,803 allowance for each three phase transformer installed within a development. Subdividers will be eligible to receive allowances for Line Installations inside residential and non-residential subdivisions.

Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities
Schedule 7	

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(Continued)

7. Line Installation and Service Attachment Allowances (continued)

Single Phase	Overhead Terminal Facilities
Three Phase	80% of Terminal Facilities
<u>Schedule 9</u>	
Single Phase	\$1,726
Three Phase	80% of Terminal Facilities
<u>Schedule 24</u>	
Single Phase	\$1,726
Three Phase	Overhead Terminal Facilities
<u>Schedule 19</u>	
Case By Case	

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

86. Refunds (SECTION 8 – EXISTING SECTION 6)

~~_____a. Vested Interest Refunds. The initial Applicant will be eligible to receive up to 80 percent of the original investment as a Vested Interest Refund in accordance with Section 4.c. Refunds will be paid by the Company and funded by the Additional Applicant's Vested Interest Charge as calculated in accordance with Section 5. The initial Applicant will be eligible to receive refunds up to 80 percent of their original construction cost. Additional Applicants that become Vested Interest Holders will be eligible to receive refunds up to their total contribution less 20 percent of the original construction cost.~~

~~4.c. A Vested Interest Holder and the Company may agree to waive the Vested Interest payment requirements of Additional Applicants with loads less than an agreed upon level. Waived Additional Applicants willwould not be considered Additional Applicants for purposes of Section 86.a.i. (1) below.~~

~~_____i. Vested Interest Refund Limitations~~

~~_____ (1). Except for Rule 6.c, Vested Interest Refunds will be funded by no more than ~~four~~ Additional Applicants during the ~~45~~-year period following the completion date of the Line Installation for the initial Applicant.~~

~~_____ (2). In no circumstance will refunds exceed 100 percent of the refundable portion of any party's cash payment to the Company.~~

~~_____b. Subdivision Refunds.~~

~~i. Applicants will be eligible for Vested Interest Refunds for facilities installed inside Subdivisions if the construction was NOT part of the initial Line Installation. Customers requesting additional Line Installations within a Subdivision will be considered new Applicants and become eligible for Vested Interest Refunds.~~

~~ii. A subdivider will be eligible for Vested Interest Refunds for payments for Line Installations outside subdivisionsthe subdivision.~~

~~ii. A subdivider will be eligible for a refund from the Company on the Line Installation Charge inside the Subdivision when a permanent Residence connects for service and occupies a lot inside the Subdivision within 5 years from the construction completion date of the Line Installation for the Subdivision.~~

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NEW SERVICE ATTACHMENTS
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(Continued)

6. Refunds (Continued)

iii. The amount refunded to subdividers of residential Subdivisions will be \$800 per lot, less any additional Line Installation costs required to provide connected service to the lot.

c. Special Rule for Undeveloped Subdivisions Platted Prior to January 1, 1997

i. For an undeveloped Subdivision which has been platted prior to January 1, 1997, and which has not been amended after January 1, 1997, refunds will be made for connections inside the Subdivision during the first 10 years following the completion date of the Line Installation.

ii. The subdivider will not be entitled to refunds under Sections 6.b.ii. and 6.b.iii. Connections within the undeveloped Subdivision will be treated as individual Applicants or Additional Applicants for payment, extension allowance, and refunding purposes.

iii. The individual requesting the 10 year refund date will have the burden of demonstrating that the Line Installation is to a Subdivision which has been platted and is undeveloped.

iv. Special Arrangements Permitting Deviation from Rule H Refund Provisions — An Applicant and/or Applicants and the Company may mutually agree that a deviation from Rule H refund provisions is reasonable and does not adversely affect other Customers of the Company. A written agreement to deviate from Rule H refund provisions will be prepared and submitted to the Commission. The agreement will not be effective until approved by the Commission.

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NEW SERVICE ATTACHMENTS
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(Continued)

— **9. Local Improvement Districts (SECTION 9 – EXISTING SECTION 9)**

— Unless specifically provided for under this paragraph, a Local Improvement District will be provided service under the general terms of this rule.

— The Company will provide a cost estimate and feasibility study for a Local Improvement District within 120 days after receiving the resolution from the requesting governing body. The Cost Quote ~~cost estimate~~ will be based on Work Order Costs and will not be considered binding on the Company if construction is not commenced within 6 months of the submission of the estimate for reasons not within the control of the Company. The governing body issuing the resolution will pay the Company for the costs of preparing the cost estimate and feasibility study regardless of whether the Line Installation or Alteration ~~the conversion~~ actually takes place.

— After passage of the Local Improvement District ordinance, the Company will construct the Line Installation or Alteration ~~conversion~~. Upon completion of the project, the Company will submit a bill to the Local Improvement District for the actual cost of the work performed, including the costs of preparing the cost estimate and feasibility study. If the actual cost is less than the estimated cost, the Local Improvement District will pay the actual cost. If the actual cost exceeds the estimated cost, the Local Improvement District will pay only the estimated cost. The governing body will pay the Company within 30 days after the bill has been submitted.

— A Local Improvement District will be eligible for a Line Installation Allowance for any new load connecting for service upon the completion of the Line Installation. A Local Improvement District will retain a Vested Interest in any Line Installation to the Local Improvement District. A Local Improvement District may waive payments for Vested Interest from Additional Applicants within the Local Improvement District.

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NEW SERVICE ATTACHMENTS
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(Continued)

10. Relocations in Public Road Rights-of-Way (SECTION 10 – NEW SECTION)

The Company often locates its power line facilities within state and local public road rights-of-way under authority of Idaho Code § 62-705 (for locations outside Idaho city limits) and the Company's city franchise agreements (for locations within Idaho city limits). At the request of the state or local agency that administers the road, such as the Idaho Department of Transportation or city or county highway districts ("Public Road Agency"), the Company will Relocate its power line facilities from or within the public road right-of-way to make way for road improvements. The road improvements may be for the benefit of the general public, or in some cases, road improvements are made by a Public Road Agency to benefit private or public third parties such as real estate developers, local improvement districts, or adjacent landowners ("third-party beneficiaries").

The Company's cost of Relocations from or within the public road rights-of-way shall be paid as follows:

- a. Road Improvements for General Public Benefit – Where the road improvements requiring the Relocation are funded solely by the Public Road Agency, the Company will bear the cost of the Relocation.
- b. Road Improvements for Third-Party Beneficiary – Where the Public Road Agency performs road improvements which are funded by a third-party beneficiary, such third-party beneficiary will also pay the Company for the cost of the Relocation.
- c. Road Improvements for Joint Benefit – Where the road improvements requiring a Relocation are funded by both the Public Road Agency and a third-party beneficiary, the Company will bear the percentage of the Relocation costs equal to the percentage of the road improvement costs paid by the Public Road Agency, and the third-party beneficiary will pay the Company for the percentage of the Relocation costs equal to the percentage of the road improvement costs paid by the third-party beneficiary.
- d. Private Right of Occupancy – Notwithstanding the other provisions of this Section 10, where the Company has a private right of occupancy for its power line facilities within the public road right-of-way, such as an easement or other private right, the cost of the Relocation is borne by the Public Road Agency.

All payments from third-party beneficiaries to the Company under this section shall be paid in advance of the Company's Relocation work, based on the Company's Work Order Cost.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

11

— 8. Existing Agreements (*SECTION 11 – EXISTING SECTION 8*)

— This rule shall not cancel existing agreements, including refund provisions, between the Company and previous Applicants, or Additional Applicants. All Applications will be governed and administered under the rule or schedule in effect at the time the Application was received and dated by the Company.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

7. Line Installation Agreements *(DELETED SECTION)*

~~When the Line Installation Allowance paid by the Company under the provisions of this rule equals or exceeds \$75,000, the Applicant will be required to contract to pay, for a period of 5 years following the completion date of the Line Installation, an annual payment equal to the greater of the billings determined by application of the appropriate schedule or:~~

~~a. Eighty percent of the Applicant's total annual bill as determined by application of the appropriate schedule; plus;~~

~~b. Twenty percent of the Line Installation Allowance granted the Applicant.~~

~~Each Line Installation, for which the Line Installation Allowance paid equals or exceeds \$75,000, will require a separate Uniform Distribution Line Installation Agreement between the Applicant and the Company.~~

~~Developers of multi-family residential dwellings in which each unit is separately metered will be exempt from the requirement to enter into an agreement with the Company if the Line Installation Allowance paid equals or exceeds \$75,000.~~

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

Idaho Power Company
Uniform Distribution Line Installation Agreement

DISTRICT _____ ACCOUNT NO. _____
THIS AGREEMENT Made this _____ day of _____, 20____, between
_____, whose
billing address is _____ hereinafter called
Customer, and Idaho Power Company, A corporation with its principal office located at 1221 West
Idaho Street, Boise, Idaho, hereinafter called Company;

NOW THEREFORE, The parties agree as follows:

1. The Company will agree to provide facilities to supply _____ volt, _____ phase Electric Service for the Customer's facilities located at or near _____, County of _____, State of Idaho.
2. The Customer will agree to:
 - a. Make a cash advance to the Company of \$ _____ as the Customer's share of the investment in service facilities;
 - b. Provide rights-of-way for the line extension at no cost to the Company, in a form acceptable to the Company;
 - c. Pay an annual minimum charge during the first 60 months following the Initial Service Date. The annual minimum charge will be the greater of (1) the total of the schedule billings for the year or (2) \$ _____ plus 80 percent of the total schedule billings for the year. The total schedule billings will be computed in accordance with the rates and provisions of the schedules under which the Customer received service for that year.
3. This Agreement will not become binding upon the parties until signed by both parties.
4. The initial date of delivery of power and energy is subject to the Company's ability to obtain required labor, materials, equipment, satisfactory rights-of-way and comply with governmental regulations.
5. The term of this Agreement will be for 5 years from and after the Initial Service Date thereof.
6. This Agreement will be binding upon the respective successors and assigns of the Customer and the Company, provided however, that no assignment by the Customer will be effective without the Company's prior written consent. The Company's consent will not be unreasonably withheld.

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS
(Continued)

Idaho Power Company
Uniform Distribution Line Installation Agreement
(Continued)

~~7. This Agreement is subject to valid laws and to the regulatory authority and orders, rules and regulations of the Idaho Public Utilities Commission and such other administrative bodies having jurisdiction as well as Idaho Power Company's Rules and Regulations as now or may be hereafter modified and approved by the Idaho Public Utilities Commission.~~

~~8. The Company's Rule H, any revisions to that rule, and/or any successor rule is to be considered as part of this Agreement.~~

~~9. In any action at law or equity commenced under this Agreement and upon which judgment is rendered, the prevailing party, as part of such judgment, will be entitled to recover all costs, including reasonable attorneys fees, incurred on account of such action.~~

W.O. No. _____

Initial Service Date _____

(APPROPRIATE SIGNATURES)

BEFORE THE

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IDAHO PUBLIC
UTILITIES COMMISSION

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-08-22

IDAHO POWER COMPANY

**CORPORATE COMMUNICATIONS
INFORMATION**

ATTACHMENT NO. 3

NEWS RELEASE

FOR IMMEDIATE RELEASE

Media Contact: Echo Chadwick
Corporate Communication
388-6654 or echadwick@idahopower.com

Idaho Power Seeks to Modify New Construction Services Charges and Credits

BOISE, Idaho, Oct. 30, 2008—Idaho Power filed an application with the Idaho Public Utilities Commission (IPUC) today, to modify Rule H tariff charges and credits for new service attachments and distribution line installations or alterations.

“We are asking the IPUC to accept these changes to the tariff to shift a greater portion of the cost of new construction for services from our existing retail customers to those developers and new customers requesting the construction,” said Vice President of Regulatory Affairs Ric Gale. “The company continues to work with developers and the building community regarding modifications to the tariff and planning for growth.”

The company’s proposed revisions would update charges and allowances for line extensions, modify refund provisions, and address funding public roadway relocations. The application also proposes updating Rule H charges and credits on an annual basis to reflect current costs.

Idaho Power requested approval of the updated tariff by March 1, 2009 with an effective date 120 days later to allow for an implementation period.

Under the new proposal, the Overhead and Underground Service Attachments section would be separate. The new section includes updated charges for underground service attachments less than 400 amperages and outlines the calculation for determining charges greater than 400 amperages.

The Line Installation and Service Attachment Allowances section was modified and updated to reflect current costs associated with providing and installing “standard” terminal facilities for single-phase and three-phase service attachments and line installations. The company proposes one allowance toward the cost of terminal facilities and line installations and modifies company-funded allowances inside subdivisions. Some portion of the construction cost will continue to be recovered through rates.

The proposal also seeks to change the availability of vested interest refunds from a five-year recovery period to four years, and discontinue all subdivision lot refunds. Subdividers continue to be eligible for vested interest refunds outside of subdivisions. Under the proposal, they also are eligible for refunds inside subdivisions for additional line installations that are not part of the initial line installation.

Under the new Public Roadway Relocations section, Idaho Power identifies when and to what extent it funds roadway relocations, specifically those road improvements for the benefit of the general public and other parties.

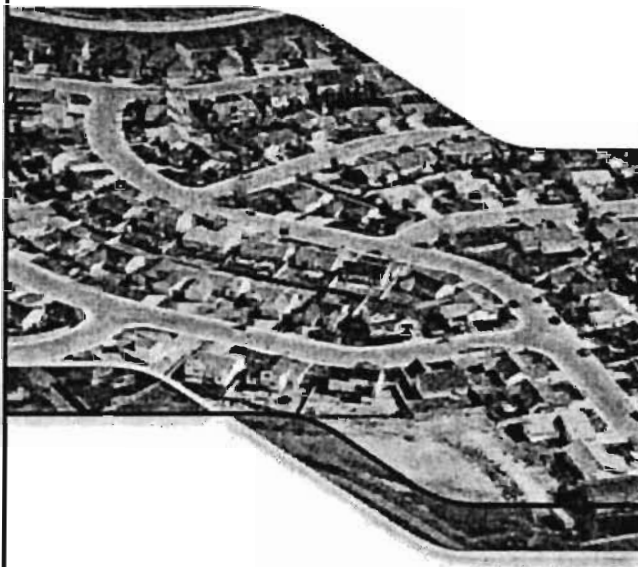
To learn more about the application, the public can view Idaho Power's proposal, Case No. IPC-E-08-22, at www.idahopower.com/aboutus/regulatoryinfo/filings.asp, the IPUC Web Site- www.puc.state.id.us, or at Idaho Power's Corporate Headquarters, 1221 W. Idaho Street, Boise, Idaho.

Idaho Power is committed to preserving and protecting our precious resources to ensure the delivery of fair-priced, reliable, safe electricity throughout our entire service area. The company's application is a proposal open to public review and comment and is subject to IPUC approval.

IDACORP, Inc., Boise, Idaho-based and formed in 1998, is a holding company comprised of Idaho Power Company, a regulated electric utility; IDACORP Financial, a holder of affordable housing projects and other real estate investments; and Ida-West Energy, an operator of small hydroelectric generation projects that satisfy the requirements of the Public Utility Regulatory Policies Act of 1978. IDACORP's origins lie with Idaho Power and operations beginning in 1916. Today, Idaho Power employs approximately 2,000 people to serve a 24,000 square-mile service area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its generation portfolio, Idaho Power's 485,000 residential, business and agricultural customers pay some of the nation's lowest prices for electricity. To learn more about Idaho Power or IDACORP, visit www.idahopower.com or www.idacorpinc.com.

###

Important Rate Information For Building Contractors & Developers



New Construction for Services— Modification of Charges and Credits

Idaho Power filed an application with the Idaho Public Utilities Commission (IPUC) on Oct. 30, requesting modification of Rule H tariff charges and credits for new service attachments and distribution line installations or alterations.

The company is asking the IPUC to accept changes to the tariff that help shift a greater portion of the cost of new construction for services from our existing retail customers to those developers and new customers requesting the construction. The company continues to work with developers and the building community regarding modifications to the tariff and planning for growth.

The company's proposed revisions:

- update charges and allowances for line extensions,
- modify refund provisions, and
- address funding public roadway relocations.

The company's application is a proposal open to public review and comment and is subject to IPUC approval. The public can view Idaho Power's proposal, Case No. IPC-E-08-22, at www.idahopower.com/aboutus/regulatoryinfo/filings.asp, the IPUC Web Site- www.puc.state.id.us, or at Idaho Power's Corporate Headquarters, 1221 W. Idaho Street, Boise, Idaho.

Idaho Power is committed to preserving and protecting our precious resources to ensure the delivery of fair-priced, reliable, safe electricity throughout our entire service area.

[Insert Date]

[Insert Recipient Name]
[Insert Recipient Title]
[Insert Recipient Company]
[Insert Recipient Street Address]
[Insert City, State Zip]

Subject: *New Construction for Services - Modification of Charges and Credits*

Dear Contractor:

Idaho Power filed an application with the Idaho Public Utilities Commission (IPUC) on Oct. 30, requesting modification of Rule H tariff charges and credits for new service attachments and distribution line installations or alterations.

In our application, we are asking the IPUC to accept changes to the tariff that help shift a greater portion of the cost of new construction for services from our existing retail customers to those developers and new customers requesting the construction. The company's proposed revisions update charges and allowances for line extensions, modify refund provisions, and address funding public roadway relocations. The application also proposes updating Rule H charges and credits on an annual basis to reflect current costs.

Under the new proposal, the Overhead and Underground Service Attachments section would be separate. The new section includes updated charges for underground service attachments less than 400 amperages and outlines the calculation for determining charges greater than 400 amperages.

The Line Installation and Service Attachment Allowances section was modified and updated to reflect current costs associated with providing and installing "standard" terminal facilities for single-phase and three-phase service attachments and line installations. The company proposes one allowance toward the cost of terminal facilities and line installations and modifies company-funded allowances inside subdivisions. Some portion of the construction cost will continue to be recovered through rates.

Our proposal also seeks to change the availability of vested interest refunds from a five-year recovery period to four years, and discontinue all subdivision lot refunds. Subdividers continue to be eligible for vested interest refunds outside of subdivisions. Under the proposal, they also are eligible for refunds inside subdivisions for additional line installations that are not part of the initial line installation.

[Insert Recipient's Name]

Page 2 of 2

[Insert Date]

Under the new Public Roadway Relocations section, we identify when and to what extent we fund roadway relocations, specifically those road improvements for the benefit of the general public and other parties.

We requested approval of the updated tariff by March 1, 2009 with an effective date 120 days later to allow for an implementation period.

To learn more about the application, you can view Idaho Power's proposal, Case No. IPC-E-08-22, at www.idahopower.com/aboutus/regulatoryinfo/filings.asp, the IPUC Web Site-www.puc.state.id.us, or at Idaho Power's Corporate Headquarters, 1221 W. Idaho Street, Boise, Idaho.

We will work with you and the building community regarding these modifications to the tariff and planning for growth. Idaho Power is committed to preserving and protecting our precious resources to ensure the delivery of fair-priced, reliable, safe electricity throughout our entire service area.

Sincerely,

Ric Gale
Vice President of Regulatory Affairs

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO MODIFY ITS RULE H)
TARIFF RELATED TO NEW SERVICE) CASE NO. IPC-E-08-22
ATTACHMENTS AND DISTRIBUTION LINE)
INSTALLATIONS OR ALTERATIONS)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

GREGORY W. SAID

1 Q. Please state your name and business address.

2 A. My name is Gregory W. Said and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

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

6 A. I am employed by Idaho Power Company as the
7 Director of State Regulation in the Pricing and Regulatory
8 Services Department.

9 Q. Please describe your educational background.

10 A. In May of 1975, I received a Bachelor of
11 Science Degree in Mathematics with honors from Boise State
12 University. In 1999, I attended the Public Utility
13 Executives Course at the University of Idaho.

14 Q. Please describe your work experience with
15 Idaho Power Company.

16 A. I became employed by Idaho Power Company in
17 1980 as an analyst in the Resource Planning Department. In
18 1985, the Company applied for a general revenue requirement
19 increase. I was the Company witness addressing power
20 supply expenses.

21 In August of 1989, after nine years in the Resource
22 Planning Department, I was offered and I accepted a
23 position in the Company's Rate Department. With the
24 Company's application for a temporary rate increase in

1 1992, my responsibilities as a witness were expanded.
2 While I continued to be the Company witness concerning
3 power supply expenses, I also sponsored the Company's rate
4 computations and proposed tariff schedules in that case.

5 Because of my combined Resource Planning and Rate
6 Department experience, I was asked to design a Power Cost
7 Adjustment ("PCA") which would impact customers' rates
8 based upon changes in the Company's net power supply
9 expenses. I presented my recommendations to the Idaho
10 Public Utilities Commission in 1992, at which time the
11 Commission established the PCA as an annual adjustment to
12 the Company's rates.

13 In 1994, I was selected to a cross-training position
14 as Manager of the Meridian District. In that role, I
15 oversaw line installation work in the Meridian District.

16 Following my return to the Rate Department in 1995,
17 I was promoted to Director of Revenue Requirement in 1996.
18 I have managed the preparation of revenue requirement
19 information for regulatory proceedings since that time. I
20 have also been responsible for overseeing the tariff
21 changes related to Rule H, the Company's line installation
22 rule, and was a witness in Case No. IPC-E-95-18 to update
23 Rule H charges and allowances. The IPC-E-95-18 case was
24 the last case where the Company made substantial changes to

1 Rule H.

2 In August 2008, I was promoted to Director of State
3 Regulation, adding the area of Rate Design to my
4 responsibilities.

5 Q. What is the purpose of your testimony in
6 this proceeding?

7 A. My testimony in this proceeding is intended
8 to describe the instructions that I gave to Mr. Scott
9 Sparks regarding the modifications to Rule H that the
10 Company is requesting. Mr. Sparks will testify to the
11 specifics of those modifications. I will describe the
12 Company's rationale for requesting reduced allowances and
13 refunds. Finally, I will address the Company's proposal to
14 clarify the rules governing the allocation of costs between
15 developers and the Company's customers when real estate
16 development requires relocation of Company facilities
17 located on public rights-of-way. The Company believes that
18 these clarifications will alleviate apparent
19 misunderstandings where certain governmental entities have
20 forced responsibility for funding of line relocation
21 expenses onto Idaho Power customers that should have more
22 appropriately be borne by developers. Mr. David Lowry will
23 testify as to the specifics of some of those instances
24 where governmental entities have incorrectly applied their

1 authority to shift relocation costs from developers to
2 Idaho Power customers.

3 Q. Please describe the instructions you gave to
4 Mr. Sparks regarding the improvements that the Company
5 desired be made to Rule H.

6 A. I instructed Mr. Sparks to make a thorough
7 review of the provisions contained in Rule H. I asked him
8 to work closely with the Methods and Materials Department
9 to identify areas of Rule H that could be improved. I
10 identified three primary goals for Mr. Sparks to achieve.
11 First, I wanted Mr. Sparks to improve the readability of
12 Rule H. Mr. Sparks will describe the Company's
13 recommendations to add definitions, add sections, and
14 generally reformat Rule H in order to accomplish this goal
15 of better readability with understandable flow. Second, I
16 wanted Mr. Sparks to update all of the costs contained in
17 the rule. Most of the rates and charges contained in Rule
18 H are a number of years old and, as a result, are not
19 reflective of the costs actually incurred by the Company.
20 Third, I asked Mr. Sparks to take a close look at line
21 installation allowances and refunds with an eye toward
22 reducing both allowances and refunds.

23 Q. Why is the Company desirous of reducing line
24 installation allowances and refunds?

1 A. As the Commission is well aware, the Company
2 has filed general rate case proceedings in 2003, 2005,
3 2007, and 2008. In addition, the Company has also filed
4 cases for the inclusion into rate base of the Bennett
5 Mountain gas-fired plant in 2005 and the inclusion of the
6 Danskin gas-fired plant in 2008. With the recent frequency
7 of rate proceedings, a persistent question arises: Is
8 growth paying for itself?

9 The clear answer is no. Additional revenues
10 generated from the addition of new customers and load
11 growth in general is not keeping pace with the additional
12 expenses created and required to provide ongoing safe and
13 reliable service to new and existing customers. While the
14 provisions of Rule H have required some contributions in
15 aid of construction for new distribution facilities, there
16 are no requirements for contributions in aid of
17 construction for new transmission or generation facilities
18 which are also typically required to serve customer growth.
19 Reducing the Company's new customer-related distribution
20 rate base by reducing allowances and refunds will relieve
21 one area of upward pressure on rates and will take a step
22 toward growth paying for itself. Mr. Sparks details the
23 Company's recommendations to reduce line installation
24 allowances and refunds to achieve the Company's goal of

1 reducing one aspect of upward pressure on rates.

2 Q. Please describe how certain governmental
3 entities are able to force payment of line installation
4 expenses onto Idaho Power customers that should more
5 appropriately be borne by developers.

6 A. Under Idaho law, governmental agencies
7 charged with constructing, operating, and maintaining
8 roads, such as the Idaho Transportation Department and the
9 Ada County Highway District have the authority to require
10 the relocation of Company-owned transmission and
11 distribution facilities that are sited in road rights-of-
12 way at Company expense. Typically, such relocation is
13 required to accommodate transportation planning for general
14 area growth. Population growth causing the need to add
15 traffic lanes is an example of general area growth.

16 In some instances, relocations have been requested
17 to facilitate specific development by third parties such as
18 residential or commercial subdivisions. In those
19 instances, highway agencies have required developers to pay
20 the costs of related highway improvements. Idaho Power has
21 required the third-party developers to pay for transmission
22 and distribution facility relocation caused by their
23 development. Third parties are also responsible for other
24 developmental costs such as curbs, gutters, and landscape.

1 Developers have the ability to form local improvement
2 districts ("LIDs") as a means to pay for such costs,
3 including utility costs.

4 Mr. Lowry has informed me of a number of examples
5 where I believe governmental entities have required the
6 relocation of Company-owned transmission and distribution
7 facilities at Company cost instead of seeking payment from
8 third-party developers. Mr. Lowry's testimony in this
9 proceeding provides examples of instances where third-party
10 developers have attempted to avoid Idaho Power's
11 requirement that they make contributions in aid of
12 relocating transmission and distribution facilities for
13 their developments. When governmental entities require
14 Idaho Power to relocate facilities and incur costs that
15 should be properly paid for by local developers, it results
16 in the inappropriate shifting of costs from local
17 developers to the general rate paying customers of Idaho
18 Power. Mr. Sparks describes in his testimony a newly
19 drafted Rule H provision clarifying the rules governing
20 cost responsibility for relocations. Hopefully these
21 clarifications will assist the highway agencies in
22 determining when relocation costs should be borne by
23 developers and avoid further inappropriate cost shifting
24 from local developers to Idaho Power customers.

1 Q. Ultimately, what is the Company requesting
2 in this proceeding?

3 A. The Company believes that as a result of Mr.
4 Sparks' review and evaluation of the provisions of Rule H,
5 the revisions to Rule H as proposed in this filing are in
6 the best interest of Idaho Power customers. The proposed
7 Rule H language provides a more logical and readable flow,
8 updates costs to current levels, and reduces one aspect of
9 upward pressure on rates. In addition, the new Rule H
10 section addressing relocation of distribution facilities
11 for third-party development will also assist in making sure
12 that growth pays for itself rather than transferring
13 additional costs to Idaho Power's rate paying customers.
14 The Company therefore requests that the Commission approve
15 the proposed Rule H language as filed by the Company.

16 Q. Does that conclude your testimony?

17 A. Yes, it does.

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO MODIFY ITS RULE H)
TARIFF RELATED TO NEW SERVICE) CASE NO. IPC-E-08-22
ATTACHMENTS AND DISTRIBUTION LINE)
INSTALLATIONS OR ALTERATIONS)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

SCOTT D. SPARKS

1 Q. Please state your name and business address.

2 A. My name is Scott D. Sparks and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

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

6 A. I am employed by Idaho Power Company as a
7 Senior Pricing Analyst in the Pricing and Regulatory
8 Services Department.

9 Q. Please describe your educational background.

10 A. In May of 1989, I received a Bachelor of
11 Business Administration degree in Business Management from
12 Boise State University.

13 Q. Please describe your work experience with
14 Idaho Power Company.

15 A. I became employed by Idaho Power Company in
16 1985 as a part-time mail clerk and have held positions as
17 Meter Reader, Customer Service Representative, Economic
18 Analyst, Human Resource/Compensation Analyst, Pricing and
19 Regulatory Services Analyst, and Resource Planning Analyst.
20 I recently rejoined the Company in June 2008 after owning
21 and operating a property improvement limited liability
22 company for four years.

23 In January of 1991, after two years in the Customer
24 Service Department, I was offered and I accepted a position

1 in the Company's Energy Services Department. My
2 responsibilities over six years in the department varied
3 from conservation program evaluation, special studies, and
4 load forecasting and research. In 1995, I was asked to
5 temporarily transfer to the Human Resources Department to
6 assist with implementation of the Company's reorganization,
7 benefit, and compensation plans.

8 In 1998, I applied for and accepted a position in
9 the Pricing and Regulatory Services Department where I was
10 responsible for reviving the Company's resource planning
11 and integrated resource planning processes. As part of
12 reorganization, I was reassigned to the Power Supply
13 Planning Department in 2001 where I acted as the lead
14 analyst for the Integrated Resource Plan. In July 2003, I
15 left the Company to pursue self-employment in the real
16 estate and construction sectors. I returned to the Company
17 as a Senior Pricing Analyst in the Pricing and Regulatory
18 Services Department in June 2008.

19 Q. Upon rehire, what duties were you assigned?

20 A. My primary duty upon rehire was to examine
21 and propose revisions to the Company's Rule H tariff
22 dealing with New Service Attachments and Distribution Line
23 Installations or Alterations.

1 Q. What were the primary areas of Rule H that
2 Mr. Said asked you to address?

3 A. I was asked to review and propose revisions
4 to the layout and general wording of the tariff in an
5 effort to streamline it and make it easier to read and
6 administer. I was also asked to update all charges and
7 credits in an effort to shift more of the costs for service
8 attachments and line installations from the Company's base
9 rates to those customers requesting services under Rule H.

10 Q. How did you go about developing an
11 understanding of the provisions and utilization of Rule H?

12 A. To better understand the provisions and
13 utilization of Rule H, I conducted eight meetings with
14 Company Distribution Designers throughout the Company's
15 service territory and consulted with other Company
16 personnel that have been directly involved with
17 administering the tariff. I have also been responsible for
18 managing the resolution of several customer inquiries
19 submitted to the Commission regarding Rule H and its
20 application.

21 Q. When was the last time Idaho Power made
22 major revisions to Rule H?

23 A. The Company last recommended major revisions
24 to Rule H in 1995, Case No. IPC-E-95-18. In February 1997,

1 the Commission issued Order No. 26780 implementing
2 revisions to the tariff relating to cost estimates,
3 charges, allowances, refunds, and other miscellaneous
4 provisions.

5 Q. Have there been any updates since that time?

6 A. Yes. The Company has filed several Advice
7 Letters since Order No. 26780 to update various sections
8 related to allowances, refunds, Company betterment, and
9 engineering fees. In June 2008, the Company received Order
10 No. 30558 in Case No. IPC-E-08-02 approving new charges for
11 underground service attachments.

12 Q. Please describe the formatting changes that
13 are being recommended.

14 A. The recommended formatting changes include
15 general line spacing and indentation modifications to make
16 the tariff easier to read and administer.

17 Q. Please describe the recommended layout of
18 sections within the tariff.

19 A. The layout of sections was rearranged to
20 better match how costs are computed for customers. Line
21 Installation and Service Attachment Charges are broken out
22 into separate sections followed by Vested Interest Charges
23 and Other Charges. A section for Line Installation and
24 Service Attachment Allowances is then followed by Refunds,

1 Local Improvement Districts, Relocations in Public Road
2 Rights-of-Way, and Existing Agreements.

3 Q. Please describe changes to the Definitions
4 section of Rule H.

5 A. Several definitions were added to clarify
6 discrepancies and identify pertinent terms missing from the
7 existing tariff. For example, a definition for Alteration
8 was added to describe requests for changes in distribution
9 facilities related to relocations, upgrades, conversions,
10 and/or removals. This definition clarifies that these
11 requests for services are treated the same within the
12 provisions of Rule H. Other new definitions include:
13 Conversion, Cost Quote, Point of Delivery, Service
14 Attachment, Standard Terminal Facilities, and Upgrade. The
15 Work Order Cost definition was updated to remove the 1.5
16 percent limitation for recovery of general overheads. The
17 Company instead proposes to recover actual general
18 overheads related to construction under Rule H.

19 Q. What is the most current general overhead
20 rate for construction under Rule H?

21 A. The Company's current general overhead rate
22 is 15.75 percent for new construction.

23 Q. Why is there such a large increase in the
24 general overhead rate?

1 A. As explained to me by Mr. Said, in Case No.
2 IPC-E-95-18, the Commission decreased the general overhead
3 rate to account for charging engineering fees separately.
4 In turn, the Commission capped the collection rate for
5 general overheads at 1.5 percent.

6 Q. Are engineering fees included in the
7 proposed collection rate for general overheads?

8 A. No. Engineering fees are currently charged
9 directly to work orders and are not included in the
10 Company's calculation of general overheads.

11 Q. What costs are included in general
12 overheads?

13 A. General overheads include costs for
14 construction training, safety meetings, time spent by
15 Company managers supervising construction, and other labor
16 and expenses associated with managing construction.

17 Q. Please explain changes to the General
18 Provisions section of Rule H.

19 A. Changes to the General Provisions section
20 include adding "easements" to the description of Rights-of-
21 Way to better describe the Company's most common means of
22 gaining passage across customers' property. "Proof of
23 ownership" was added to the Property Specifications
24 description to identify land ownership prior to the Company

1 acquiring rights-of-way or easements. The word
2 "Alteration" replaced "Relocation" in both the Conditions
3 for Start of Construction and Interest on Payment
4 descriptions.

5 Q. Please explain the charges being updated in
6 Rule H.

7 A. All charges were updated to reflect current
8 labor rates. Engineering Charges were updated from \$50 to
9 \$58 per hour to account for increases in Distribution
10 Designer wages. Overhead Temporary Service Attachment
11 Charges increased from \$120 to \$182, Underground Temporary
12 Service Attachment Charges decreased from \$140 to \$41 due
13 to a change in the calculation methodology, Temporary
14 Service Return Trip Charges increased from \$35 to \$41, and
15 the Underground Service Return Trip Charge increased from
16 \$50 to \$68. The charges and methodologies for calculating
17 Line Installations and overhead Service Attachments did not
18 change. Underground Service Attachment Charges were
19 updated using the same methodology used in Case No. IPC-E-
20 08-02.

21 Q. Please explain the changes to Company-funded
22 Allowances and describe the rationale for making the
23 changes.

1 A. The calculation used to determine Company-
2 funded allowances was modified to reflect costs associated
3 with providing and installing Standard Terminal Facilities.
4 Standard Terminal Facilities are the overhead terminal
5 facilities the Company considers to be most commonly
6 installed for overhead single phase and three phase
7 services. The Company is proposing to provide one
8 allowance each for single phase or three phase service as
9 credit toward terminal facilities and/or line
10 installations.

11 Company-funded allowances were modified to help
12 shift costs from rate base and to more equitably provide
13 credits to customers requesting new line installations and
14 service attachments. The proposed allowances are applied
15 equally to customers regardless of their specific sizing
16 requirements rather than paying the full cost of terminal
17 facilities regardless of sizing.

18 Q. Please define Standard Terminal Facilities.

19 A. For single phase line installations and
20 service attachments, Standard Terminal Facilities include
21 the cost associated with providing and installing one
22 overhead service conductor and one 25 kVA transformer to
23 serve a 200 amperage meter base (\$1,780). Three phase line
24 installation and service attachment costs are calculated

1 based on the cost of providing and installing one overhead
2 service conductor and three 15 kVA transformers to serve a
3 200 amperage meter base (\$3,803). These costs are further
4 detailed in my workpapers.

5 Q. How are allowances determined inside
6 residential and non-residential subdivisions and multiple
7 occupancy projects under the Company's proposal?

8 A. Developers of subdivisions and multiple
9 occupancy projects will receive a \$1,780 allowance for each
10 single phase transformer installed within a development and
11 a \$3,803 allowance for each three phase transformer
12 installed within a development.

13 Q. Please explain the changes to Vested
14 Interest Refunds and describe the rationale for making the
15 changes.

16 A. The Company does not propose that the
17 methodology and calculation of Vested Interest Refunds be
18 changed but does propose that the time limitation to
19 receive vested interest refunds be reduced from five years
20 to four years in an effort to reduce the administrative
21 burden on the Company. It has been determined that most
22 refunds are provided during the first four years and less
23 than two percent of customers eligible for Vested Interest
24 Refunds receive them in the fifth year.

1 Q. Please explain the changes to Subdivision
2 Refunds and describe the rationale for making the changes.

3 A. The Company proposes that subdivision lot
4 refunds be discontinued in an effort to shift a greater
5 portion of the cost for facilities installed inside
6 subdivisions from the general rate base to those customers
7 requesting new facilities.

8 Q. Are any refunds available inside
9 subdivisions?

10 A. Yes. Applicants will be eligible for Vested
11 Interest Refunds for facilities installed inside
12 subdivisions if the construction was NOT part of the
13 initial Line Installation. This allows new applicants
14 within subdivisions the opportunity to recover a portion of
15 their cost to construct new line installations and attach
16 to the Company's distribution system.

17 Q. Please explain the purpose of the new
18 section addressing public roadway relocations.

19 A. The purpose of the new section addressing
20 relocations in public road rights-of-way is to ensure that
21 a consistent and defined funding methodology is adhered to
22 when the Company is required to relocate distribution
23 facilities at the request of a public roadway owner. The
24 new language clearly defines when the Company is required

1 to relocate facilities and the amount of the relocation
2 costs the Company is required to fund under Idaho Code
3 § 62-705.

4 Q. Please explain any other changes and
5 describe the rationale for making the changes.

6 A. The section describing Line Installation
7 Agreements was deleted because the agreements are no longer
8 needed. The word "Alteration" replaced "Conversion" in the
9 Local Improvement Districts section to include relocations,
10 upgrades, conversions, and removals per definition. The
11 section describing Existing Agreements was moved to the
12 last section to improve the layout of the tariff.

13 Q. Does the Company have a proposal that will
14 keep charges and credits current under Rule H?

15 A. Yes. The Company plans to update all
16 charges and allowances annually on March 1 using the
17 methodologies approved as a result of this Application.

18 Q. Please explain why the Company is requesting
19 an effective date 120 days after receiving an Order
20 approving modifications to Rule H.

21 A. The Company has determined that an
22 implementation period of 120 days is needed to update and
23 test computer information systems, train employees, and
24 update internal documents related to the administration of

1 approved Rule H provisions.

2 Q. Does this conclude your testimony?

3 A. Yes.

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO MODIFY ITS RULE H)
TARIFF RELATED TO NEW SERVICE) CASE NO. IPC-E-08-22
ATTACHMENTS AND DISTRIBUTION LINE)
INSTALLATIONS OR ALTERATIONS)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

DAVID R. LOWRY

1 Q. Please state your name and business address.

2 A. My name is David R. Lowry and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

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

6 A. I am employed by Idaho Power Company as the
7 Project Manager of Highway Relocations.

8 Q. Please describe your educational background.

9 A. In May of 1977, I received my Business
10 Associates Degree in Business Management from Boise State
11 University.

12 Q. Please describe your work experience with
13 Idaho Power Company.

14 A. I became employed by Idaho Power Company in
15 1984 in the Delivery Business Unit as a lineman.

16 In 1997, I was offered and accepted a position as a
17 Facility Representative at the Boise Operations Center. My
18 primary function was to manage requests for new line
19 installations in accordance with Rule H, the Company's line
20 installation tariff.

21 In 2000, I was offered and accepted a position in
22 the Transmission & Distribution Design Group and given the
23 responsibility of overseeing highway relocations. My prior
24 experience with applying Rule H played an important role in

1 this transition.

2 In 2008, I was promoted to Project Manager of
3 Highway Relocations.

4 Q. What is the purpose of your testimony in
5 this proceeding?

6 A. I was asked by Mr. Gregory Said to describe
7 instances where I have observed state and local
8 governmental entities requiring Idaho Power to pay the
9 costs of relocating its electrical distribution facilities
10 located on public rights-of-way when those relocation costs
11 should have more appropriately been borne by real estate
12 developers.

13 Q. When the Company's distribution facilities
14 must be relocated to accommodate changes in public
15 roadways, how are the costs of those relocations generally
16 assigned?

17 A. Responsibility for facility relocation costs
18 is generally assigned according to the entity making the
19 request for the relocation. Such requests generally come
20 from three main sources. First, Idaho Power often receives
21 requests from governmental agencies to relocate
22 distribution facilities to accommodate new road
23 construction or maintenance of the present roadways. These
24 requests may originate from the Idaho Department of

1 Transportation ("ITD"), a local highway district, county,
2 or city ("Public Road Agency"). If a relocation of
3 facilities is required due to an identified and budgeted
4 highway project, Idaho Power is legally required to fund
5 the relocation cost.

6 Second, the Company often receives requests from
7 real estate developers, owners of land adjacent to public
8 roads, or other entities that are not a Public Road Agency
9 ("third parties"). These third-party requests seek a
10 utility relocation in conjunction with the third party's
11 request for road improvements not funded by a Public Road
12 Agency. The Company's Rule H states that these requesting
13 third parties will be charged for the cost of relocation.
14 If the roadway work is not an identified and budgeted
15 project of the Public Road Agency, then the requesting
16 third party pays Idaho Power to relocate its facilities.
17 However, the current Rule H tariff does not clearly address
18 cost responsibility for all relocation situations,
19 including relocations requested by a Public Road Agency on
20 behalf of a third party.

21 Third, when a Public Road Agency collects a portion
22 of the cost of roadway work from a third party, a
23 determination of the respective percentages of
24 participation borne by the Public Road Agency and the third

1 party is determined. Idaho Power bears the percentage of
2 the utility relocation cost commensurate with the
3 percentage of the Public Road Agency's funding and the
4 third party pays the remaining percentage of the line
5 relocation cost.

6 Q. How does the Company currently process
7 relocation requests from government agencies?

8 A. When a request is received from a Public
9 Road Agency for relocation of a line in a road right-of-
10 way, the Company makes a good faith effort to determine the
11 primary reason for the relocation. Idaho Power requests a
12 letter from the Public Road Agency stating that the
13 relocation is for public benefit and the primary reason for
14 the relocation is not for a third party. If the Public
15 Road Agency responds in the affirmative, the Company knows
16 it will bear the total cost of the relocation. If the
17 Public Road Agency does not respond affirmatively, further
18 inquiry is required.

19 If the Public Road Agency plans on making
20 improvements for the general public benefit within three
21 years from the day the improvements begin, or from their
22 budgeted period, Idaho Power will fund the cost of such
23 relocation. Exceptions to this occur when Idaho Power has
24 prior rights of occupancy.

1 Q. Please explain how prior rights of occupancy
2 affect responsibility for relocation costs?

3 A. The Public Road Agency requesting the
4 relocation may be responsible for the costs of the
5 relocation if:

6 1. Idaho Power has a prior private
7 easement; or

8 2. Idaho Power can claim prescriptive
9 rights for facilities installed previously on private
10 property. If a line has been relocated once at highway
11 agency expense, future moves at that location will be at
12 the agency's expense.

13 Q. Have you observed problems with some
14 developers trying to avoid paying their share of relocation
15 costs?

16 A. Yes. In some cases, developers have asked a
17 city to make a relocation request to Idaho Power on their
18 behalf and the city has not disclosed that the developer is
19 involved. The discovery of the third-party developer
20 beneficiary usually is made when the development plans are
21 approved and released by the Public Road Agency.

22 Q. Please describe a specific instance where a
23 local developer has shifted the costs of facility
24 relocation to Idaho Power with the assistance of a

1 government entity.

2 A. The developers of the Gateway Mall in Nampa
3 submitted plans to have the intersection of Happy Valley
4 Road and Stamm Lane rebuilt as a new entrance into the
5 Mall. The project was then postponed for a year. Idaho
6 Power, at the developer's request, refunded the collected
7 relocation cost for the project to the developer. Shortly
8 thereafter, a request for relocation was received from the
9 City of Nampa for the same intersection with no disclosure
10 of the interest of a third-party developer. It was only
11 through the communication of Idaho Power employees that the
12 discovery of the third-party developer beneficiary interest
13 in the "city's" project was made.

14 Q. Have you observed other instances of
15 inappropriate cost shifting from developers to Idaho Power
16 customers?

17 A. Yes. There have been requests made by the
18 ITD for improvements in road rights-of-way where the ITD
19 portion of the improvement does not require a relocation of
20 Company facilities but the construction done for the
21 benefit of a third party does. Here, the city in which the
22 highway improvement is being made formed a Local
23 Improvement District ("LID") to install sidewalks or other
24 improvements which require the relocation of Company

1 facilities. If the Idaho Transportation Department does
2 not disclose to the Company that the LID has been formed to
3 do additional work in the right-of-way as a third party,
4 the LID will collect funding from nearby property owners
5 only for the improvements and relocation of city-owned
6 utilities but not for all the utilities in the right-of-
7 way. ITD then requires Idaho Power and other private
8 utility companies to fund the relocation costs of their
9 utility facilities. Correspondence between Idaho Power,
10 ITD, and the City of Nampa has been included as Exhibit No.
11 1 to my testimony to illustrate how this cost shifting
12 occurs.

13 Q. Is this method of avoiding payment of
14 relocation expenses a recent trend?

15 A. Probably not. However, the discovery of the
16 frequency of Public Road Agencies inappropriately
17 facilitating a shift of relocation expenses is recent. The
18 Company's decision to consolidate review of Public Road
19 Agency requests for relocations under one person in 2006
20 has given the Company a better overall knowledge of the
21 projects and how they are financed.

22 Q. How frequently does this cost shifting
23 occur?

1 A. In the last three years I am aware of
2 several occurrences. However, even when the discovery is
3 made and the cities are contacted, there is reluctance on
4 the cities' part to share the cost of relocation because
5 the existing language in Rule H does not explicitly set out
6 the rules governing cost recovery in the case of third-
7 party requests affecting utility facilities in public
8 rights-of-way or the relocation responsibilities of the
9 LIDs.

10 Q. How much do facility relocations to
11 accommodate roadway changes for new developments typically
12 cost?

13 A. The cost of facility relocations can vary
14 widely. I am aware of relocations ranging in cost from
15 \$1,500 to \$350,000.

16 Q. Do you believe the proposed Rule H
17 relocation language, as described in greater detail in Mr.
18 Spark's testimony, will provide Public Road Agencies and
19 the public with needed clarity as to how responsibility for
20 relocation costs is to be apportioned?

21 A. Yes.

22 Q. Does this conclude your testimony?

23 A. Yes.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-08-22

IDAHO POWER COMPANY

LOWRY, DI
EXHIBIT NO. 1



STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WARDEN

June 27, 2007
Via Fax: 208-388-6906

David Lowry
Relocation Leader
Idaho Power Company
PO Box 70
Boise, ID 83707

Dear Mr. Lowry:

I have reviewed your letter of June 25, 2007, written on behalf of Idaho Power and Qwest, to Sue Higgins, Secretary to the Idaho Transportation Board.

Pursuant to Idaho Code 40-312(3), utilities are permissive users of Department right of way and shall relocate in accordance with the Order of the Idaho Transportation Board (Board). A Board Order was issued last week following an extensive review of the history of both the project and the more recent posturing concerning payment for the relocation.

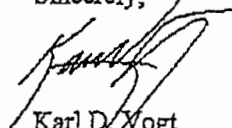
Please be advised that the construction project is a state funded highway improvement, the utilities are within our right of way, relocation is necessary to avoid delay to our project and to avoid inconvenience to the traveling public. Idaho Power and Qwest have been aware of the need for this relocation for many months, and the Department will not accept your failure to remove the utilities in a timely manner.

I have reviewed numerous letters and e-mails that suggest Idaho Power and Qwest will only relocate their facilities upon a commitment of reimbursement for the costs. While I acknowledge the argument you attempt to advance, be advised that the Board Order requires relocation at your expense. Potentially the financial responsibility for the relocation could be addressed concurrent with the relocation or following it, however, the Department will not tolerate payment to be used as a bargaining tool prior to you starting work.

David Lowry
June 27, 2007
Page 3

Please be further advised that the failure to relocate your facilities could significantly delay our project and further inconvenience the traveling public. Should such delay occur, the Board will seek reimbursement and other appropriate relief from the Utilities responsible. Please govern yourself accordingly.

Sincerely,



Karl D. Vogt
Deputy Attorney General
Idaho Transportation Department

KDV/jc



Mr. Karl D. Vogt
Deputy Attorney General
State of Idaho
Idaho Transportation Department
Contracts & Administrative Law Division
P.O. Box 7129
Boise, ID 83707-1129

June 29, 2007

Re: ITD Nampa-Boulevard Relocation

Dear Mr. Vogt:

Idaho Power and Qwest have reviewed your letter dated June 27, 2007, regarding the relocation of pole line facilities from ITD's Nampa-Caldwell Boulevard right-of-way. The utilities will proceed with their relocation of the facilities as previously indicated, and within the end of July timeline requested by the City of Nampa and ITD.

Please understand that in our prior correspondence Idaho Power and Qwest were not seeking to disrupt the improvement work in question. We were merely trying to confirm ahead of time that the cost of the relocation work would be reimbursed to the utilities, since the facilities would be relocated to make way for the LID #136 improvements. The initial request for the relocation came from the City of Nampa in connection with the LID improvements, and the poles are being removed from the same area where the LID improvements are to occur. Under this situation, the utilities are routinely reimbursed for the cost of relocating their facilities to make way for the third-party development.

In any event, we appreciate the willingness expressed in your letter to address the reimbursement issue further. Idaho Power and Qwest believe that it would be best to sit down with ITD and the City of Nampa/LID #136 representatives to discuss the relocation. The utilities greatly value our ongoing relationships with the Department and the City, both with regard to cooperative roadway work and in our broader relations, and we look forward to resolving this matter amicably.

Sincerely,

Douglas J. Dockter, P.E.
T&D Design Leader

cc: Mary Dobson (Qwest)
Pat Harrington
Dave Lowry
Colleen Ramsey
Ed Kosydar
Mike Ybarguen

Exhibit No. 1
Case No. IPC-E-08-22
D. Lowry, Idaho Power Company
P.O. Box 7129
1221 W. Idaho St.
Boise, ID 83702
Page 3 of 6



An IDACORP Company

IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

July 16, 2008

Michael Fuss, P.E.
Public Works Director
City of Nampa
Public Works Department
411 Third St. South
Nampa, ID 83651

Re: Nampa LID #136

Dear Michael,

Thank you for your latest response regarding the relocation of Idaho Power facilities from the Nampa-Caldwell Boulevard right-of-way. There have been several moving parts to this discussion so I thought it would be good to restate Idaho Power's policy on power line relocations.

The starting point for Idaho Power relocations is Rule H, on file with the Idaho Public Utilities Commission. Rule H states the basic rule that any party requesting the relocation of Idaho Power facilities must pay for the cost of the relocation. This assures that the party benefiting from the relocation pays for the cost of the work, rather than having the costs passed on to all of Idaho Power's customers.

There are additional relocation requirements that apply when Idaho Power's facilities are located within road rights-of-way. As a general rule, the owner of the road right-of-way may require Idaho Power to relocate its facilities at Idaho Power expense for the road owner's own road improvement projects (assuming Idaho Power does not have a separate easement or other property right for the facilities). These projects typically involve road widening work by the road owner, in which case Idaho Power relocates its facilities further back to the edge of the new right-of-way at its own expense.

However, Idaho Power's policy is *not* to relocate its facilities from road right-of-way at its expense if the relocation is required for the benefit of a third party rather than the road owner. A typical example of this situation is the installation of a turn lane for a new commercial development. The road owner typically will require the developer to pay for the cost of the turn lane, and Idaho Power similarly requires the developer to pay for the cost of relocating a power line to make room for the turn lane.

In Idaho Power's view this same principle applies to its power line relocation work for LID #136 last summer. Certain improvements were made within the Idaho Department of Transportation Department's (ITD) Nampa-Caldwell Blvd right-of-way for the benefit of the LID and its participants. ITD required the LID to pay for the cost of installing the improvements and

Exhibit No. 1
Case No. IPC-E-08-22
D. Lowry, Idaho Power Company
Page 4 of 6

Telephone (208) 388-8653

091

similarly, Idaho Power should be reimbursed for its power line relocation work that was necessitated by these improvements.

This is Idaho Power's policy throughout its service territory - if a power line relocation is required for road improvements that benefit a specific developer or group, the Company requires the developer or group to pay for the costs of the relocation. This procedure has been formally recognized by the Ada County Highway District for many years, under ACHD Ordinance 330. Idaho Power follows the same approach in all other Idaho counties within our service territory, even though the other counties have not adopted specific relocation ordinances as ACHD has. Furthermore, Idaho Power's franchise agreements in Idaho recite the rule that Idaho Power is not required to pay for the relocation of its facilities in city rights-of-way if the relocation is for the benefit of a third party. For instance, Nampa's Franchise Ordinance No. 3181 states in Section 3 that

The Grantee [Idaho Power] shall bear the cost of relocating its facilities at the City's request, *unless the facilities are to be relocated for the benefit of a third party, in which case the third party shall pay the costs of relocation.* (Emphasis added).

This principle clearly applies to the relocation of Idaho Power's facilities from the ITD Nampa-Caldwell Boulevard right-of-way. Idaho Power's facilities were relocated for the benefit of the LID #136 project and therefore the LID should pay for the cost of the relocation work. This is Idaho Power's policy throughout its service territory.

Idaho Power's relocation policy applies to LIDs in the same manner as any other entity who requests the relocation of Idaho Power facilities. In fact, as we have discussed, Rule H includes a specific section for LID relocation requests. This section was added to Rule H to allow the participants of LIDs to pay for power line alterations through the collective LID payment mechanism, rather than paying the Company directly as any other customer or entity would.

You questioned whether Nampa LID #136 falls within the Rule H definition of LIDs, since LID #136's purposes are broader than the purpose set forth in Rule H - "the study, financing, and construction of a Distribution Line Installation or alteration". However, Idaho Power believes Rule H would apply to LID #136, since the stated purposes of LID #136 specifically include "utility improvements". Rule H does not state that power line relocations must be the *only* purpose of an LID. The clearer interpretation is that power line relocations must be one of the named purposes of the LID, regardless of any other purposes designated for the LID.

An equally important point under Rule H is that even if an LID entity is determined not to meet the Rule H definition of an LID, this does not mean that the entity is not required to pay for power line installations and alterations under Rule H. Rule H applies to *any* entity requesting a power line installation or alteration, whether it is an LID or not. As indicated above, the LID

Page #3
August 27, 2008

section of Rule H simply provides an opportunity for the participants of an LID to pay the cost of facility relocations through the collective LID payment process. If an entity does not wish to follow this process, it can simply pay the relocation costs directly to Idaho Power as a regular customer and not through the LID mechanism. In either case though the relocation payment must be made to Idaho Power.

I hope this letter answers your questions regarding Idaho Power's policy on power line relocations and how that policy applies to our relocation work for the LID #136 improvements. Idaho Power feels that it is important to apply its relocation requirements consistently and to collect monies that are due for relocation work for the benefit of all of our customers. Idaho Power again requests that the City of Nampa and LID #136 reimburse Idaho Power for its relocation costs for the project of \$71,807.00. As before, this request also includes reimbursement of the additional Qwest costs of \$48,900, which were also incurred in the same joint relocation work by the utilities (Idaho Power installed the new poles and re-attached its electrical wires to the new poles, while Qwest removed the existing poles and re-attached its communication cables to the new poles).

Please feel free to contact me if you have any further questions regarding this request.

Sincerely

Michael D. Ybarguen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. IPC-E-08-22
OF IDAHO POWER COMPANY FOR)	
AUTHORITY TO MODIFY ITS RULE H)	NOTICE OF APPLICATION
LINE EXTENSION TARIFF RELATED TO)	
NEW SERVICE ATTACHMENTS AND)	NOTICE OF
DISTRIBUTION LINE INSTALLATIONS.)	INTERVENTION DEADLINE
)	
)	ORDER NO. 30687

On October 30, 2008, Idaho Power Company filed an Application with the Commission seeking authority to modify its Rule H tariff relating to new service attachments and distribution line installations and alterations. Specifically, the Company wishes to increase the charges for new service attachments, distribution line installations and alterations. The Company explained that the changes to the tariff would shift installation costs from the general body of ratepayers to new customers requesting construction for these services. The Company requests that the Application be processed by Modified Procedure and that the proposed changes be approved no later than March 1, 2009, to become effective 120 days later.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power proposes modifications to its existing Rule H tariff that reorganizes sections, adds or revises definitions, updates charges and allowances, modifies refund provisions, and deletes the Line Installation Agreements section. Section titles were arranged to more closely reflect the manner in which customers are charged and to better match the arrangement of the Company's cost estimation process. Definitions have been added or revised to provide clarity.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes separate sections for "Line Installation Charges" and "Service Attachment Charges." Within the Service Attachment Charges section, Idaho Power separated the overhead and underground service attachments, updated the charges for underground service attachments less than 400 amperages, and outlined the calculation for determining underground service attachment charges greater than 400 amperages. The "Vested Interest Charges" section was reworded and some definitions were removed. The available options and calculations in this section were not changed. Engineering

NOTICE OF APPLICATION
 NOTICE OF INTERVENTION DEADLINE
 ORDER NO. 30687

charges, temporary service attachment charges, and return trip charges were updated in the "Other" Charges section.

YOU ARE FURTHER NOTIFIED that the Company asserts that the Line Installation and Service Attachment Allowances section was modified and updated to reflect current costs associated with providing and installing "standard terminal facilities" for single-phase and three-phase service attachments and line installations. Idaho Power proposes one credit allowance toward the cost of terminal facilities and line installations and modifies Company-funded credit allowances inside subdivisions. The Company maintains that these significant revisions to the tariff specifically address the Company's and Commission's desire to recover more of the cost for service attachments, distribution line installations, and alterations outside of base rates.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes Vested Interest Refunds for subdividers and new applicants inside subdivisions for additional line installations that were not part of the initial line installation.¹ The Company also proposes to change the availability of Vested Interest Refunds from a five-year period to a four-year recovery period and discontinue all subdivision lot refunds.

YOU ARE FURTHER NOTIFIED that Idaho Power seeks authority to add a section entitled Relocations in Public Road Rights-of-Way to address funding of roadway relocations required under *Idaho Code* § 62-705. The section would identify when and to what extent the Company would fund roadway relocations. Specifically, this section would outline road improvements for the general public benefit, road improvements for third-party beneficiaries, and road improvements for a joint benefit.

YOU ARE FURTHER NOTIFIED that the Company asserts that it has undertaken a special communications effort to advise builders and developers in its service territory of the changes proposed by this Application. The Company requests that the proposed changes to its Rule H tariff be approved no later than March 1, 2009. Idaho Power requests that the Commission's Order set an effective date 120 days beyond the date of the final Order to allow the Company time to train employees, reprogram computerized accounting systems, and reconstruct internal processes.

¹ Subdividers and new applicants will continue to be eligible for Vested Interest Refunds outside of subdivisions.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's Website at www.puc.idaho.gov under "File Room" and then "Electric Cases."

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene no later than fourteen (14) days from the service date of this Order. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued, the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. In addition to the schedule, the parties may discuss discovery logistics, electronic service, and other scheduling matters.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-307, 61-502, 61-503, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

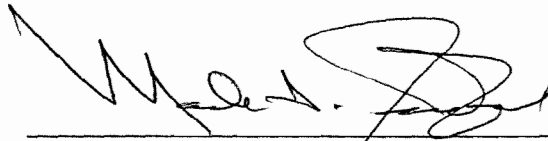
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

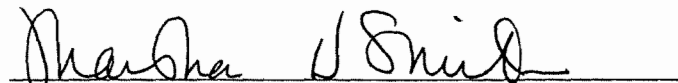
ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order.

IT IS FURTHER ORDERED that after the Notice of Parties is issued, the Staff shall informally convene with the parties to discuss the processing of this case.

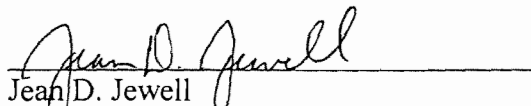
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th day of November 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPC-E-08-22_ks

RECEIVED
2008 DEC 10 PM 3:36
IDAHO PUBLIC
UTILITIES COMMISSION

Davis F. VanderVelde, ISB #7314
Matthew A. Johnson, ISB #7789
WHITE PETERSON GIGRAY ROSSMAN NYE & NICHOLS, P.A.
5700 East Franklin Road, Suite 200
Nampa, Idaho 83687
Office: (208) 466-9272
Fax: (208) 466-4405
mjohnson@whitepeterson.com

Attorneys for Intervenor: City of Nampa

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AUTHORITY)
TO MODIFY ITS RULE H LINE EXTENSION)
TARIFF RELATED TO NEW SERVICE)
ATTACHMENTS AND DISTRIBUTION LINE)
INSTALLATIONS)

CASE NO. IPC-E-08-22

PETITION TO INTERVENE

The CITY OF NAMPA hereby petitions to intervene in the above-captioned matter pursuant to Idaho Public Utilities Commission Rules of Procedure (IDAPA 31.01.01.000 et seq) and the Commission's November 26, 2008 *Notice of Application and Notice of Intervention Deadline*.

I. In support of this Petition, the City of Nampa alleges as follows:

1. The City of Nampa is duly organized as a municipal corporation of the State of Idaho under Idaho Code Title 50.

2. The City of Nampa owns, governs, and controls public roadways and right-of-ways within the City limits. Under Chapter 3 of Title 50 of the Idaho Code, the City of Nampa is empowered to supervise, regulate, create, widen, improve, and otherwise control and direct such public roadways.

3. The City of Nampa has a direct and substantial interest in the above captioned matter. Nampa's responsibilities for its roadways include maintenance and improvements that require relocation of Idaho Power facilities so that such facilities do not interfere with transportation and public safety. Idaho Power's *Application* seeks to change the relocation rules so that the costs of such relocation would be borne by the City and local improvement districts organized by the City. The City of Nampa is substantially interested in making sure that relocation costs are not unfairly imposed on the City. Additionally the City has a direct interest in making sure such rule changes do not contravene the franchise agreement between the City and Idaho Power. The City also has an interest in making sure that such rule changes do not contravene Idaho statutes and case law.

4. Intervention by the City of Nampa will not unduly broaden the issues in this matter. The City's concerns relate primarily to the proposed changes regarding the definition of third-party beneficiaries, the treatment of local improvement districts, and allocation of relocation costs. The City does not seek to introduce additional issues or matters beyond those already included in the proposed rule change.

5. Intervention by the City of Nampa is in the public interest. The City has comments and concerns related to the public interest in traffic and roadways.

6. Intervention by the City of Nampa will not cause delay or prejudice to the parties in the above-captioned matter. The City of Nampa seeks to timely intervene at an early stage in this matter and within fourteen (14) days of the service date of *PUC Order No. 30687*.

7. Intervention by the City of Nampa is appropriate to allow the City of Nampa to appropriately express certain concerns, objections, and protests in relation to the Application in this matter.

8. The City of Nampa wishes to maintain good relations with Idaho Power and believes that status as an intervenor will allow for clearer communications about concerns and issues.

Dated this 10th day of December, 2008.

WHITE PETERSON

By: 

Matthew A. Johnson

Attorneys for the City of Nampa

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 10th day of December, 2008, a true and correct copy of the above and foregoing instrument was served upon the following by the method indicated below:

Michael Fuss City of Nampa 411 – 3 rd Street South Nampa, ID 83651	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile:
Lisa D. Nordstrom Barton L. Kline IDAHO POWER COMPANY P. O. Box 70 Boise, ID 83707	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile:


for WHITE PETERSON

JASON S. RISCH
ATTORNEY AT LAW

JRISCH@RISCHPISCA.COM

RISCH ♦ PISCA, PLLC

LAW AND POLICY

407 W. JEFFERSON STREET

BOISE, IDAHO 83702

2008 DEC 10 PM 4:51
IDAHO PUBLIC
UTILITIES COMMISSION
December 10, 2008

TELEPHONE
(208) 345-9929

TELEFAX
(208) 345-9928

Via Hand Delivery

Jean D. Jewell, Secretary
IDAHO PUBLIC UTILITIES COMMISSION
472 W. Washington St.
Boise, ID 83720-0074

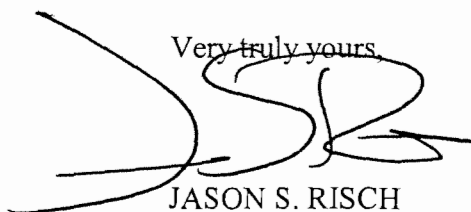
RE: Idaho Public Utilities Commission
Case No. IPC-E-08-22
Idaho Power Company Application to Modify Rule H Tariff

Dear Ms. Jewell:

Enclosed with this correspondence please find an original and seven (7) copies of the *Building Contractors Association of Southwestern Idaho's Petition for Intervention* in the above-referenced matter. I have also provided an extra copy to be file-stamped and returned for our file.

If you have any questions regarding this correspondence, please feel free to contact me at 345-9929.

Very truly yours,



JASON S. RISCH

JSR/lfd
Enclosures

cc: Client

JASON S. RISCH (ISB #6655)
JEREMY P. PISCA (ISB #6010)
RISCH PISCA, PLLC
LAW AND POLICY
407 West Jefferson Street
Boise, Idaho 83702-6049
Telephone: (208) 345-9929
Facsimile: (208) 345-9928
E-mail: jrisch@rischpisca.com
E-mail: jpisca@rischpisca.com

RECEIVED
2008 DEC 10 PM 4:52
IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for the Building Contractors Association of Southwestern Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR	)	Case No. IPC-E-08-22
AUTHORITY TO MODIFY ITS RULE H)	
LINE EXTENSION TARIFF RELATED TO	)	BUILDING CONTRACTORS
NEW SERVICE ATTACHMENTS AND	)	ASSOCIATION OF SOUTH-
DISTRIBUTION LINE INSTALLATIONS	)	WESTERN IDAHO'S PETITION
	)	TO INTERVENE

COME NOW, the Building Contractors Association of Southwestern Idaho (hereinafter "BCASWI") and similarly situated and affiliated associations, by and through their counsel of record, Risch Pisca, PLLC, and hereby petition this Commission for leave to intervene in the above-entitled proceeding pursuant to Rule 71 of the Commission's Rules of Practice and Procedure, IDAPA 31.01.01.071, and in support hereof, state as follows:

1. **Name and Address of Petitioner and Representing Attorney.**

The name and address of the intervener is as follows:

Building Contractors Association of Southwestern Idaho
c/o Jason S. Risch
RISCH PISCA, PLLC
LAW AND POLICY
407 West Jefferson Street
Boise, Idaho 83702
jrisch@rischpisca.com

2. **Petitioner's Interest in this Proceeding.**

This intervener, BCASWI, is affiliated with the IBCA, who is an association of contractors, developers and other allied industries organized to seek and promote the responsible development of Idaho communities, and as such, has a direct and substantial interest in this proceeding in that the proposal by the applicant, Idaho Power Company, would result in an immediate and significant cost increase to its members. Applicant Idaho Power has acknowledged the direct and substantial interest of intervener's BCASWI's members in a notification titled "Important Rate Information for Building Contractors and Developers" that stated, these changes to the tariff [are] "to shift a greater portion of the cost of new construction for services from our existing retail customers to those developers and new customers requesting construction" (a copy of which is attached hereto as Exhibit "A").

3. **Evidence to Be Presented.**

This intervener intends to participate herein as a party, and if necessary, to introduce evidence in the form of documents and/or direct testimony, cross-examine witnesses and present oral argument. The quantity of evidence which this intervener will introduce is directly dependent upon the nature and effect of other evidence introduced by other parties in this proceeding, which cannot be determined at this time.

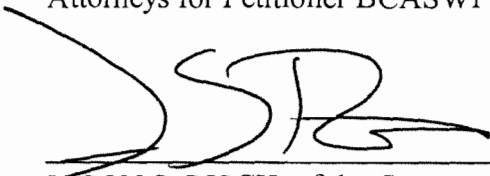
4. **Timeliness.**

This Petition is timely filed pursuant to IDAPA 31.01.01073 and will not unduly broaden this issues or delay these proceedings.

WHEREFORE, Petitioner BCASWI respectfully requests that the Commission grant this Petition to Intervene, thereby allowing it to participate in the above-entitled proceedings with full rights as a formal party.

DATED This 10th day of December, 2008.

RISCH PISCA, PLLC
Attorneys for Petitioner BCASWI



JASON S. RISCH, of the firm

CERTIFICATE OF SERVICE

I hereby certify that on the 10 day of December, 2008, I caused to be served a true and correct copy of the foregoing ***Building Contractors Association for Southwestern Idaho's Petition to Intervene*** as follows:

Jean D. Jewell
Commission Secretary
IDAHO PUBLIC UTILITIES COMMISSION
472 W. Washington St.
Boise, ID 83720-0074

☐ U.S. Mail (postage prepaid)
☒ Hand Delivery
☐ Facsimile
☐ Overnight Mail

Lisa D. Nordstrom
Barton L. Kline
IDAHO POWER COMPANY
1221 W. Idaho St.
Boise, ID 83702

☐ U.S. Mail (postage prepaid)
☒ Hand Delivery
☐ Facsimile
☐ Overnight Mail

Scott Sparks
Gregory W. Said
IDAHO POWER COMPANY
1221 W. Idaho St.
Boise, ID 83702

☐ U.S. Mail (postage prepaid)
☒ Hand Delivery
☐ Facsimile
☐ Overnight Mail



Jason S. Risch

Important Rate Information For Building Contractors & Developers



New Construction for Services- Modification of Charges and Credits

Idaho Power filed an application with the Idaho Public Utilities Commission (IPUC) on Oct. 30, requesting modification of Rule H tariff charges and credits for new service attachments and distribution line installations or alterations.

The company is asking the IPUC to accept changes to the tariff that help shift a greater portion of the cost of new construction for services from our existing retail customers to those developers and new customers requesting the construction. The company continues to work with developers and the building community regarding modifications to the tariff and planning for growth.

The company's proposed revisions:

- update charges and allowances for line extensions,
- modify refund provisions, and
- address funding public roadway relocations.

The company's application is a proposal open to public review and comment and is subject to IPUC approval. The public can view Idaho Power's proposal, Case No. IPC-E-08-22, at www.idahopower.com/aboutus/regulatoryinfo/filings.asp, the IPUC Web Site- www.puc.state.id.us, or at Idaho Power's Corporate Headquarters, 1221 W. Idaho Street, Boise, Idaho.

Idaho Power is committed to preserving and protecting our precious resources to ensure the delivery of fair-priced, reliable, safe electricity throughout our entire service area.

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255
TELECOPIER (513) 421-2764

RECEIVED

2008 DEC 12 AM 9:33

IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT MAIL

December 11, 2008

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
472 W. Washington Street
Boise, Idaho 83720-0074

In re: Case No. IPC-E-08-22

Dear Ms. Jewell:

Enclosed please find the original and (8) copies of the PETITION TO INTERVENE on behalf of THE KROGER CO. dba FRED MEYER AND SMITH'S FOOD AND DRUG to be filed in the above referenced matter. I also attach an electronic version.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Encl.

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail, unless otherwise noted, this 11TH day of December, 2008 to the following:



Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.

Lisa D. Nordstrom
Barton L. Kline
Idaho Power Company
1221 W. Idaho St.
Boise, ID 83702
Barton L. Kline bkline@idahopower.com
Lisa Nordstrom hiordstrom@idahopower.com

Jason S. Risch
Jeremy P. Pisca
Risch Pisca, PLLC
Law and Policy
407 West Jefferson Street
Boise, Idaho 83702
jrisch@rischpisca.com
jpisca@rischpisca.com

Scott Sparks
Gregory W. Said
Idaho Power Company
1221 W. Idaho St.
Boise, ID 83702

Davis F. VanderVelde
Matthew A. Johnson
White Peterson Gigray Rossman Nye & Nichols, P.
A.
5700 East Franklin Road, Suite 200
Nampa, Idaho 83687
mjohnson@whitepeterson.com

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
472 W. Washington Street
Boise, Idaho 83720-0074

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Ph: 513-421-2255 Fax: 513-421-2764
E-mail: mkurtz@BKLLawfirm.com
kboehm@BKLLawfirm.com

Attorneys for The Kroger Co.

RECEIVED
2008 DEC 12 AM 9:33
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

In The Matter Of The Application Of Idaho Power : Case No. IPC-E-08-22
Company For Authority To Modify Its Rule H Line :
Extension Tariff Related To New Service Attachments :
And Distribution Line Installations :

PETITION FOR LEAVE TO INTERVENE OF KROGER CO.

Pursuant to the Idaho Administrative Code 31.01.01-.071 through .073, the Kroger Co. ("Kroger") petitions to intervene in the above captioned proceeding. Pursuant to Rule .073, Kroger requests that the Commission grant this Petition out-of-time. Kroger was not aware of this filing until Monday, December 8th and did not learn of the intervention filing deadline until December 11th. Kroger does not believe that any party will be prejudiced by its late filing. In support, Petitioner states as follows:

1. **Name and Addresses of Petitioner:**
The Kroger Co.
Attn: Corporate Energy Manager, (G09)
1014 Vine Street
Cincinnati, Ohio 45202

2. **Name and Address of Attorneys/Consultants Representing Petitioner:**

Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Telephone: 513-421-2255 Facsimile: 513-421-2764

E-mail: mkurtz@BKLawfirm.com kboehm@BKLawfirm.com

Kevin Higgins

Energy Strategies, LLC

Parkside Towers

215 South State Street, Suite 200

Salt Lake City, Utah 84111

E-mail: khiggins@energystrat.com

3. **Petitioner's Interest in this Proceeding:**

Kroger is a corporation engaged in the business of selling groceries at retail throughout the United States. One of the largest retail food companies in the United States, Kroger operates approximately 10 grocery stores and other facilities in the state of Idaho. These stores purchase more than 30 million kWh of electricity from the Company annually. Petitioner is one of the largest commercial customers served by the Company. The grocery stores operated by Kroger are high load factor facilities that use energy for food storage, lighting, heating, cooling and distribution, often on a 24 hour a day, 7 day a week basis. Petitioner has a substantial and vital interest in the outcome of this proceeding which cannot be adequately represented by any other party.

4. **Evidence to be Presented:**

If Kroger decided to file testimony, it will likely address the reasonableness of the Company's requested charges.

WHEREFORE, for the reasons set forth above, Petitioner requests that this Petition to Intervene be granted.

DATED this 11th day of December, 2008.



Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Ph: 513-421-2255 Fax: 513-421-2764
E-mail: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-08-22
 AUTHORITY TO MODIFY ITS RULE H)
 LINE EXTENSION TARIFF RELATED TO)
 NEW SERVICE ATTACHMENTS AND) ORDER NO. 30707
DISTRIBUTION LINE INSTALLATIONS.)

Building Contractors Association of Southwestern Idaho petitioned to intervene in this case on December 10, 2008, pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, IDAPA 31.01.01.071-.075.

FINDINGS OF FACT

We find that no party timely opposed this Petition to Intervene.

We further find that based on the pleadings and other documents filed in this case, intervention by this party would serve the purposes of intervention as described by Rule 74 of the Rules of Procedure and should be granted.

ORDER

IT IS THEREFORE ORDERED that the Petition to Intervene filed by the Building Contractors Association of Southwestern Idaho is hereby granted.

IT IS FURTHER ORDERED that all parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This Intervenor is represented by the following for purposes of service:

Jason Risch
 Risch Pisca, PLLC
 Law and Policy
 407 W. Jefferson Street
 Boise, ID 83702
 E-mail: jrisch@rischpisca.com

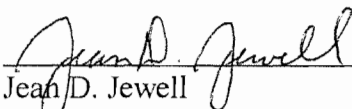
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th
day of December 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

b1s/O:IPC-E-08-22_in1

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-08-22
 AUTHORITY TO MODIFY ITS RULE H)
 LINE EXTENSION TARIFF RELATED TO)
 NEW SERVICE ATTACHMENTS AND) ORDER NO. 30708
DISTRIBUTION LINE INSTALLATIONS.)

The City of Nampa petitioned to intervene in this case on December 10, 2008, pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, IDAPA 31.01.01.071-.075.

FINDINGS OF FACT

We find that no party timely opposed this Petition to Intervene.

We further find that based on the pleadings and other documents filed in this case, intervention by this party would serve the purposes of intervention as described by Rule 74 of the Rules of Procedure and should be granted.

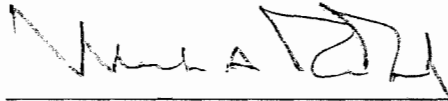
ORDER

IT IS THEREFORE ORDERED that the Petition to Intervene filed by the City of Nampa is hereby granted.

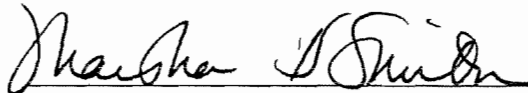
IT IS FURTHER ORDERED that all parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This Intervenor is represented by the following for purposes of service:

Davis F. VanderVelde
 Matthew A. Johnson
 White Peterson Gigray Rossman Nye & Nichols, P.A.
 5700 E. Franklin Road, Suite 200
 Nampa, ID 83687
 E-mail: mjohnson@whitepeterson.com

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th
day of December 2008.



MACK A. REDFORD, PRESIDENT

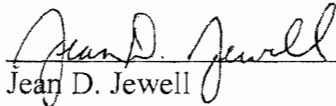


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

bls/O:IPC-E-08-22_in2

2009 DEC 24 AM 11:02

Matthew A. Johnson, ISB #7789
Davis F. VanderVelde, ISB #7314
WHITE PETERSON GIGRAY ROSSMAN NYE & NICHOLS, P.A.
5700 East Franklin Road, Suite 200
Nampa, Idaho 83687
Office: (208) 466-9272
Fax: (208) 466-4405
mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**PETITION FOR LEAVE TO
INTERVENE OF THE
ASSOCIATION OF CANYON
COUNTY HIGHWAY
DISTRICTS**

116

ACCHD was not fully aware of its options on this matter and was unable to take action until a regularly scheduled meeting on December 17, 2008, which was after the intervention filing deadline. The ACCHD does not believe that any party will be prejudiced by its late filing and the ACCHD's involvement will not unduly broaden the issues. Additionally at this time this matter is still in the early stages and no Notice of Parties has yet been sent out, so allowing ACCHD to petition out-of-time will not significantly disrupt proceedings.

I. In support of this Petition, the ACCHD alleges as follows:

1. The Association of Canyon County Highway Districts was formed in 1981 as an informal association for Nampa Highway District No. 1, Notus-Parma Highway District No. 2, Golden Gate Highway District No. 3, and Canyon Highway District No. 3 to share standards, ideas, and information related to their jurisdictions within Canyon County. Each of these highway districts is duly organized as a body politic and corporate under Idaho Code Title 40, Chapter 13.

2. The highway districts each own, govern, and control public roadways and right-of-ways within their respective district limits. Under Chapter 13 of Title 40 of the Idaho Code, the highway districts are each empowered to supervise, regulate, create, widen, improve, and otherwise control and direct such public roadways.

3. The ACCHD has a direct and substantial interest in the above captioned matter. The highway districts' responsibilities for their respective roadways include maintenance and improvements that require relocation of Idaho Power facilities so that such facilities do not interfere with transportation, public use, and public safety. Idaho Power's *Application* seeks to change the relocation rules so that the costs of such relocation would be borne by the highway districts and local improvement districts organized by the highway districts. The ACCHD is

substantially interested in making sure that relocation costs are not unfairly imposed on the highway districts. The ACCHD also has an interest in making sure that such rule changes do not contravene Idaho statutes and case law.

4. Intervention by the ACCHD will not unduly broaden the issues in this matter. The highway districts' concerns relate primarily to the proposed changes regarding the definition of third-party beneficiaries, the treatment of local improvement districts, and allocation of relocation costs. The ACCHD does not seek to introduce additional issues or matters beyond those already included in the proposed rule change.

5. Intervention by the ACCHD is in the public interest. The ACCHD highway districts are responsible for and govern all public right-of-ways within Canyon County, except those within municipalities. The highway districts have comments and concerns related to the public interest in traffic safety, public right-of-ways, and public roadways.

6. Intervention by the ACCHD will not cause delay or prejudice to the parties in the above-captioned matter. The ACCHD understand that this petition was not timely within the fourteen (14) days requirement of the service date of *PUC Order No. 30687*. However the fourteen (14) days timeline was quite short for the highway districts to make a cooperative effort on this matter. The efficiency in both time and costs gained by a joint petition and cooperative effort will improve the future proceedings. Additionally there have not yet been further proceedings on this matter, so the ACCHD petition will not unduly interfere with proceedings in progress.

7. Intervention by the ACCHD is appropriate to allow the highway districts to appropriately express certain concerns, objections, and protests in relation to the Application in this matter.

8. The highway districts wish to maintain good relations with Idaho Power and believe that status for the ACCHD as an intervenor will allow for clearer communications about concerns and issues.

Dated this 24 day of December, 2008.

WHITE PETERSON GIGRAY ROSSMAN
NYE & NICHOLS, P.A.

By: 

Matthew A. Johnson
Attorneys for the ACCHD

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 24th day of December, 2008, a true and correct copy of the above and foregoing instrument was served upon the following by the method indicated below:

Nampa Highway District No. 1
P.O. Box 76
Nampa, ID 83653

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Notus-Parma Highway District No. 2
PO Box 719
Parma ID 83660

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Golden Gate Highway District No. 3
PO Box 38
Wilder ID 83676

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Canyon Highway District No. 4
15435 Hwy 44
Caldwell ID 83607

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Lisa D. Nordstrom
Barton L. Kline
IDAHO POWER COMPANY
P. O. Box 70
Boise, ID 83707

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
BOEHM, JURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati OH 45202

X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Jason S. Risch
Jeremy P. Pisca
Risch Pisca, PLLC
Law and Policy
407 West Jefferson Street
Boise ID 83702

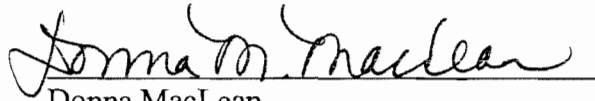
X U.S. Mail
_____ Overnight Mail
_____ Hand Delivery
_____ Facsimile:

Scott Sparks
Gregory W. Said
Idaho Power Company
1221 W. Idaho Street
Boise ID 83702

☒ U.S. Mail
☐ Overnight Mail
☐ Hand Delivery
☐ Facsimile:

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
PO Box 83720
472 W. Washington Street
Boise ID 83720-0074

☐ U.S. Mail
☐ Overnight Mail
☒ Hand Delivery
☐ Facsimile:



Donna MacLean

for WHITE PETERSON GIGRAY ROSSMAN NYE & NICHOLS, P.A.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-08-22
 AUTHORITY TO MODIFY ITS RULE H)
 LINE EXTENSION TARIFF RELATED TO)
 NEW SERVICE ATTACHMENTS AND) ORDER NO. 30709
DISTRIBUTION LINE INSTALLATIONS.)

The Kroger Co. dba Fred Meyer and Smith's Food and Drug petitioned to intervene in this case on December 12, 2008 after the deadline for petitioning to intervene of December 10, 2008, pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, IDAPA 31.01.01.071-.075.

FINDINGS OF FACT

We find that no party timely opposed this Petition to Intervene.

We further find that based on the pleadings and other documents filed in this case, intervention by this party would serve the purposes of intervention as described by Rule 74 of the Rules of Procedure. We also find that granting this late intervention will not prejudice any party and that late intervention should be granted.

ORDER

IT IS THEREFORE ORDERED that the Petition Intervene filed by the Kroger Co. dba Fred Meyer and Smith's Food and Drug is hereby granted.

IT IS FURTHER ORDERED that all parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This intervenor is represented by the following for purposes of service:

Michael L. Kurtz, Esq.
 Kurt J. Boehm, Esq.
 Boehm, Kurtz & Lowry
 36 E. Seventh Street, Suite 1510
 Cincinnati, OH 45202
 E-mail: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

Kevin Higgins
 Energy Strategies, LLC
 Parkside Towers
 215 S. State Street, Suite 200
 Salt Lake City, UT 84111
 E-mail: khiggins@energystrat.com


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of December 2008.


MACK A. REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bls/O:IPC-E-08-22_in3

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-08-22
 AUTHORITY TO MODIFY ITS RULE H)
 LINE EXTENSION TARIFF RELATED TO)
 NEW SERVICE ATTACHMENTS AND) ORDER NO. 30712
DISTRIBUTION LINE INSTALLATIONS.)

Nampa Highway District No. 1, Notus-Parma Highway District No. 2, Golden Gate Highway District No. 3 and Canyon Highway District No. 4, referred to as the Association of Canyon County Highway Districts, petitioned to intervene in this case on December 24, 2008 after the deadline for petitioning to intervene of December 10, 2008, pursuant to Rules of Procedure 71 through 75 of the Idaho Public Utilities Commission, IDAPA 31.01.01.071-.075.

FINDINGS OF FACT

We find that no party timely opposed this Petition to Intervene.

We further find that based on the pleadings and other documents filed in this case, intervention by this party would serve the purposes of intervention as described by Rule 74 of the Rules of Procedure. We also find that granting this late intervention will not prejudice any party and that late intervention should be granted.

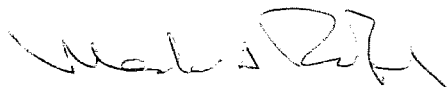
ORDER

IT IS THEREFORE ORDERED that the Petition Intervene filed by the Association of Canyon County Highway Districts is hereby granted.

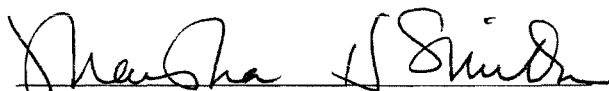
IT IS FURTHER ORDERED that all parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This intervenor is represented by the following for purposes of service:

Matthew A. Johnson
 Davis F. VanderVelde
 White Peterson Gigray Rossman Nye & Nichols, P.A.
 5700 E. Franklin Road, Suite 200
 Nampa, ID 83687
 E-mail: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

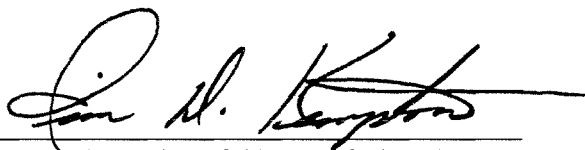
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th
day of December 2008.



MACK A. REDFORD, PRESIDENT




MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Barbara Barrows

Assistant Commission Secretary

bls/O:IPC-E-08-22_in4

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-08-22**
AUTHORITY TO MODIFY ITS RULE H)
LINE EXTENSION TARIFF RELATED TO) **NOTICE OF PARTIES**
NEW SERVICE ATTACHMENTS AND)
DISTRIBUTION LINE INSTALLATIONS.)

YOU ARE HEREBY NOTIFIED that the following are parties to this proceeding. Unless otherwise notified, service in this matter need be made only upon and to the following parties and their representatives at the addresses given below:

IDAHO POWER COMPANY:
(Exhibit Nos. 1-100)

Lisa D. Nordstrom
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
Email: lnordstrom@idahopower.com
bkline@idahopower.com

Scott Sparks
Gregory W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
Email: ssparks@idahopower.com
gsaid@idahopower.com

COMMISSION STAFF:
(Exhibit Nos. 101-200)

Kristine A. Sasser
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington (83702)
PO Box 83720
Boise, ID 83720-0074
Email: kris.sasser@puc.idaho.gov

NOTICE OF PARTIES

**BUILDING CONTRACTORS
ASSOCIATION OF SOUTHWESTERN
IDAHO:
(Exhibit Nos. 201-300)**

Jason Risch
Risch Pisca, PLLC
Law and Policy
407 W. Jefferson Street
Boise, ID 83702
E-mail: jrisch@rischpisca.com

**THE CITY OF NAMPA:
(Exhibit Nos. 301-400)**

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
Suite 200
5700 E. Franklin Road
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Email: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

**THE KROGER CO:
(Exhibit Nos. 401-500)**

Michael Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
E-mail: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

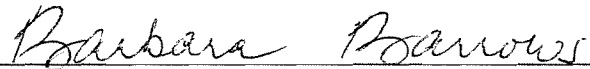
Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State Street, Suite 200
Salt Lake City, UT 84111
E-mail: khiggins@energystrat.com

**THE ASSOCIATION OF CANYON
COUNTY HIGHWAY DISTRICTS:
(Exhibit Nos. 501-600)**

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
Suite 200
5700 E. Franklin Road
Nampa, ID 83687
Email: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

YOU ARE FURTHER NOTIFIED that all testimony and exhibits in Case No. IPC-E-08-22 must comport with the requirements of Rule 231 and 267 of the Commission's Rules of Procedure. Reference IDAPA 31.01.01.231 and 267.

DATED at Boise, Idaho this 30th day of December, 2008.



BARBARA BARROWS
ASSISTANT COMMISSION SECRETARY

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-08-22**
AUTHORITY TO MODIFY ITS RULE H)
LINE EXTENSION TARIFF RELATED TO) **NOTICE OF**
NEW SERVICE ATTACHMENTS AND) **MODIFIED PROCEDURE**
DISTRIBUTION LINE INSTALLATIONS.)
) **NOTICE OF SCHEDULING**
)
) **ORDER NO. 30719**

On October 30, 2008, Idaho Power Company filed an Application with the Commission seeking authority to modify its Rule H tariff relating to new service attachments and distribution line installations and alterations. Specifically, the Company wishes to increase the charges for new service attachments, distribution line installations and alterations.

On November 26, 2008, the Commission issued a Notice of Application and Intervention Deadline. Order No. 30687. Four parties petitioned to intervene. The Building Contractors Association of Southwestern Idaho; City of Nampa; The Kroger Co.; and Association of Canyon County Highway Districts were granted intervenor status. The Commission issued its Notice of Parties on December 30, 2008. Pursuant to Order No. 30687, the parties met on January 14, 2009, to discuss the processing of this case.¹

The participating parties recommended that the case be processed under Modified Procedure with comments due no later than March 20, 2009. The parties also agreed to serve discovery and other documents via e-mail. The parties further agreed that answers to discovery should be provided as soon as possible but no later than 21 days from the date of the discovery request.

Based upon our review of the proposed schedule and the agreed-upon recommendations of the parties, the Commission approves the proposed schedule.

¹ Although notified of the meeting, no representatives for Kroger or the Building Contractors Association were in attendance.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal evidentiary hearing in this matter and will proceed under Modified Procedure pursuant to the Commission's Rules of Procedure 201 through 204, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation in cases of this nature.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than March 20, 2009**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the parties at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
472 W. Washington Street
Boise, ID 83702-5918

Lisa Nordstrom
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
bkline@idahopower.com

Scott Sparks
Gregory W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: ssparks@idahopower.com
gsaid@idahopower.com

Jason Risch
Risch, Pisca, PLLC
Law and Policy
407 W. Jefferson Street
Boise, ID 83702
E-mail: jrisch@rischpisca.com

Michael Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
E-mail: mkurtz@BKLLawfirm.com
kboehm@BKLLawfirm.com

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
5700 E. Franklin Road, Suite 200
Nampa, ID 83687
E-mail: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State Street, Suite 200
Salt Lake City, UT 84111
E-mail: khiggins@energystrat.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the form, using the case number as it appears on the front of this document. These comments must also be sent to the parties at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and workpapers are also available on the Commission's Website at www.puc.idaho.gov under "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-118, 61-119, 61-307, 61-502, and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

SUSPENSION OF PROPOSED EFFECTIVE DATE

Due to the complexity of this case and the number of parties and interests involved, the Commission finds that it cannot adequately review Idaho Power's requested Rule H changes before the proposed effective date of March 1, 2009. Pursuant to *Idaho Code* §§ 61-622 and 61-

623, the Commission hereby suspends the proposed changes for a period of sixty (60) days, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

ORDER

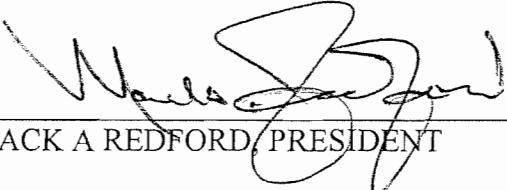
IT IS HEREBY ORDERED that this case be processed under Modified Procedure.

IT IS FURTHER ORDERED that the parties comply with the case schedule set out in the body of this Order. Interested persons and the parties may file written comments no later than March 20, 2009. Parties shall present their issues by written comments.

IT IS FURTHER ORDERED that service of discovery and comments between the parties shall be accomplished by electronic mail pursuant to Rule 63, IDAPA 31.01.01.063.

IT IS FURTHER ORDERED that the proposed effective date of March 1, 2009, is suspended for a period of sixty (60) days from March 1, 2009, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

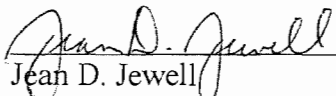
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of January 2009.


MACK A REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPC-E-08-22_ks2

JASON S. RISCH (ISB #6655)
JEREMY P. PISCA (ISB #6010)
RISCH PISCA, PLLC
LAW AND POLICY
407 West Jefferson Street
Boise, Idaho 83702-6049
Telephone: (208) 345-9929
Facsimile: (208) 345-9928
E-mail:jrisch@rischpisca.com
E-mail:jpisca@rischpisca.com

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for the Building Contractors Association of Southwestern Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) Case No. IPC-E-08-22
AUTHORITY TO MODIFY ITS RULE H)
LINE EXTENSION TARIFF RELATED TO) **NOTICE OF SUBSTITUTION**
NEW SERVICE ATTACHMENTS AND) **OF COUNSEL**
DISTRIBUTION LINE INSTALLATIONS)
_____)

TO: THE IDAHO PUBLIC UTILITIES COMMISSION AND COUNSEL:

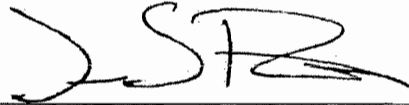
NOTICE IS HEREBY GIVEN THAT the following attorney and law firm are substituted
as counsel for the Building Contractors Association of Southwestern Idaho in this matter:

Michael C. Creamer ISB #4030
GIVENS PURSLEY LLP
601 W. Bannock St.
Boise, Idaho 83702
Telephone: (208) 388-1200
Facsimile: (208) 388-1300
mcc@givenspursley.com

All notices, pleadings and other correspondence in the above-captioned matter should
hereafter be directed to Mr. Creamer at the above address.

DATED this 10 day of February, 2009

RISCH PISCA, PLLC

By 
JASON S. RISCH, of the firm

DATED this 11th day of February, 2009

GIVENS PURSLEY LLP

By 
MICHAEL C. CREAMER, of the firm

CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of February, 2009, I caused to be served a true and correct copy of the foregoing NOTICE OF SUBSTITUTION OF COUNSEL as follows:

Kristine A. Sasser
Jean D. Jewell
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83720-0074
Email: Kris.sasser@puc.idaho.gov

☒ U.S. Mail (postage prepaid)
☐ Hand Delivery
☐ Facsimile
☒ Email

Lisa D. Nordstrom
Barton L. Kline
Idaho Power Company
1221 W. Idaho St.
Boise, ID 83702
Email: lnordstrom@idahopower.com
bkline@idahopower.com

☒ U.S. Mail (postage prepaid)
☐ Hand Delivery
☐ Facsimile
☒ Email

Scott Sparks
Gregory W. Said
Idaho Power Company
1221 W. Idaho St.
Boise, ID 83702
Email: ssparks@idahopower.com
gsaid@idahopower.com

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☒ Email

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
5700 E. Franklin Rd. Suite200
Nampa, ID 83687
Email: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

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☒ Email

Michael Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
Email: mkurtz@bkllawfirm.com
kboehm@bkllawfirm.com

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Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State Street, Suite 200
Salt Lake City, UT 84111
Email: khiggins@energystrat.com

☒ U.S. Mail (postage prepaid)
☐ Hand Delivery
☐ Facsimile
☒ Email



Michael C. Creamer
GIVENS PURSLEY, LLP

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-08-22
AUTHORITY TO MODIFY ITS RULE H)
LINE EXTENSION TARIFF RELATED TO) AMENDED
NEW SERVICE ATTACHMENTS AND) NOTICE OF PARTIES
DISTRIBUTION LINE INSTALLATIONS.) (Substitution of Counsel)
_____)

YOU ARE HEREBY NOTIFIED that the following are parties to this proceeding. Unless otherwise notified, service in this matter need be made only upon and to the following parties and their representatives at the addresses given below:

IDAHO POWER COMPANY:
(Exhibit Nos. 1-100)

Lisa D. Nordstrom
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
Email: lnordstrom@idahopower.com
bkline@idahopower.com

Scott Sparks
Gregory W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
Email: ssparks@idahopower.com
gsaid@idahopower.com

COMMISSION STAFF:
(Exhibit Nos. 101-200)

Kristine A. Sasser
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington (83702)
PO Box 83720
Boise, ID 83720-0074
Email: kris.sasser@puc.idaho.gov

AMENDED NOTICE OF PARTIES
(Substitution of Counsel)

1

**BUILDING CONTRACTORS
ASSOCIATION OF SOUTHWESTERN
IDAHO:
(Exhibit Nos. 201-300)**

Michael C. Creamer
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
E-mail: mcc@givenspursley.com

**THE CITY OF NAMPA:
(Exhibit Nos. 301-400)**

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
Suite 200
5700 E. Franklin Road
Nampa, ID 83687
Email: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

**THE KROGER CO:
(Exhibit Nos. 401-500)**

Michael Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
E-mail: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State Street, Suite 200
Salt Lake City, UT 84111
E-mail: khiggins@energystrat.com

**THE ASSOCIATION OF CANYON
COUNTY HIGHWAY DISTRICTS:
(Exhibit Nos. 501-600)**

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
Suite 200
5700 E. Franklin Road
Nampa, ID 83687
Email: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

**AMENDED NOTICE OF PARTIES
(Substitution of Counsel)**

2

YOU ARE FURTHER NOTIFIED that all testimony and exhibits in Case No. IPC-E-08-22 must comport with the requirements of Rule 231 and 267 of the Commission's Rules of Procedure. Reference IDAPA 31.01.01.231 and 267.

YOU ARE FURTHER NOTIFIED that the Commission has approved the use of Modified Procedure for the processing of this case. Order No. 30719. Discovery, comments and other documents are to be served via electronic mail. Discovery should be provided as soon as possible but no later than 21 days from the date of the discovery request. Comments are due no later than March 20, 2009.

DATED at Boise, Idaho this *24th* day of February, 2009.



JEAN D. JEWELL
COMMISSION SECRETARY

Michael C. Creamer, ISB #4030
Conley E. Ward, ISB # 1683
GIVENS PURSLEY LLP
601 W. Bannock St.
Post Office Box 2720
Boise, Idaho 83701-2720
Telephone: 208-388-1200
Facsimile: 208-388-1300

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Intervenor The Building Contractors
Association of Southwestern Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE
APPLICATION OF IDAHO POWER
COMPANY FOR AUTHORITY TO
MODIFY ITS RULE H LINE EXTENSION
TARIFF RELATED TO NEW SERVICE
ATTACHMENTS AND DISTRIBUTION
LINE INSTALLATIONS.**

CASE NO. IPC-E-08-22

**BUILDING CONTRACTORS
ASSOCIATION OF
SOUTHWESTERN IDAHO'S
MOTION TO EXTEND COMMENT
PERIOD**

COMES NOW Intervenor The Building Contractors Association of Southwestern Idaho ("Building Contractors"), by and through its attorneys of record, Givens Pursley LLP, and hereby requests that the Commission grant an extension until Friday, April 17, 2009 for parties to file written comments in support of or opposition to Idaho Power's proposed Rule H Line Extension Tariff revisions. The grounds for this request are stated below.

On January 21, 2009, the Commission issued Order No. 30719 ("Order") concluding that this matter is to proceed under the Modified Procedures of the Commission's Rules of Procedure, and among other things, directing that the parties comply with the case schedules set out in the Order. The Order established March 20, 2009 as the deadline for interested persons

and parties to file written comments. Because of the complexity of the case, the number of parties involved and nature of the interests, the Commission also suspended the effective date of Idaho Power Company's requested Rule H Tariff changes "for a period of sixty days, or until such time as the Commission enters an Order accepting, rejecting or modifying the request. . . ." Order at 3-4.

Because of the admitted complexity and nature of the issues involved in this case and its need to fully discern and analyze the relevant facts, Building Contractors believe the comment deadline should be extended to permit ongoing discovery to be completed and for the parties to thoroughly analyze the information produced so that it may be incorporated into fully-developed and useful comments for the Commission's consideration.

Building Contractors have retained Dr. Richard Slaughter to assist it in preparing comments. Dr. Slaughter was an expert witness for Building Contractors in Idaho Power's previous Rule H Tariff proceeding in 1995-96. (IPC-E-95-18). That proceeding was hotly contested and lengthy, and was equally as complex as the instant case. In addition to reviewing Idaho Power's pending application and supporting testimony and papers, Dr. Slaughter has appropriately reviewed the pleadings, testimony, exhibits and briefing from IPC-E-95-18 (which had to be retrieved from the State Archives) to refresh his recollection of the issues, and to obtain the background information necessary to his analysis of this case.

With this background in hand, and the information available from what as yet are incomplete Idaho Power responses to Staff production requests, on February 27, 2009, Building Contractors served its own limited production requests on Idaho Power. Building Contractors also is aware that on February 26, 2009, Commission Staff served additional production requests

on Idaho Power. By prior agreement of the parties (as approved by Order 30719), they are to provide responses to discovery as soon as possible, but no later than twenty-one days from the date of a discovery request. Because of the existing discovery response and comment deadlines, and even assuming Idaho Power uses its best efforts to respond as quickly as possible,¹ it is quite conceivable that responses to Building Contractor's and Staff's discovery requests may not be received until the eve of the comment deadline, which will preclude the opportunity to meaningfully analyze and incorporate any information produced into comments by March 20th.

Building Contractors are requesting only a limited extension of the comment deadline, and it is not aware of any reason why the requested additional time should be considered unreasonable under the circumstances or would prejudice Idaho Power or other parties. Indeed, given the current economic conditions, it is not apparent that Idaho Power will receive the level requests to extend service in the coming summer months that it has in prior years in any event. Any alleged adverse impact of line extensions on ratepayers under the current tariff would seem to be nominal for the near term—certainly no more than it has been for the past thirteen years.

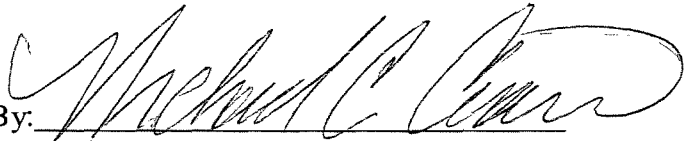
Counsel for Building Contractors has attempted to speak with counsel representing each of the other parties in this proceeding and understands that the City of Nampa, the Highway Districts and Staff would not oppose Building Contractor's motion, but that Idaho Power desires that the existing schedule be maintained. Building Contractors was not able to speak with counsel for Kroger, Co.

¹ Building Contractors have no reason to believe Idaho Power will not expedite its responses. Nevertheless, according to Idaho Power's responses thus far to Commission Staff production requests, some of the requested information and data that would be helpful in clearly understanding its actual costs to serve new customers, the source of those costs and their impacts on Idaho Power's ratepayers is not readily extractable given the way such information has been compiled and maintained by Idaho Power heretofore.

For the foregoing reasons, Building Contractors respectfully request that the Commission extend the comment deadline in this proceeding until Friday, April 17, 2009.

DATED this 27th day of February, 2009.

GIVENS PURSLEY, LLP

By: 
Michael C. Creamer
Attorneys for Intervenor The Building
Contractors Association of Southwestern Idaho

CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of February, 2009, a true and correct copy of the foregoing was served upon the following individual(s) by the means indicated:

Lisa D. Nordstrom
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
lnordstrom@idahopower.com
bkline@idahopower.com

☒ U.S. Mail, postage prepaid
☐ Express Mail
☐ Hand Delivery
☐ Facsimile
☒ Electronic Mail

Scott Sparks
Gregory W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
ssparks@idahopower.com
gsaid@idahopower.com

☐ U.S. Mail, postage prepaid
☐ Express Mail
☐ Hand Delivery
☐ Facsimile
☒ Electronic Mail

Kristine A. Sasser
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington
PO Box 83720
Boise, ID 83720-0074
kris.sasser@puc.idaho.gov

☒ U.S. Mail, postage prepaid
☐ Express Mail
☐ Hand Delivery
☐ Facsimile
☒ Electronic Mail

Matthew A. Johnson
Davis F. VanderVelde
White, Peterson, Gigray, Rossman, Nye &
Nichols, P.A.
5700 E. Franklin Rd., Ste. 200
Nampa, ID 83687
mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com
*Attorneys for The City of Nampa and
The Association of Canyon County Highway
Districts*

☒ U.S. Mail, postage prepaid
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☐ Hand Delivery
☐ Facsimile
☒ Electronic Mail

Michael Kurtz
Kurt J. Boehm
Boehm, Kurtz & Lowry
36 E. Seventh St., Ste. 1510
Cincinnati, OH 45202
mkurtz@BKLLawfirm.com
kboehm@BKLLawfirm.com
Attorneys for The Kroeger Co.

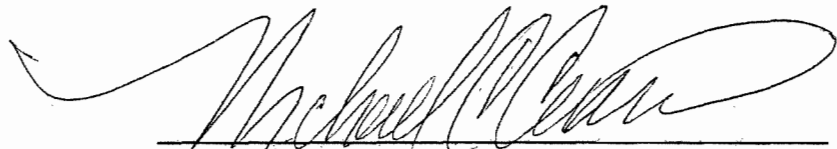
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Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State St., Ste. 200
Salt Lake City, UT 84111
khiggins@energystat.com
Representing The Kroeger Co.

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Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

<input type="checkbox"/>	U.S. Mail, postage prepaid
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Michael C. Creamer

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. IPC-E-08-22
OF IDAHO POWER COMPANY FOR)	
AUTHORITY TO MODIFY ITS RULE H	)	NOTICE OF EXTENSION OF
LINE EXTENSION TARIFF RELATED TO	)	COMMENT DEADLINE
NEW SERVICE ATTACHMENTS AND)	
<u>DISTRIBUTION LINE INSTALLATIONS.</u>	)	ORDER NO. 30746

On October 30, 2008, Idaho Power Company filed an Application with the Commission seeking authority to modify its Rule H tariff relating to new service attachments and distribution line installations and alterations. Specifically, the Company wishes to increase the charges for new service attachments, distribution line installations and alterations.

On November 26, 2008, the Commission issued a Notice of Application and set a deadline for intervention. Order No. 30687. Four parties petitioned and were granted intervenor status: Building Contractors Association of Southwestern Idaho; City of Nampa; The Kroger Co.; and Association of Canyon County Highway Districts. On January 21, 2009, the Commission issued a Notice of Modified Procedure and Notice of Scheduling outlining the parameters for discovery, setting a comment deadline of March 20, 2009, and suspending the Company's proposed effective date for 60 days. Order No. 30719. On February 27, 2009, the Building Contractors Association of Southwestern Idaho (BCA) filed a Motion to Extend Comment Period.

BCA requests that the comment deadline be extended until April 17, 2009. BCA argues that, due to the complexity and nature of the issues involved, the parties should be permitted enough time to ask and analyze the information produced through the discovery process. BCA maintains that, given the current economic conditions, its requested extension will not prejudice Idaho Power or any other parties to this case.

Based upon our review of BCA's Motion for an extension, and after consideration of the complex issues and multiple interests involved in this case, the Commission finds it reasonable to modify the comment deadline previously set in Order No. 30719. In order for the Commission to adequately review Idaho Power's Application and the record generated during this case, an extension of the comment period necessitates an extension of the May 1, 2009, effective date also.

NOTICE OF EXTENSION OF
COMMENT DEADLINE
ORDER NO. 30746

NOTICE OF EXTENDED COMMENT DEADLINE

YOU ARE HEREBY NOTIFIED that the **deadline for filing written comments and/or briefs** with respect to Case No. IPC-E-08-22 has been extended until **FRIDAY, APRIL 17, 2009**. Comments/briefs shall include all factual and legal arguments. Persons desiring a hearing must specifically request a hearing in their written comments/briefs.

YOU ARE FURTHER NOTIFIED that any interested person or party may file **response comments** no later than **FRIDAY, MAY 1, 2009**.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application shall be mailed to the Commission and the parties at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
472 W. Washington Street
Boise, ID 83702-5918

Lisa Nordstrom
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
bkline@idahopower.com

Scott Sparks
Gregory W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: ssparks@idahopower.com
gsaid@idahopower.com

Michael C. Creamer
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
E-mail: mcc@givenspursley.com

Michael Kurtz, Esq.
Kurt J. Boehm, Esq.
Boehm, Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
E-mail: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

Matthew A. Johnson
Davis F. VanderVelde
White Peterson Gigray Rossman
Nye & Nichols, P.A.
5700 E. Franklin Road, Suite 200
Nampa, ID 83687
E-mail: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

Kevin Higgins
Energy Strategies, LLC
Parkside Towers
215 S. State Street, Suite 200
Salt Lake City, UT 84111
E-mail: khiggins@energystat.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the form, using the case number as it appears on the front of this document. These comments must also be sent to the parties at the e-mail addresses listed above.

EXTENSION OF EFFECTIVE DATE

As a result of the extension of the comment deadline, the Commission finds that it cannot adequately review Idaho Power's requested Rule H changes before the May 1, 2009, effective date set in Order No. 30719. Pursuant to *Idaho Code* §§ 61-622 and 61-623, the Commission hereby suspends the proposed changes for an additional sixty (60) days until July 1, 2009, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

ORDER

IT IS HEREBY ORDERED that the parties comply with the amended case schedule set out in the body of this Order. Interested persons and the parties may file written comments no later than April 17, 2009. Response comments may be filed by any interested person or party no later than May 1, 2009.

IT IS FURTHER ORDERED that the effective date of May 1, 2009, is suspended for an additional sixty (60) days until July 1, 2009, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

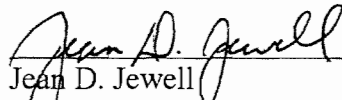
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of March 2009.


MACK A REDFORD, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


JIM D. KEMPTON, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPC-E-08-22_ks3

IRVING FULFILLING
UTILITIES OBLIGATION

Attorneys for Intervenor: City of Nampa

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**COMMENTS OF
INTERVENOR CITY OF
NAMPA**

I. The IPUC does not have Jurisdiction to Authorize Proposed Section 10.

COMMENTS OF CITY OF NAMPA - 1

1333. It is the municipality that has exclusive jurisdiction for controlling encroachments, obstacles, and traffic upon city streets and sidewalks. Idaho Code § 50-314. This includes broad authority to remove and prevent obstacles and encroachments interfering with municipal streets. *Boise City By and Through Amyx v. Fails*, 94 Idaho 840, 499 P.2d 326 (1972). Municipalities are also vested with the jurisdiction and the power to regulate utility transmission systems upon lands owned or controlled by the municipality. Idaho Code § 50-328.

Idaho Power's use of municipal property for its utility lines is permissive, as granted by the municipality and governed by franchise agreements. Idaho Code § 62-705 gives power companies authority to use public roads and streets, but specifically excepts out such right within municipal limits. Municipalities hold such land in trust for the public and must protect the public use. *Rich v. Idaho Power Co.*, 81 Idaho 487, 346 P.2d 596 (1959). As such, municipalities have the exclusive authority to determine that relocation of utility facilities is necessary so as not to incommode public use.¹ This includes the power to require relocation at the utility's cost.

The jurisdiction of the IPUC is limited to that expressly granted by the legislature. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 591 P.2d 122 (1979). The IPUC is not granted authority to determine what may or may not incommode the public use as it pertains to municipal land and highways. It is the function and duty of a municipality to determine whether the public use and safety is protected by such actions as road-widening, sidewalk development, or installation of a turning lane. The Public Utilities Act "does not contain any provision diminishing or transferring any of the powers and duties of the municipality to control and maintain its streets and alleys." *Village of Lapwai v. Alligier*, 78 Idaho 124, 129, 299 P.2d 475, 478 (1956). The *Lapwai* case found that authority over municipal

¹ For background on permissive use and the public trust see *State of Idaho v. Idaho Power Co.*, 81 Idaho 487, 346 P.2d 596 (1959).

lands remains with the municipality and that the IPUC has no authority in regard to a municipality requiring utility relocation. *Lapwai* also held that IPUC consent to such relocation is not required. The IPUC is not given authority to regulate utility relocation or to take on the role of determining when utility system location may, or may not, impair the public use.

The IPUC does not have authority to approve Idaho Power's proposed Rule H – Section 10. The proposed terms would place the IPUC in the position of having to determine what does or does not constitute a general public benefit versus a third party benefit versus a shared benefit. Such a determination is outside the expertise and role of the IPUC. Approving proposed Section 10 would cause the IPUC to act outside its jurisdiction and usurp the authority of municipalities to govern the public use and safety of municipal lands and streets.

The issues contemplated by the proposed Section 10 are more appropriately a matter for negotiation as a part of a franchise agreement between Idaho Power and a municipality. Such an approach, with agreement between a utility and a local governing body, has already been accomplished in an agreement between Idaho Power and the Ada County Highway District. See *Comments of the Ada County Highway District*, March 3, 2009, and ACHD Resolution 330. Similarly the City of Nampa already has addressed this issue with Idaho Power via the franchise agreement in City of Nampa Ordinance No. 3181. Such agreements are the appropriate mechanism for addressing relocation costs and concerns.

As an additional note, Nampa is concerned about testimony provided by David Lowry on behalf of Idaho Power and attached to the application. Mr. Lowry raises allegations of "inappropriate cost shifting" including specific reference to a Nampa project with regards to the Gateway Mall. This testimony ignores that local governing bodies must constantly work with developers and on managing growth. Development often leads to accompanying municipal

projects. The City of Nampa, in the Gateway Mall situation, required relocation of Idaho Power facilities because such relocation was necessary for a project the City was focused on to provide for public safety and so as to avoid interference with public use of the associated streets. The proximity of the mall and the fact that the developer had previously submitted and withdrawn a relocation request are irrelevant to whether the City was requesting relocation in the general public interest and under the authority of the City over its own property. Idaho Power's use of municipal land in this area was permissive, and the City was well within its authority to require relocation at Idaho Power's expense. To the extent Idaho Power retains concerns about such projects, the appropriate course for handling these is through improved communications with the municipalities and discussion of the franchise agreements.

Nampa advises that the IPUC delete the proposed Section 10 and any other parts of the proposed Rule H that attempt to regulate the relocation of utilities on municipal land. Such relocation regulation is outside the jurisdiction of the IPUC.

II. Problems with the Definition and Treatment of Third Party Beneficiaries

Proposed Section 10, in trying to apportion relocation costs, focuses on the idea of third-party beneficiaries. The notion seems to be that some improvements are made for the general public and other improvements are made only for the benefit of an identifiable "third party." Section 10 does not clearly define what constitutes a third party beneficiary, providing only examples: "private or public third parties such as real estate developers, local improvement districts, or adjacent landowners." This definition is problematic and potentially overly broad.

First, the definition allows a third party to be private or public. The inclusion of a possibility of a public third party beneficiary is troublesome. Public governing bodies overlap. Cities lie in counties. Cities border with other cities. Highway districts and state transportation

agencies control certain highways. Improvements by any one of these political subdivisions on their facilities may have benefits for other political subdivisions. For instance, a widening or improvement project on a state highway may provide benefits to the municipality in which the highway runs (i.e. by construction of sidewalks, curbs, and gutters). These improvements benefit the municipality and the general public. However, under the proposed Section 10 the “third party beneficiary” language could be construed so that the municipality getting the benefit is considered a “third party” and now is required to pay relocation costs to Idaho Power. This is in direct conflict with the police power of the municipality to provide improvements and require relocation at the utility’s cost so as not to incommode the public use. Therefore Nampa requests that the definition of “third party beneficiary” be amended to delete reference to public entities or political subdivisions.

Additionally, the definition of third party beneficiaries includes local improvement districts (LIDs). It is not clear whether this reference to local improvement districts is limited to the current definition in Rule H or to local improvement districts in general.² Regardless the inclusion of local improvement districts as a third party beneficiary contravenes the exclusive authority of the municipality to require relocation of utilities to avoid incommoding the public use. The legislature has given municipalities the authority to organize local improvement districts as a funding mechanism for municipal improvements. These improvements do provide certain local benefits, but the improvements also ultimately provide benefits to the general public as a whole.

² Rule H defines a local improvement district as being under Idaho Code §50-2503, which provides for the formation of such a district for distribution line installation or alteration. Rule H – Section 9 covering Local Improvement Districts is also concerned only with §50-2503 LIDs. However municipalities are granted the power to create local improvement districts for a variety of other purposes as well. See Idaho Code §50-1791 et seq. Should Section 10 be approved by the IPUC, Nampa urges that this portion be clarified so that local improvement districts as third-party beneficiaries are limited only to the definition included in Rule H.

For example, a new subdivision or commercial development may receive certain benefits from a new turn-out lane, but the general public benefits as the turn-out lane provides relief for the general flow of traffic. Municipalities have been authorized to evaluate such benefits, provide for local assessments or impact fees as a funding mechanism, and determine whether relocation is necessary so as not to incommode the public use. Utilities are not granted such authority, nor is the IPUC authorized to make such determinations.

Therefore Nampa requests that local improvement districts be removed from the definition of "third-party beneficiaries."

III: Constitutional Concerns

Nampa shares the concern of the Ada County Highway District that the proposed Section 10 may be unconstitutional. See ACHD Comment No. 2 in *Comments of Ada County Highway District*, March 3, 2009. For this reason, Nampa also requests that the IPUC delete language in the proposed Rule H Tariff attempting to regulate relocation of utilities in the public right-of-way.

The City of Nampa appreciates the Commission's consideration of these comments and urges in particular the deletion of the proposed Section 10 for the reasons stated above.

Dated this 17th day of April, 2009.

WHITE PETERSON

By: 

Matthew A. Johnson
Attorneys for the City of Nampa

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 17th day of April, 2009, a true and correct copy of the above and foregoing instrument was served upon the following by the method indicated below:

Lisa D. Nordstrom Barton L. Kline Scott Sparks Gregory W. Said IDAHO POWER COMPANY P. O. Box 70 Boise, ID 83707-0700	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile: <input checked="" type="checkbox"/> lnordstrom@idahopower.com <input checked="" type="checkbox"/> bkline@idahopower.com <input checked="" type="checkbox"/> ssparks@idahopower.com <input checked="" type="checkbox"/> gsaid@idahopower.com
Kristine A. Sasser Deputy Attorney General IDAHO PUBLIC UTILITIES COMMISSION 472 W. Washington (83702) P. O. Box 83720 Boise, ID 83720-0074	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile: <input checked="" type="checkbox"/> kris.sasser@puc.idaho.gov
Michael C. Creamer Given Pursley LLP 601 W. Bannock St. Boise, ID 83702 for BUILDING CONTRACTORS ASSOCIATION OF SOUTHWESTERN IDAHO	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile: <input checked="" type="checkbox"/> mcc@givenspursley.com
Michael Kurtz, Esq. Kurt J. Boehm, Esq. Boehm, Kurtz & Lowry 36 E. Seventh Street, Suite 1510 Cincinnati, OH 45202 for The Kroger Co.	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile: <input checked="" type="checkbox"/> mkurtz@BKLawfirm.com <input checked="" type="checkbox"/> kboehm@BKLawfirm.com
Kevin Higgins Energy Strategies, LLC Parkside Towers	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery

215 S. State Street, Suite 200
Salt Lake City, UT 84111
for The Kroger Co.

Facsimile:

X khiggins@energystrat.com

Jan M. Achey
for WHITE PETERSON

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IDAHO PUBLIC
UTILITIES COMMISSION

Matthew A. Johnson, ISB #7789
Davis F. VanderVelde, ISB #7314
WHITE PETERSON GIGRAY ROSSMAN NYE & NICHOLS, P.A.
5700 East Franklin Road, Suite 200
Nampa, Idaho 83687
Office: (208) 466-9272
Fax: (208) 466-4405
mjohnson@whitepeterson.com

Attorneys for Intervenor: Association of Canyon County Highway Districts

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR AUTHORITY	)	CASE NO. IPC-E-08-22
TO MODIFY ITS RULE H LINE EXTENSION)	
TARIFF RELATED TO NEW SERVICE	)	COMMENTS OF
ATTACHMENTS AND DISTRIBUTION LINE	)	INTERVENOR
INSTALLATIONS	)	ASSOCIATION OF CANYON
	)	COUNTY HIGHWAY
	)	DISTRICTS

The ASSOCIATION OF CANYON COUNTY HIGHWAY DISTRICTS ("ACCHD") hereby submits the following comments in the above-captioned matter pursuant to the Idaho Public Utilities Commission's ("IPUC") January 21, 2009 *Notice of Modified Procedure, Notice of Scheduling*, Order No. 30719, and March 11, 2009 *Notice of Extension of Comment Deadline*, Order No. 30746.

I. The IPUC does not have Jurisdiction to Authorize Proposed Section 10.

Idaho Code § 40-1310(1) provides that highway district commissioners have "exclusive general supervision and jurisdiction over all highways and public rights-of-way within their

highway system.” These broad powers include the right to own and control land, to change highway locations, to construct and repair highways, and establish standards and regulations. Idaho Code § 40-1310. These supervisory powers include the authority to demand relocation of utilities using the public right-of-way under Idaho Code §62-705.

Idaho Power is authorized to use public highways for its facilities only so long as it does so “in such manner and at such points as not to incommode the public use of the road or highway.” Idaho Code § 62-705. Utility use of public lands is permissive and remains subject to the authority of a city, county, or highway district. Local governing entities, such as highway districts, hold such land in trust for the public and must protect the public use. *Rich v. Idaho Power Co.*, 81 Idaho 487, 346 P.2d 596 (1959). As such, highway districts have the exclusive authority to determine that relocation of utility facilities is necessary so as not to incommode public use.¹ This includes the power to require relocation at the utility’s cost.

The jurisdiction of the IPUC is limited to that expressly granted by the legislature. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 591 P.2d 122 (1979). The IPUC is not granted authority to determine what may or may not incommode the public use as it pertains to municipal land and highways. It is the function and duty of a highway district to determine whether the public use and safety is protected by such actions as road-widening, sidewalk development, or installation of a turning lane. The Public Utilities Act “does not contain any provision diminishing or transferring any of the powers and duties of the municipality to control and maintain its streets and alleys.” *Village of Lapwai v. Alligier*, 78 Idaho 124, 129, 299 P.2d 475, 478 (1956). Although *Lapwai* references municipal authority, the reasoning is equally applicable to other governing bodies with authority over the rights-of-way,

¹ For background on permissive use and the public trust see *Rich v. Idaho Power Co.*, 81 Idaho 487, 346 P.2d 596 (1959).

such as highway districts. The *Lapwai* case found that since the authority over public lands remains with the governing authority that IPUC consent is not required for a governing entity requiring utility relocation. The IPUC is not given authority to regulate utility relocation or to take on the role of determining when utility system location may or may not impair the public use.

The IPUC does not have authority to approve Idaho Power's proposed Rule H – Section 10. The proposed terms would place the IPUC in the position of having to determine what does or does not constitute a general public benefit versus a third party benefit versus a shared benefit. This determination is outside the expertise and role of the IPUC. Approving proposed Section 10 would cause the IPUC to act outside its jurisdiction and usurp the authority of highway districts to govern the public use and safety of public highways.

The issues implicit within the proposed Section 10 are more appropriately a matter for negotiation between Idaho Power and the highway districts. One example of such an approach has already been accomplished in an agreement between Idaho Power and the Ada County Highway District. See *Comments of the Ada County Highway District*, March 3, 2009, and ACCHD Resolution 330. The highway districts making up the ACCHD have also pursued agreements with utilities to standardize how relocations are handled. These agreements are the appropriate mechanism for addressing relocation costs and concerns.

ACCHD advises that the IPUC delete the proposed Section 10 and any other parts of the proposed Rule H that attempt to regulate the relocation of utilities on highway district land. Such relocation regulation is outside the jurisdiction of the IPUC.

II. Problems with the Definition and Treatment of Third Party Beneficiaries

Proposed Section 10, in trying to apportion relocation costs, focuses on the idea of third-party beneficiaries. The notion seems to be that some improvements are made for the general public and other improvements are made only for the benefit of an identifiable “third party.” Section 10 does not clearly define what constitutes a third party beneficiary, providing only examples: “private or public third parties such as real estate developers, local improvement districts, or adjacent landowners.” This definition is problematic and overly broad.

First, the definition allows a third party to be private or public. The inclusion of a possibility of a public third party beneficiary is troublesome. Public governing bodies overlap. Highway districts border each other and may have joint agreements sharing in maintenance. Projects in municipalities may impact and benefit highway district facilities. For instance, a municipal water project may lead to construction that benefits highway district facilities. The water project is for the general public so the municipality would not be required to pay relocation costs. However, the benefit to the highway district could be construed so that the highway district is considered a “third party beneficiary” and now is required to pay relocation costs to Idaho Power. Therefore ACCHD requests that the definition of “third party beneficiary” be amended to delete reference to public entities or political subdivisions.

Additionally, the definition of third party beneficiaries includes local improvement districts (LIDs). It is not clear whether this reference to local improvement districts is limited to the current definition in Rule H or to local improvement districts in general.² Regardless the inclusion of local improvement districts as a third party beneficiary conflicts with the authority

² Rule H defines a local improvement district as being under Idaho Code §50-2503, which provides for the formation of such a district for distribution line installation or alteration. Rule H – Section 9 covering Local Improvement Districts is also concerned only with §50-2503 LIDs. Highway districts are granted the power to create local improvement districts for a variety of other purposes as well. See Idaho Code §40-1322 and chapter 17 of title 50. Should Section 10 be approved by the IPUC, ACCHD requests that this portion be clarified so that local improvement districts as third-party beneficiaries are limited only to the definition included in Rule H.

of the highway district to require relocation of utilities. The legislature has given highway districts the authority to organize local improvement districts as a funding mechanism for certain improvements. See Idaho Code § 40-1322. Such improvements do provide certain local benefits, but the improvements also ultimately provide benefits to the general public as a whole.

For example, a new subdivision may receive certain benefits from a new turn-out lane, but the general public benefits as well as the turn-out lane provides relief for the general flow of traffic. Highway districts have been authorized to evaluate such benefits, provide for local assessments or impact fees as a funding mechanism, and determine whether relocation is necessary so as not to incommode the public use. A utility is not granted such authority and the IPUC is not authorized to make such determinations.

Therefore ACCHD requests that local improvement districts be removed from the definition of “third-party beneficiaries.”

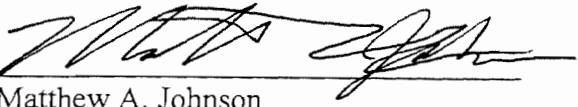
III: Constitutional Concerns

ACCHD also notes and re-emphasizes the concern of the Ada County Highway District that the proposed Section 10 may be unconstitutional. See ACHD Comment No. 2 in *Comments of Ada County Highway District*, March 3, 2009. For this reason, ACCHD also requests that the IPUC delete language in the proposed Rule H Tariff attempting to regulate relocation of utilities in the public right-of-way.

The Association of Canyon County Highway Districts appreciates the Commission’s consideration of these comments.

Dated this 17th day of April, 2009.

WHITE PETERSON

By: 
Matthew A. Johnson
Attorneys for the City of Nampa

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 17th day of April, 2009, a true and correct copy of the above and foregoing instrument was served upon the following by the method indicated below:

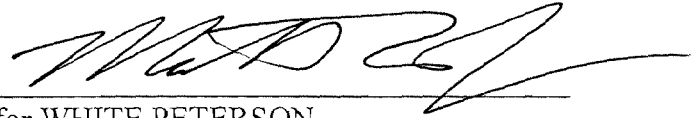
Lisa D. Nordstrom Barton L. Kline Scott Sparks Gregory W. Said IDAHO POWER COMPANY P. O. Box 70 Boise, ID 83707-0700	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input type="checkbox"/> Facsimile: <input checked="" type="checkbox"/> lnordstrom@idahopower.com <input checked="" type="checkbox"/> bkline@idahopower.com <input checked="" type="checkbox"/> ssparks@idahopower.com <input checked="" type="checkbox"/> gsaid@idahopower.com
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Kevin Higgins Energy Strategies, LLC Parkside Towers	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery

215 S. State Street, Suite 200
Salt Lake City, UT 84111
for The Kroger Co.

Facsimile:

X

khiggins@energystrat.com



for WHITE PETERSON

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KRISTINE A. SASSER
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0357
BAR NO. 6618

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IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR AUTHORITY)	CASE NO. IPC-E-08-22
TO MODIFY ITS RULE H LINE EXTENSION)	
TARIFF RELATED TO NEW SERVICE)	COMMENTS OF THE
ATTACHMENTS AND DISTRIBUTION LINE)	COMMISSION STAFF
INSTALLATIONS.)	
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kristine A. Sasser, Deputy Attorney General, and in response to the Notice of Modified Procedure and Notice of Scheduling issued in Order No. 30719 on January 21, 2009, in Case No. IPC-E-08-22, submits the following comments.

BACKGROUND

On October 30, 2008, Idaho Power Company filed an Application with the Commission seeking authority to modify its Rule H tariff relating to new service attachments and distribution line installations and alterations. Specifically, the Company wishes to update line installation charges and allowances, thereby shifting more of the cost burden for new service attachments and distribution line installations or alterations from general ratepayers to new customers requesting construction for these services. The tariff has also been extensively reworded and

formatted to make it easier to read and understand. Idaho Power also proposes to update its charges and credits in its Rule H tariff on an annual basis.

STAFF ANALYSIS

Before beginning further discussion, Staff believes it would be helpful to define terminology used in discussing line extension policies. Several important and frequently used terms are defined below.

Distribution system or distribution refers to that portion of the delivery system closest to the customer with voltages under 44 kV. The distribution system includes line extensions and terminal facilities.

Line extension is any installation of new distribution facilities (excluding relocations) or alteration of existing distribution facilities owned by the Company other than terminal facilities.

Terminal facilities include transformer, meter and service cable.

Service, services, or service cable refers to the conductor providing usable voltage to the customer meter from, typically, the Company's last pole, junction box or transformer. The service cable may be overhead or underground.

Staff believes it may also be helpful before continuing further to discuss some general policies and practices related to distribution plant cost recovery since it differs somewhat from generation and transmission plant. The capital cost of installing new generation and transmission plant has always generally been recovered through rates paid by all customers. Hook-up fees, impact fees, or other charges at the time a new customer begins taking service have never been charged for the purpose of recovering the costs of building new generation and transmission facilities. In fact, in accordance with prior decisions of the Idaho Supreme Court, such fees cannot be charged for new plant that cannot be attributed specifically to serving new customers.¹

In the case of distribution plant, however, it is possible to associate specific facilities with specific customers who use them. For example, meters are physically attached to customers' buildings, service lines run directly to each customer's premises, and transformers serve a specific customer or group of customers. Even most distribution lines can be associated with serving

¹ *Building Contractors Association v. IPUC and Boise Water Corporation*, 128 Idaho 534, 916 P.2d 1259 (1996); *Idaho State Homebuilders vs. Washington Water Power*, 107 Idaho 415, 690 P.2d 350 (1984).

specific subdivisions, businesses along a street or specific neighborhoods. Because of this, the costs of new distribution plant have, throughout most of Idaho Power's history, been recovered in two ways — partially through up-front capital contributions from new customers, and partially through electric rates charged to all customers. Up-front charges are either based on estimates prepared by Idaho Power for each line extension job (work order costs), or are specified in the Rule H tariff for standard tasks or materials. The portion collected through electric rates represents the investment in new facilities made by Idaho Power. It is often referred to as an "allowance."

Allowances

Idaho Power proposes to reduce line extension allowances for nearly all customer classes. The underlying rationale behind the Company's proposal is that growth should pay for itself, and that by reducing allowances and refunds, one cause of upward pressure on electric rates will be relieved. Although Staff agrees in principle with the Company's rationale, Idaho Power has done no analysis to prove that growth is not paying for itself, nor has the Company done any analysis to determine specifically what amounts of allowances and refunds can alleviate upward pressure on rates. Idaho Power's position seems to be that because it has filed four general rate cases within the past six years and has added two gas-fired peaking plants in the same timeframe, that new customer growth is causing upward pressure on rates. The Company concludes that a reduction in Company investment in new distribution plant is necessary and proposes a reduction in allowances based strictly on policy without supporting analysis.

Staff agrees with Idaho Power that new customer growth, combined with the effects of inflation, do indeed cause upward pressure on rates. Staff also supports a policy to reduce upward pressure on rates, justified by sound analysis. A much more complete discussion and analysis of the effects of new customer growth and inflation is presented in Attachment No. 1.

Staff believes that the goal in setting allowance and refund amounts for distribution line extensions should be to eliminate the impact on existing electric rates. More specifically, Staff believes the line extension rules should provide a new customer allowance (Company investment) that can be supported by electric rates paid by that customer over time. If the line extension costs exceed the allowance, then the new customer would pay an up-front contribution for the difference rather than including the excess costs in electric rates paid by all customers. In order to

properly establish an allowance, a refund and the potential for additional customer contribution, a detailed analysis of distribution investment embedded in existing electric rates must be conducted.

Staff's Approach to Computing Allowances

The Company's investment has traditionally been provided as an allowance towards the cost of new facilities. Staff's approach to determining a Company-provided allowance for service connections and line extensions was to determine what equivalent investment the Company can make that will be supported by the revenue stream embedded in the Company's current rates. Attachment No. 2 details the approximate size of that investment for residential, small commercial, large commercial, irrigation and industrial classes. All calculations assume average consumption levels for customers within each class. Staff used the Commission's last rate Order in Case No. IPC-E-08-10 as the basis of the calculations. Assumptions used in making the calculations are provided in Attachment 3. Staff also used the cost of service study accepted by the Commission in Case IPC-E-08-10 as a basis for calculations. A summary of the cost of service figures used in the analysis is included as Attachment 4.

The equivalent investment per residential customer is calculated using the cost of service study and capital structure accepted by the Commission. Attachment 5 summarizes the calculation of the investment for the residential class. The net distribution plant and terminal facility value of \$1104.12 per customer (plant in service less accumulated depreciation and amortization) is used to calculate the revenue requirement associated with the return on common equity grossed up to recognize the income taxes associated with the return ($\$1104.12 \times (0.05173 \times 1.642) = \94.36). Debt service costs ($0.03007 \times \$1104.12 = \33.20) are added to the equity return and tax calculation to produce the total revenue requirement associated with the cost of capital and associated income taxes of \$127.56. Depreciation expense of \$45.26 (actual distribution plant and terminal facilities depreciation expense per customer) is added to the capital and tax cost to produce a total revenue requirement related to distribution plant and terminal facilities of \$172.25.

This revenue stream is embedded in the Company's current sales rate structure. Staff used this revenue stream to calculate the new Company investment that can be supported by current rates without applying either upward or downward pressure on the Company's rate structure. The revenue stream represents the total cost of capital, with associated taxes, plus depreciation

expenses associated with the Company's distribution plant and terminal facilities. Because the actual depreciation expense is based upon a gross investment greater than the net plant investment built into rates, it follows that the new investment can be an amount larger than the current embedded net investment. The composite of the total cost of capital and associated taxes expressed as a percentage of rate base is 11.501 percent. The composite depreciation rate for distribution and terminal facilities is 2.47 percent. The combined total of these two percentages (13.971 percent) represents the relationship of the current revenue stream to new gross investment. Dividing the revenue stream of \$172.25 by 13.971 percent produces the revenue neutral investment of \$1232.44, which Idaho Power can make to provide service to new residential customers.

Attachment No. 6 summarizes similar calculations for other customer classes.

Even though the Company's embedded investment is split between investment in distribution plant and terminal facilities, Staff recommends that all of the recommended Company investment be applied to the cost of providing terminal facilities. Staff maintains that it is only important that the total value of the Company's investment be equal to the total embedded cost — not that the Company's investment be applied to both terminal facilities and distribution facilities in the exact proportion as are their embedded costs. Terminal facilities are defined as a transformer, meter, and service drop. Staff's estimates of the cost of terminal facilities are shown in Attachment No. 7.

Staff's Recommended Allowances

Residential

Staff recommends an allowance of terminal facilities for the residential customer class. Because the average investment for existing customers (\$1,232) is fairly close to Staff's estimate of the cost of overhead terminal facilities (\$1,444), Staff believes terminal facilities should be provided at no cost to the residential customer. Even though the allowance cost of terminal facilities is slightly more than the average investment, Staff believes that simplicity, both to the Company and the customer, is important. Moreover, within the residential class (and all other classes too) there is wide variation between customers. Obviously, some customers will generate much less revenue than the class average and others will generate much more. Consequently, instead of precisely matching the recommended allowance with the average embedded investment

for the class, Staff believes good judgment and simplicity support an allowance of terminal facilities.

Under the present tariff, the allowance is equal to terminal facilities plus an amount ranging from \$800 to \$1,300 depending on whether the customer is in a subdivision and whether the home is all-electric or gas-heated. In this case, Staff does not recommend that any amount beyond the cost of terminal facilities be included as an allowance. Staff also does not recommend a different allowance amount based on whether a customer has gas or electric heat. Gas has become the predominant heating choice where it is available because it is generally cheaper and more efficient. Staff does not wish to encourage electric heat by offering a higher allowance.

For new residential homes outside of subdivisions, Idaho Power proposes an allowance of \$1,780 per customer, which it calculates to be the cost of standard overhead terminal facilities. Staff's proposed allowance is similar, but expressed as the cost of terminal facilities rather than a fixed dollar amount. Staff has no objection to stating the allowance in the tariff as a fixed dollar amount, however, as long as the amount is updated through an annual filing.

Because terminal facilities costs in residential subdivisions are different than for individual residences and because of other factors unique to subdivisions, Staff's proposed allowances for subdivisions will be addressed separately.

Subdivisions

Staff believes that homeowners or individual builders who request new service within subdivisions are entitled to the same allowances for terminal facilities as are other customers not located in subdivisions. Staff's proposed allowance for all residential customers is the cost of overhead terminal facilities.

However, transformers, one component of the proposed terminal facilities allowance, are generally installed prior to building within the subdivision, at the same time as line extensions are completed. On the other hand, installation of the other components of terminal facilities, a service attachment and a meter, is generally requested by the homeowner or builder at the time of building construction, not by the subdivider at the time the subdivision is developed. Consequently, in order to be consistent and provide all residential customers comparable allowances, Staff proposes that subdividers pay all line extension costs, including transformer costs, but that transformer costs be subject to refund to the subdivider as new homes are built and

customers are connected. Homeowners and builders would receive standard service attachments and meters at no cost. Making transformer costs subject to refund as individual lots are developed insures that all residential customers receive equal allowances, but relieves the Company of the risk of bearing the cost of transformers should lots not be developed. If transformer costs are not subject to refund, there is a possibility that the Company will have invested in facilities intended to be paid through rates, but have no customers generating revenue through rates. This refund method puts the risk of development on the subdivision developer rather than on Idaho Power's ratepayers. Because of the current economic situation, Staff believes that the risk of subdivisions progressing as planned is now greater than ever. Staff believes it would be inappropriate for ratepayers to bear any investment risk in new facilities installed to serve speculative developments.

Refunds for transformers would be made to subdividers as each new customer is connected. The amount of the refund should represent the installed cost of the transformer needed to serve the new customer. Where single transformers serve multiple customers, the amount of the refund should be equal to the total cost of the transformers installed in the subdivision divided by the total number of lots in the subdivision.

Transformer refunds under Staff's proposal would not replace the \$800 residential subdivision refund which is currently offered under the present policy. Transformer refunds are not intended to be a substitute for the current refund amount, nor are they intended to have equivalent value. They are a portion of the terminal facilities allowance paid when a new customer takes service and are simply a means of relieving Idaho Power and its ratepayers of investment risk.

Small Commercial

The small commercial class (Schedule 7) is very similar to the residential class in terms of required distribution and terminal facilities. In fact, Staff assumes that the cost of terminal facilities is only slightly higher than for residential customers, since commercial customers are demand metered. However, on average, small commercial customers' energy usage is less than the residential customer class. Consequently, Idaho Power's embedded investment per customer is less for small commercial customers than for residential customers. As a result, Staff recommends that the allowance for Schedule 7 customers be set at 60 percent of the cost of

overhead terminal facilities for single phase service. Staff proposes that small commercial customers who require three phase service be required to pay all additional costs above the allowance amount for single phase customers.

Large Commercial, Irrigation

For the large commercial and irrigation classes (Schedules 9 and 24 respectively), the embedded Company investment per customer exceeds Staff's estimated cost of terminal facilities in all cases. Consequently, for all customers in both of these classes, Staff recommends that an allowance equal to the cost of overhead terminal facilities be provided by the Company and that no allowance be offered toward line extension costs.

Staff recommends an allowance equivalent to the cost of overhead terminal facilities for all large commercial and irrigation customers whether they require single or three phase service. Most of these customers typically require three phase service, and the embedded investment can support the cost of three phase facilities. Single phase large commercial and irrigation customers generate less revenue and have a lower embedded investment, but they also require less expensive terminal facilities. Therefore, Staff believes an allowance of terminal facilities is reasonable for both single and three phase service.

Industrial

Under the current Rule H, allowances for industrial (Schedule 19) customers are determined on a case-by-case basis due to the wide diversity in both customer usage and needed distribution facilities. Both Idaho Power and Staff propose to continue to determine allowances for industrial customers on a case-by-case basis.

Staff's proposed allowances for all customer classes are summarized in Attachment No. 8.

Underground Service

Staff's proposed allowances are based on the cost to provide an overhead service attachment. For residential (Schedule 1) and small commercial (Schedule 7) customers, the Company should provide underground service at no additional charge if the customer supplies the trench, backfill, conduit and compaction per Company specifications. Otherwise, customers requesting underground service should be required to pay the difference between the cost of

providing underground service and the cost of providing overhead service. The overhead-underground differential should not be subject to refund. Line extension costs associated with Company betterments should continue to be the Company's responsibility and not chargeable to the customer.

Examples

Staff prepared several examples of hypothetical cases to compare the existing Rule H to the Company's proposal and to Staff's proposal. These examples are included as Attachment No. 9. None of the examples are intended to be representative of all cases for an entire customer class. Their purpose is simply to illustrate how the proposed allowances and refunds would affect customers and to give a general indication of how costs would be shifted. In each of the examples, all customers would receive an allowance of terminal facilities, but none of the customers would receive an allowance for line extension work upstream of the customer's transformer.

The first example is for a residential line extension not located in a subdivision. Under the proposed new Rule H, the net payment by the customer would be greater than under the existing rule, but the entire payment is still subject to refund. The difference in the net payment is due entirely to the reduction of the allowance offered under the current rule. The size of the allowance under the current rule is overhead terminal facilities plus \$1000 for residences without electric space or water heating and \$1300 for residences with electric space and water heating.

The second example compares costs under both the existing and proposed rules for five actual subdivisions which were completed in recent years. In each of the five cases, costs are higher under the proposed rule than under the existing rule due to reduced allowances. Note that the only difference between Idaho Power's and Staff's proposals is that Idaho Power proposes that an allowance for transformers be applied against the work order cost initially, whereas Staff proposes that refunds for transformers be given at the time service is provided to each lot. This example also illustrates how much work order costs can vary from one subdivision to the next.

The third and fourth examples are for commercial and irrigation line extensions, respectively. In the irrigation example, Idaho Power's proposal would result in a higher overall cost for this customer because the customer requires terminal facilities that are more expensive than the standard three-phase overhead terminal facilities allowance proposed by the Company. Under Staff's proposal, there would be no change from the current Rule H.

In the commercial example, the customer would pay more under Idaho Power's proposal, again because this customer's terminal facilities are more costly than "standard" three-phase overhead terminal facilities. Under Staff's proposal, allowances for the large commercial class would be greater than they currently are under the existing rule; consequently, most customers would likely see a reduction in the overall cost of line extensions.

Because Staff's proposed allowances for the residential, large commercial and irrigation customer classes are in terms of terminal facilities rather than in terms of dollar amounts as proposed by Idaho Power, the allowances will change over time as costs increase due to inflation. If the Commission chooses to accept Staff's proposal for allowances, Staff recommends that Idaho Power be required to annually submit "standard" terminal facilities costs to the Commission so that Staff can track changes in costs and address complaints and inquiries it receives regarding Rule H.

Work Order Cost Method and Controls

Currently under Rule H, the Company charges line extension costs to the customer based on work order cost estimates. Work order cost estimates are prepared by the Company before construction. It is Staff's understanding that Idaho Power does not, except in the case of unusual conditions, adjust work order costs after construction has been completed to reflect actual installation costs, and modify the customer's bill accordingly.

Based on a study of 2008 line extension work orders², the Company's own analysis indicates that 43 percent of work order cost estimates differed from actual costs by at least 15 percent and more than \$800. In other words, estimated costs significantly differed from actual costs much of the time. Staff obtained a confidential Sarbannes-Oxley report, covering work order controls for work orders involving contributions in aid of construction. On page 3 of the report this statement appears, "...there is not a work order review process that validates the estimated cost is appropriate at the time the estimate is developed." When the Company bills customers for estimated costs rather than actual costs, some customers may be either overbilled or underbilled substantially. For 2008, the total actual costs exceeded the amounts collected from customers by \$5.6 million (12.2%). It should be pointed out, however, that some of this

² Control #6 Work Order Estimated Costs Versus Actual Costs, January 21, 2009; Memo from Ben Hendry to Rick Schweitzer and Warren Kline; report prepared to satisfy Sarbannes-Oxley requirements.

difference is due to work order estimates that were prepared but never built and also because customer cost quotes only include general overheads at 1.5 percent while the actual overhead incurred by Idaho Power is 15.75 percent. Nevertheless, Staff is concerned that not enough contributions in aid of construction were collected for 2008, and that this significant under-collection may have been made up by other ratepayers. Staff recommends that a more thorough audit be conducted to better quantify and define this problem, and that Staff and the Company work jointly to propose improvements in the process if significant problems are identified.

Purchasing Procedures

Staff interviewed employees of Idaho Power representing the purchasing department. Its purchasing procedure is called "Strategic Sourcing Process" and has five steps. According to these employees, the design of and controls over this process are intended to comply with Sarbannes-Oxley requirements. These controls are tested by internal and external auditors. Staff believes these procedures appear to be well considered and appropriate.

Staff reviewed current RFPs and a purchase contract for several items involved in the current request for tariff changes. These items included meters, several sizes of transformers and 350 cable. A review of the quoted and contracted prices for these items demonstrates wide variances in practices among suppliers. In addition, quoted prices for some items are contractually tied to external commodity indexes. In the case of 350 cable those indexes are an aluminum index and a copper index. These pricing strategies are designed to protect suppliers from losses resulting from volatile or increasing commodity prices. During periods of increasing commodity prices, cumulative increases can occur. This can result in prices changes, which are seen as "spikey" or unusually large.

The amounts seen in work order charges may be additive combinations of quoted prices, delivery charges and inventory costs. For inventory items such as meters or transformers, Idaho Power uses a cost averaging method which averages costs of current inventory with costs of new purchases.

General Overhead Rate

Staff reviewed the cost allocation formula for current rates. Staff believes Rule H overhead costs are in current electric rates to the extent they exceed the 1.5 percent limitation.

Including the entire overhead rate in Rule H work orders would result in Idaho Power collecting the difference of 13.5 percent in both work orders and in current electricity rates. Staff believes this is a timing problem, which can be resolved in the next rate case. The case would set rates based on costs which do not include that portion of construction overhead belonging to Rule H work orders. Simultaneously, the overhead rate for Rule H could include the 15 percent, effective on the same day as the new rates. This would shift costs from general rates to those requesting Rule H line extensions.

Vested Interest Refund Period

Idaho Power proposes to reduce the time limitation to receive vested interest refunds from five years to four years. In support of its position, the Company cites a reduction in administrative burden and points out that less than two percent of customers eligible for vested interest refunds receive them in the fifth year.

Staff does not believe Idaho Power has made a convincing case for reducing the refund period, and, in fact, Staff believes the Company's rationale is somewhat contradictory. If very few refunds are actually made in the fifth year as Idaho Power contends, it does not seem reasonable that tracking these refunds would present a significant administrative burden. Moreover, in the future, Staff believes that more refunds will be made in the fifth year now that building activity has slowed from the rapid pace of the past several years and subdivisions are slower to fill.

Idaho Power also proposes that subdividers be eligible for vested interest refunds inside subdivisions for additional line installations that were not part of the initial line installation. Staff does not object to this proposed change.

Updated Charges

Idaho Power proposes to update several charges in Rule H including engineering charges, underground service attachment charges, overhead and underground temporary service attachment charges, and overhead and underground temporary service return trip charges. Staff has reviewed the proposed updated charges and believes they are reasonable based on changes in labor rates, different installation procedures and changes in calculation methodology.

Formatting Changes

Idaho Power proposes to make formatting changes to Rule H to make the tariff easier to read and administer. Staff supports the proposed formatting changes.

Changes to Definitions and General Provisions

Idaho Power proposes to add several definitions to clarify discrepancies and identify terms missing from the current tariff. Staff supports the addition of all of the proposed definitions, with the exception of the removal of the 1.5 percent limitation for recovery of general overheads as discussed earlier in these Staff comments.

For clarification purposes, the Company also proposes several modifications to the General Provisions section of the tariff. Staff has no objection to these proposed modifications.

Staff does recommend two changes to the tariff provisions related to unusual conditions. The current definition of “Unusual Conditions” has caused some confusion, which resulted in complaints being filed with the Commission. The confusion stems in part from the reference to “construction conditions not normally encountered.”

For example, if construction is to take place in an area that is commonly known to be rocky, a customer requesting service would consider rock digging to be a normally encountered condition. To that customer, an unusual condition would be something above and beyond the normal rocky condition one would expect to encounter in that location. The customer then anticipates receiving a refund of the amount paid for unusual conditions when no out-of-the ordinary conditions are encountered. However, the Company’s cost estimating process excludes the cost for rock digging and other “unusual conditions” when average Company-wide costs are calculated. From the Company’s perspective, any cost associated with rock digging is project-specific (“not normally encountered”) and will always be considered an unusual condition. A refund would be provided only if no rocky conditions are encountered.

Staff does not disagree with the Company’s policy with respect to charging customers for unusual conditions. However, Staff recommends that the definition be revised as follows to clarify that policy and avoid customer confusion:

Unusual Conditions are construction conditions not normally encountered, but which *the Company may encounter during construction which impose additional, project-specific costs*. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement,

chip-sealing, rock digging/trenching, boring, non-standard facilities or construction practices, and other than available voltage requirements. *Costs associated with unusual conditions are separately stated and are subject to refund.*

Another issue raised by customers is delayed payment of refunds by the Company when the anticipated unusual conditions are not encountered. There is no provision in the existing or proposed Rule H tariff identifying the time frame for providing refunds. Staff proposes that a statement be added to Subsection 6.h., Unusual Conditions Charge, of Rule H to specify that if unusual conditions are not encountered, the Company will issue the appropriate refund within 30 days of completion of the project.

Elimination of Line Installation Agreements

Idaho Power proposes elimination of existing language describing Line Installation Agreements for Line Installation Allowances paid in excess \$75,000. The Company does not believe such agreements are necessary. Staff does not object to the Company's proposal to remove the existing language.

Relocations in Public Road Rights-of-Way

The Company proposes to add a new section to address funding of roadway relocations required under *Idaho Code* § 62-705. This section identifies when and to what extent the Company will fund roadway relocations. Specifically, the section outlines Road Improvements for General Public Benefit, Roadway Improvements for Third-Part Beneficiary and Road Improvements for Joint Benefit.

Staff concurs with Idaho Power that clarification of the existing Rule H language is needed to address third-party requests affecting utility facilities in public rights-of-way. In keeping with the goal of having new growth pay its fair share of costs, and to insure consistency and fairness, Staff believes that inappropriate cost shifting from developers to Idaho Power customers should be prevented whenever possible. Staff supports the tariff language proposed by Idaho Power, but recognizes that its effectiveness will be tested over time and that additional modifications to the language may be required in the future.

Annual Updates to Charges and Allowances

With regard to annual updates to allowances, Staff supports annual updates if the allowances as proposed by Idaho Power are accepted by the Commission (*i.e.*, specific dollar amounts for customers in each class). However, if the Commission accepts Staff's proposed allowances (or allowances described as the cost of terminal facilities), then annual updates to the tariff are not necessary in the case of allowances because the cost of terminal facilities will automatically change as costs of transformers, meters and services increase. However, Staff does recommend that a set of "standard" terminal facilities costs be submitted annually to the Commission for informational purposes to permit Staff to track changes in costs.

Press Release and Letter to Builders

The Notice to Builders and Press Release were included in Idaho Power's Application received on October 30, 2008. Notice was direct mailed to the 400 builders and developers in the Company's service territory. Staff reviewed the Notice to Builders and Press Release and determined they were in compliance with the requirements of IDAPA 31.21.02.102.

RECOMMENDATIONS

Staff believes that the cost of new terminal facilities and line extensions needed to serve new customers should be paid by the customers who cause those costs to be incurred. Staff proposes that Idaho Power reduce its share of the investment in new distribution and terminal facilities to recover actual customer connection costs not currently recovered through rates, thereby relieving the upward pressure on rates that is caused by allowances and refunds included in the current line extension policy. Staff recommends that the Company's investment in facilities for each new customer be equal to the embedded costs of the same facilities used to calculate rates, and that costs in excess of embedded costs be borne by the customers requesting service through a one-time capital contribution.

Staff calculates that an investment of \$1,232 would be revenue neutral for the residential customer class (Schedule 1) based on average annual consumption. Because this amount is nearly equal to the cost of terminal facilities for a typical residential customer, Staff recommends free overhead terminal facilities be provided by the Company for residential customers, and that no allowance be offered toward line extension costs.

For subdivisions, Staff recommends that refunds be made to subdividers as new customers are connected, in an amount equal to each lot's share of the transformer costs for the subdivision. Each residence in the subdivision would receive a free service cable and meter.

For small commercial customers (Schedule 7), average per customer revenues cannot support the full cost of terminal facilities. Consequently, Staff recommends an allowance equal to 60 percent of the cost of terminal facilities for single phase overhead service and 25 percent of the cost of overhead terminal facilities for three phase service.

For both the large commercial and the irrigation customer classes (Schedules 9 and 24), the embedded investment that can be covered through rates is sufficient to cover the expected terminal facilities cost for both single and three phase service. Staff recommends allowances equal to the cost of terminal facilities for these classes, but recommends that no additional allowance amount be offered toward line extension costs.

Staff performed an initial investigation to determine whether the line extension contributions collected from customers matched the actual costs incurred by the Company. Based on the information provided by Idaho Power, Staff has concerns about the number of work orders in which estimated costs varied substantially from actual costs, and the absence of a process to reconcile these costs with the customer. Staff recommends that a more thorough audit be conducted to better determine the extent of this problem and to pursue possible solutions.

Staff recommends the timing problem associated with the general overhead rate be corrected in the next rate case.

Staff does not believe Idaho Power has made a convincing case for reducing the vested interest refund period from five years to four years; consequently, Staff recommends that the refund period remain at five years.

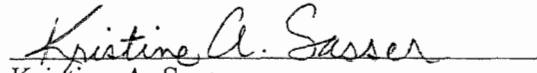
Staff recommends approval of the Company's proposal to update engineering charges, overhead and underground temporary service attachment charges, and overhead and underground temporary service return trip charges. Staff also recommends approval of the Company's proposed tariff formatting changes and definition changes, and agrees with the Company's request to eliminate the requirement for line installation agreements. However, Staff recommends clarifying language for the definition of "unusual conditions."

Staff supports Idaho Power's proposal to add a new section to Rule H to address funding of roadway relocations. Staff supports the tariff language proposed by Idaho Power, but

recognizes that its effectiveness will be tested over time and that additional modifications to the language may be required in the future.

Idaho Power has requested an effective date 120 days after receiving an order approving modifications to Rule H in order to update and test computer systems, train employees, and update internal documents related to administration of Rule H. Staff supports this request even though the effective date will likely be during the height of the annual construction season. Due to the downturn in the economy, there is very little new construction going on in Idaho Power's service territory. Consequently, any inconvenience to builders and developers is likely to be minor.

Respectfully submitted this 17TH day of April 2009.

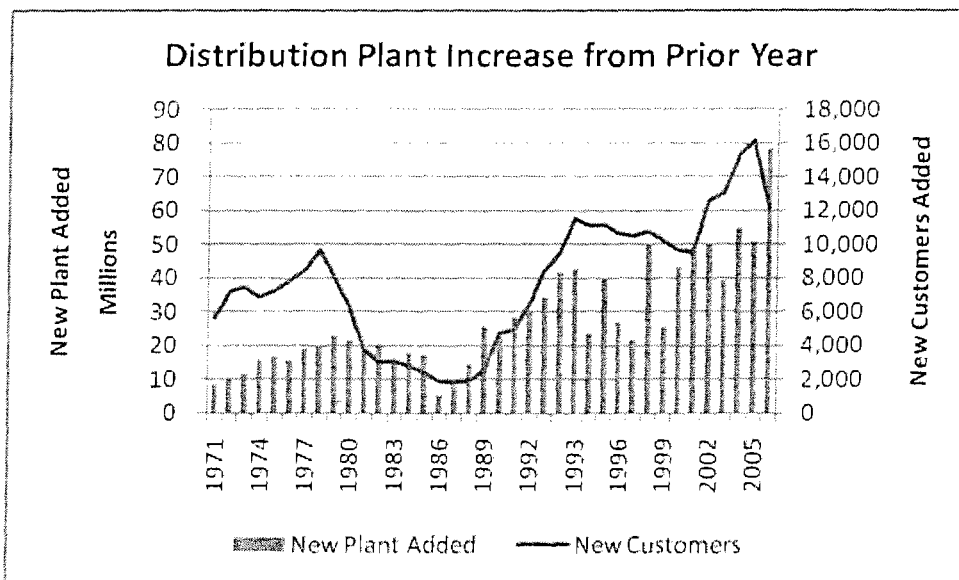

Kristine A. Sasser
Deputy Attorney General

Technical Staff: Rick Sterling
John Nobbs
Daniel Klein

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The Effects of Growth and Inflation on Electric Rates

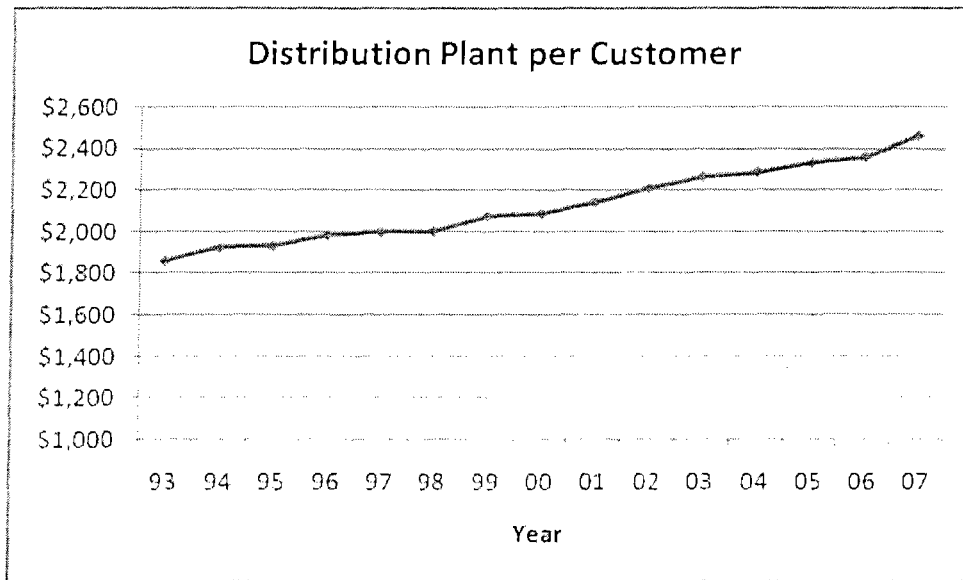
Idaho Power's investment in distribution plant varies each year from less than \$10 million to nearly \$80 million. Distribution plant is a significant part of the Company's annual requirement for new investment dollars. Not surprisingly, the investment in distribution plant has generally increased through time, particularly since the mid-80s as shown in the graph below. New distribution plant investment over time has generally followed a similar pattern to the addition of new customers over time. Logically, as more new customers have been added, more new distribution plant has been added to serve them.



Not all new distribution plant that is added is for the purpose of serving new customers. Clearly, meters are periodically replaced, transformers fail, poles must be replaced or relocated, and other distribution plant must be added or replaced in order to continue to provide service to existing customers. Although Idaho Power does not track whether new distribution plant is added for the purpose of serving new customers or to continue to serve existing customers, the strong apparent correlation shown in the above graph between the addition of new plant and the addition of new customers would indicate that most new plant is added to serve new customers.

On a per customer basis, Idaho Power's investment in distribution plant has also increased over time. The graph below illustrates the Company's investment on a per customer basis from 1993 to 2007. A similar pattern existed before 1993. It is important to note that these figures do not reflect the actual cost of distribution facilities, but rather the Company's

investment in those facilities. The level of Company investment in distribution facilities has been heavily influenced by changes in line extension policies over the years, as will be further discussed in more detail later.



Staff believes that the primary cause of the upward pressure on rates is adding new customers at higher levels of investment per customer than current rates can support. The combined effects of inflation on facilities costs, the rate of new customer growth and changes in line extension policies over time have all been factors. Staff also believes that changes in construction standards and a trend toward more underground installations have also contributed.

All of these factors affecting the investment required to connect new customers cause rates to increase. Each new customer that is added requires an investment in distribution plant and terminal facilities. The new investment is undepreciated, while the investment upon which the Company's revenue requirement (and rates) is calculated was both lower on a per customer basis when originally made and is now partially depreciated. Therefore, when the new plant investment is booked by the Company, the resulting revenue requirement is higher per customer than it was before the new customers were connected. The Company then has two alternatives: increase rates to all customers to cover the increased revenue requirement, or decrease the revenue requirement by shifting more of the investment in new distribution/terminal facilities to the customer for whose benefit those facilities are built. Staff believes it is more appropriate to shift more of the costs to new customers.

Attachment 1A shows two simple examples to illustrate the effects of customer growth and inflation on a utility's revenue requirement per customer — one assumes no inflation and the other assumes a 10 percent annual rate of inflation. When no inflation is assumed, the annual revenue requirement per customer declines each year because rate base decreases as more plant is depreciated. If only one customer were present on the system, the annual revenue requirement — at least the portion represented by depreciation and return on rate base — would decline to zero after four years. In this example, with the addition of a new customer each year and replacement of plant after it becomes fully depreciated, the annual revenue requirement per customer eventually becomes constant. The effect of growth is to cause the annual revenue requirement per customer to decline less rapidly than it otherwise would with no growth. If actual numbers for Idaho Power were used instead of simplified hypothetical ones, the effect of growth is the same, although much less pronounced because of approximately 30-year depreciation lives and growth rates of less than about five percent.

In the second example, when a 10 percent annual inflation is assumed, the effects on annual revenue requirement are greatly magnified. Based on the hypothetical numbers in this example, the annual revenue requirement per customer clearly increases at a faster rate each year. The graph at the bottom of Attachment 1A shows the difference in revenue requirement per customer with and without inflation.

Again, in reality, the results for Idaho Power are similar, although much less pronounced but on a much larger scale. It may also be worth noting from this example that with inflation but no growth, the annual revenue requirement per customer increases at the same rate of inflation, but in a sort of stair step fashion. When averaged over several years, inflation compounds the effects of growth.

Both growth and inflation are causes of higher annual revenue requirement per customer, but it is not critical to determine how much of the cause is attributable to growth and how much is attributable to inflation. In fact, even if much of the upward pressure on rates is caused by inflation, most of the additions to distribution plant are made to serve new customers, not old; therefore, the new customers should be responsible for the inflationary effects. If not for new customers, the amount of new distribution plant subject to inflationary pressure would be far less. To the extent new distribution investment is for replacement of existing facilities, all customers are responsible for inflationary effects.

Staff's proposal in this case does not remove the impact of past inflation from existing customers. They, along with new customers, are subject to the effects of inflation through eventual replacement of their facilities. These effects are eventually felt through general rate increases, since no customer is billed directly for replacement of facilities. Furthermore, under Rule H as currently structured, new customers pay only the increment above embedded cost through line extension fees, and in effect, pay the remainder of the cost through rates equal to what all other customers pay.

Besides new customer growth and inflation, Idaho Power's distribution investment per customer has also changed as a result of policy changes. Over the past 35 years the line extension policy for Idaho Power has changed many times, and there does not appear to have been any consistent basis for these policies. In fact, it appears that the level of Company investment in the past has been set depending upon how promotional the Company wanted to be in attracting new customers, depending upon economic conditions at the time or upon other factors. For example, in 1937 for residential customers, the Company limited its investment to three times the customer's guaranteed annual minimum billing. Between 1939 and 1945, the Company increased its investment limit to four and one-half times annual revenue. In 1945, the Company financed the entire cost of serving new customers. In 1948, the investment limit was 10 times annual revenue for residential and farm customers and five times revenue for commercial and industrial customers. Since 1955, the investment limit has continued to decline, until presently when the investment limit is approximately three times annual revenue for residential customers. With these facts in mind, it is apparent that the level of embedded Company investment per customer has been influenced as much or more by the line extension policy in effect at the time, as by inflation, rate of customer growth, construction standards or other factors.

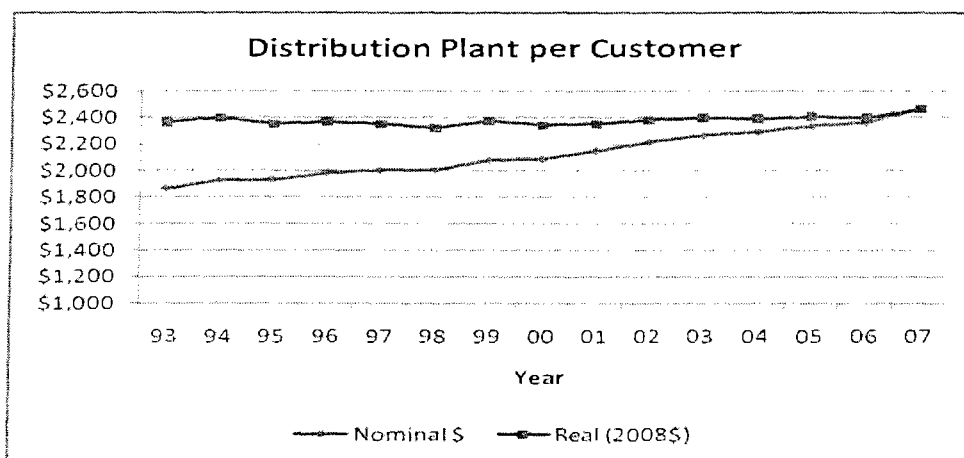
Staff's line extension proposal in this case is based on the calculated embedded costs for existing customers, which are used to calculate rates. This is exactly the same approach as was taken in Idaho Power's last major line extension case in 1995. Staff believes this is a more appropriate method than policies in effect prior to that time.

Despite just completing a recent rate case in which rates were increased, the Company's current rates are insufficient to cover all of the current average investment per new customer for required distribution plant and terminal facilities common to each new customer. Rates as set in

Idaho Power's recently completed general rate case were established based upon the average embedded investment per existing customer and are not sufficient to cover all of the current average investment per new customer. Rates will, however, support a significant portion of the required distribution/terminal facilities investment common to each new customer. If the Company continues to add new customers at costs higher than the average rate base used to calculate rates, upward pressure on rates will continue. Eventually another rate increase will be necessary. A rate increase may temporarily relieve the revenue deficiency problem caused by new customer investment, but it will not eliminate the upward pressure on rates.

Staff believes that the Company's investment in facilities for each new customer should be equal to the embedded costs of the same facilities used to calculate rates. Costs in excess of embedded costs should be paid through one-time capital contributions by the new customers. Staff further believes that those costs over and above the costs for standard overhead service with pole-mounted transformers and overhead distribution lines should be paid entirely by the customer requesting the new facilities.

By using the approach outlined here, Staff believes that the combined effect of new customers and inflation has been minimized, at least for distribution plant. The graph below shows the Company's distribution plant investment per customer both in nominal and real terms (2008\$). As discussed previously, distribution plant investment per customer has increased steadily over time in nominal terms, but in real terms (when the effects of inflation are removed) distribution plant investment per customer has been very stable. Staff believes this is a good indication that the approach used to establish the current allowances is sound, and that it should continue to be used in the future.



Based on its analysis, Staff believes that adding new customers at higher required levels of investment needed to serve them puts upward pressure on rates. Staff agrees with Idaho Power that absent ongoing rate increases for all customers, the level of Company investment in new distribution facilities must be reduced in order to relieve upward pressure on rates.

Cost of Growth Example Without Inflation

Year ->	1				2				3				4				5				6			
	Rate				Rate				Rate				Rate				Rate				Rate			
	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return
Customer 1	100	25	75	7.5		25	50	5		25	25	2.5		25	0	0	100	25	75	7.5		25	50	5
Customer 2					100	25	75	7.5		25	50	5		25	25	2.5		25	0	0	100	25	75	7.5
Customer 3									100	25	75	7.5		25	50	5		25	25	2.5		25	0	0
Customer 4													100	25	75	7.5		25	50	5		25	25	2.5
Total	100	25	75	7.5	100	50	125	12.5	100	75	150	15	100	100	150	15	100	100	150	15	100	100	150	15
Revenue Requirement			32.5				62.5				90				115				115				115	
Revenue Reqmnt per Cust.			32.5				31.25				30				28.75				28.75				28.75	

Cost of Growth Example With 10% Inflation

Year ->	1				2				3				4				5				6			
	Rate				Rate				Rate				Rate				Rate				Rate			
	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return	Invest.	Depr.	Base	Return
Customer 1	100	25	75	7.5		25	50	5		25	25	2.5		25	0	0	146.41	36.60	109.81	10.98		36.60	73.21	7.32
Customer 2					110	27.5	62.5	8.25		27.5	55	5.5		27.5	27.5	2.75		27.5	0	0	161.05	40.26	120.79	12.08
Customer 3									121	30.25	90.75	9.08		30.25	60.5	6.05		30.25	30.25	3.03		30.25	0	0
Customer 4													133.1	33.28	99.83	9.98		33.28	66.55	6.66		33.28	33.28	3.33
Total	100	25	75	7.5	110	52.5	132.5	13.25	121	62.75	170.75	17.075	133.1	116.03	187.83	18.78	146.41	127.63	206.61	20.66	161.05	140.39	227.27	22.73
Revenue Requirement			32.5				65.75				99.83				134.81				148.29				163.12	
Revenue Reqmnt per Cust.			32.5				32.88				33.28				33.70				37.07				40.78	

Assumptions:

Depreciation is booked beginning in year investment is made.

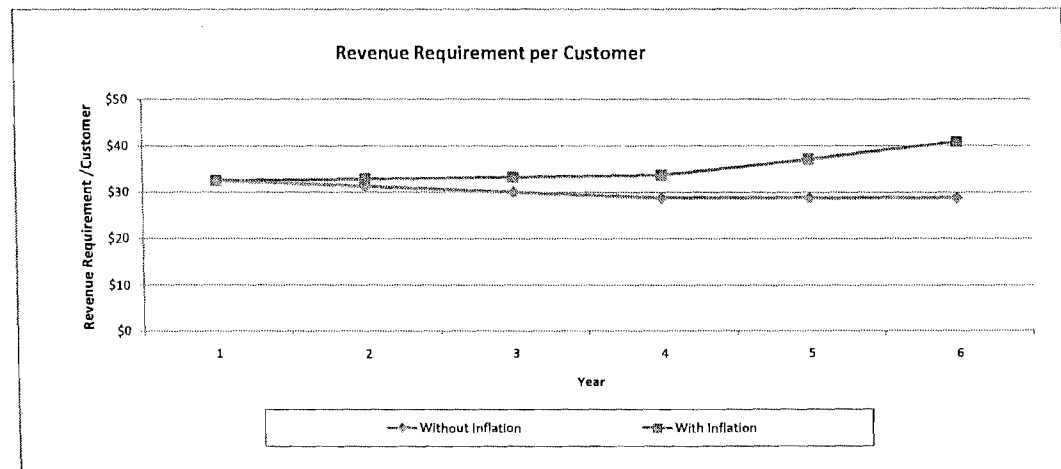
Four year depreciation life.

Investment for first customer is \$100.

One customer added each year

10% Rate of return.

Annual revenue requirement = annual depreciation + return on rate base



Net Plant and Allowable Investment by Customer Class

RESIDENTIAL (SCHEDULE 1)			
	Distribution	Terminal Facilities	Total
Net Plant per Customer*	\$677	\$427	\$1,104
Allowable Investment per Customer	\$750	\$482	\$1,232
SMALL GENERAL SERVICE (SCHEDULE 7)			
	Distribution	Terminal Facilities	Total
Net Plant per Customer*	\$445	\$415	\$860
Allowable Investment per Customer	\$498	\$499	\$997
LARGE GENERAL SERVICE (SCHEDULE 9)			
	Distribution	Terminal Facilities	Total
Net Plant per kW*	\$125	\$64	\$189
Allowable Investment per kW	\$136	\$74	\$210
IRRIGATION (SCHEDULE 24)			
	Distribution	Terminal Facilities	Total
Net Plant per kW*	\$105	\$58	\$163
Allowable Investment per kW	\$114	\$64	\$178
LARGE POWER (SCHEDULE 19)			
	Distribution	Terminal Facilities	Total
Net Plant per kW*	\$100	\$11	\$111
Allowable Investment per kW	\$109	\$12	\$122

* Net plant figures are from the cost of service study accepted by the Commission in IPC-E-08-10.

Assumptions Used in Calculating Allowable Investments

Cost of Capital			
Capital Component	Capital Structure	Component Cost	Weighted Cost
Long Term Debt	50.730%	5.927%	3.007%
Preferred Equity	0.000%	0.000%	0.000%
Common Equity	49.270%	10.500%	5.173%
Total	100.000%		8.180%

Grossed-up Rate of Return			
Tax Gross-up Factor			1.642
Weighted ROE * Tax Gross-up		5.173 * 1.642	8.495%
Long Term Debt			3.007%
Preferred Equity			0.000%
Grossed-up Rate of Return			11.501%

Depreciation Rates	Distribution Plant	Terminal Facilities	Composite Rate
	2.49%	2.45%	2.47%

Source for Cost of Capital is Order No. 30722, Case No. IPC-E-08-10

Summary of Cost of Service Figures

Residential (Schedule 1)

Number of Connected kW = 1,399,028
 Number of Customers = 391,525
 Avg kW per Customer = 3.573

	Plant in Service	Depreciation Reserve	Amortization Reserve	Net Plant	Customer Adv Constr	Accum Def Inc Taxes	Acquisition Adjustment	Working Capital	Plant Held for Future Use	Total Rate Base
Substations	86,970,563	20,770,153	411,984	65,788,426	0	3,875,802	(5,631)	1,200,217	385,093	63,492,304
Primary Lines	254,404,703	97,745,970	1,205,128	155,453,605	7,842,289	12,700,636	(16,472)	3,510,853	48,836	138,453,898
Secondary Lines	65,099,191	20,889,072	308,378	43,901,741	3,756,418	3,249,944	(4,215)	898,386	12,496	37,802,047
Subtotals	406,474,458	139,405,195	1,925,490	265,143,772	11,598,706	19,826,382	(26,318)	5,609,457	446,425	239,748,248
Transformers	201,296,968	77,093,064	953,554	123,250,351	92	10,049,340	(13,033)	2,777,952	38,641	116,004,478
Services	48,116,184	26,805,010	227,929	21,083,244	5,476,461	2,402,102	(3,115)	664,016	9,236	13,874,819
Meters	28,665,485	5,717,089	135,790	22,812,605	411	1,431,066	(1,856)	395,591	5,503	21,780,366
Subtotals	278,078,636	109,615,163	1,317,273	167,146,200	5,476,964	13,882,509	(18,005)	3,837,560	53,380	151,659,663
Totals	684,553,094	249,020,358	3,242,763	432,289,972	17,075,670	33,708,890	(44,322)	9,447,016	499,805	391,407,911
Total per Customer	1748.43	636.03	8.28	1104.12	43.61	86.10	-0.11	24.13	1.28	999.70

Small Commercial (Schedule 7)

Number of Connected kW = 50,204
 Number of Customers = 31,171
 Avg kW per Customer = 1.611

	Plant in Service	Depreciation Reserve	Amortization Reserve	Net Plant	Customer Adv Constr	Accum Def Inc Taxes	Acquisition Adjustment	Working Capital	Plant Held for Future Use	Total Rate Base
Substations	3,120,931	745,335	14,784	2,360,812	0	139,083	(202)	43,070	13,819	2,278,416
Primary Lines	14,923,318	5,733,755	70,693	9,118,871	460,027	745,016	(966)	205,946	2,865	8,121,672
Secondary Lines	3,553,836	1,140,357	16,835	2,396,644	205,067	177,418	(230)	49,044	682	2,063,655
Subtotals	21,598,086	7,619,448	102,311	13,876,327	665,094	1,061,517	(1,398)	298,059	17,366	12,463,743
Transformers	11,578,564	4,434,379	54,848	7,089,337	5	578,036	(750)	159,787	2,223	6,672,556
Services	4,189,520	2,333,937	19,846	1,835,737	476,840	209,153	(271)	57,816	804	1,208,093
Meters	5,040,214	1,005,228	23,876	4,011,110	72	251,622	(326)	69,556	968	3,829,613
Subtotals	20,808,298	7,773,544	98,570	12,936,185	476,918	1,038,812	(1,347)	287,160	3,994	11,710,262
Totals	42,406,384	15,392,991	200,881	26,812,512	1,142,012	2,100,329	(2,746)	585,219	21,360	24,174,005
Total per kW	844.68	306.61	4.00	534.07	22.75	41.84	-0.05	11.66	0.43	481.52

Summary of Cost of Service Figures

Large Commercial (Schedule 9)

Number of Connected kW = 820,387

Number of Customers = 26,848

Avg kW per Customer = 30.557

	Plant in Service	Depreciation Reserve	Amortization Reserve	Net Plant	Customer Adv Constr	Accum Def Inc Taxes	Acquisition Adjustment	Working Capital	Plant Held for Future Use	Total Rate Base
Substations	50,999,351	12,179,573	241,587	38,578,191	0	2,272,762	(3,302)	703,805	225,818	37,231,750
Primary Lines	80,571,984	30,956,923	381,674	49,233,387	2,483,715	4,022,392	(5,217)	1,111,915	15,467	43,849,445
Secondary Lines	21,643,077	6,944,845	102,524	14,595,707	1,248,870	1,080,486	(1,401)	298,680	4,155	12,567,784
Subtotals	153,214,411	50,081,340	725,784	102,407,286	3,732,585	7,375,640	(9,920)	2,114,400	245,439	93,648,980
Transformers	61,723,063	23,638,806	292,385	37,791,871	28	3,081,398	(3,996)	851,795	11,848	35,570,092
Services	4,169,976	2,323,049	19,753	1,827,173	474,616	208,178	(270)	57,547	800	1,202,457
Meters	16,517,498	3,294,276	78,244	13,144,978	237	824,602	(1,069)	227,946	3,171	12,550,185
Subtotals	82,410,536	29,256,130	390,383	52,764,022	474,881	4,114,178	(5,336)	1,137,287	15,820	49,322,734
Totals	235,624,947	79,337,471	1,116,167	155,171,308	4,207,466	11,489,818	(15,256)	3,251,687	261,259	142,971,714
Total per kW	287.21	96.71	1.36	189.14	5.13	14.01	-0.02	3.96	0.32	174.27

Irrigation (Schedule 24)

Number of Connected kW = 711,497

Number of Customers = 15,484

Avg kW per Customer = 45.950

	Plant in Service	Depreciation Reserve	Amortization Reserve	Net Plant	Customer Adv Constr	Accum Def Inc Taxes	Acquisition Adjustment	Working Capital	Plant Held for Future Use	Total Rate Base
Substations	44,230,205	10,562,978	209,521	33,457,706	0	1,971,098	(2,864)	610,389	195,845	32,289,978
Primary Lines	67,237,881	25,833,767	318,509	41,085,604	2,072,677	3,356,714	(4,353)	927,901	12,907	36,592,667
Secondary Lines	0	0	0	0	0	0	0	0	0	0
Subtotals	111,468,085	36,396,745	528,030	74,543,310	2,072,677	5,327,812	(7,217)	1,538,289	208,752	68,882,645
Transformers	55,662,916	21,317,881	263,678	34,081,357	26	2,778,858	(3,604)	768,163	10,685	32,077,719
Services	2,439,240	1,358,875	11,555	1,068,811	277,628	121,774	(158)	33,662	468	703,381
Meters	7,574,072	1,510,585	35,879	6,027,608	109	378,120	(490)	104,524	1,454	5,754,867
Subtotals	65,676,229	24,187,340	311,112	41,177,777	277,762	3,278,752	(4,252)	906,350	12,607	38,535,967
Totals	177,144,314	60,584,085	839,142	115,721,087	2,350,440	8,606,564	(11,469)	2,444,639	221,359	107,418,613
Total per kW	248.97	85.15	1.18	162.64	3.30	12.10	-0.02	3.44	0.31	150.98

Summary of Allowable Investment Calculation for the Residential Class

Return on Common Equity (Grossed-up)	$\$1104.12 * (.05173 * 1.642)$	= \$94.36
Debt Service Costs	$\$1104.12 * 0.03007$	= \$33.20
Subtotal		= \$127.56
Depreciation Expense		= \$45.26
Total Revenue Requirement		= \$172.25

Return on Allowable Investment	+ Annual Depreciation	= Total Revenue Requirement
Allowable Investment (Grossed-up ROR)	+ Allowable Investment x Composite Depreciation Rate	= Total Revenue Requirement
Allowable Investment (11.501%)	+ Allowable Investment (2.47%)	= \$172.25
	Allowable Investment (0.13769)	= \$172.25
	Allowable Investment	= \$172.25 / 0.13971
	Allowable Investment	= \$1232.44

Allowable Investment by Customer Class

Residential (Schedule 1)			
# Customers	391,525		
Rate of Return	11.501%		
2008 Cost of Service Study	Distribution Plant	Terminal Facilities	Total
Net Plant	265,143,772	167,146,200	432,289,972
Return on Net Plant	30,495,267	19,224,166	49,719,433
Depreciation Expense	10,598,812	7,121,780	17,720,592
Total	41,094,079	26,345,946	67,440,024
Per Customer Expenses	Distribution Plant	Terminal Facilities	Total
Net Plant	677.21	426.91	1104.12
Return on Net Plant	77.89	49.10	126.99
Depreciation Expense	27.07	18.19	45.26
Total	104.96	67.29	172.25
Allowable Investment	\$750	\$482	\$1,232

Small General Service (Schedule 7)			
# Customers	31,171		
Rate of Return	11.501%		
2008 Cost of Service Study	Distribution Plant	Terminal Facilities	Total
Net Plant	13,876,327	12,936,185	26,812,512
Return on Net Plant	1,595,973	1,487,843	3,083,816
Depreciation Expense	576,577	681,443	1,258,020
Total	2,172,550	2,169,286	4,341,836
Per Customer Expenses	Distribution Plant	Terminal Facilities	Total
Net Plant	445.17	415.01	860.17
Return on Net Plant	51.20	47.73	98.93
Depreciation Expense	18.50	21.86	40.36
Total	69.70	69.59	139.29
Allowable Investment	\$498	\$499	\$997

Allowable Investment by Customer Class

Large General Service (Schedule 9)			
# Connected kW		820,387	
Rate of Return		11.501%	
2008 Cost of Service Study	Distribution Plant	Terminal Facilities	Total
Net Plant	102,407,286	52,764,022	155,171,308
Return on Net Plant	11,778,280	6,068,605	17,846,885
Depreciation Expense	3,838,295	2,388,485	6,226,780
Total	15,616,575	8,457,091	24,073,665
Per kW Expenses	Distribution Plant	Terminal Facilities	Total
Net Plant	124.83	64.32	189.14
Return on Net Plant	14.36	7.40	21.75
Depreciation Expense	4.68	2.91	7.59
Total	19.04	10.31	29.34
Allowable Investment	\$136	\$74	\$210

Irrigation (Schedule 24)			
# Connected kW		711,497	
Rate of Return		11.501%	
2008 Cost of Service Study	Distribution Plant	Terminal Facilities	Total
Net Plant	74,543,310	41,177,777	115,721,087
Return on Net Plant	8,573,530	4,736,024	13,309,554
Depreciation Expense	2,781,702	1,619,622	4,401,324
Total	11,355,232	6,355,646	17,710,879
Per kW Expenses	Distribution Plant	Terminal Facilities	Total
Net Plant	104.77	57.87	162.64
Return on Net Plant	12.05	6.66	18.71
Depreciation Expense	3.91	2.28	6.19
Total	15.96	8.93	24.89
Allowable Investment	\$114	\$64	\$178

Staff's Estimates of the Cost of Terminal Facilities

RESIDENTIAL (SCHEDULE 1)						
Transformer		Switch, Cutout & Misc Hardware	Service		Meter	Total
Overhead	\$899	\$213	Overhead	\$235	\$97	\$1,444
			Underground	\$1,377		\$2,586
Pad-Mounted	\$1,127	\$213	Underground	\$958	\$97	\$2,395
COMMERCIAL, IRRIGATION AND INDUSTRIAL (SCHEDULES 7, 9, 24, AND 19)						
Single Phase						
Transformer		Switch, Cutout & Misc. Hardware	Service		Meter	Total
Overhead	\$899	\$213	Overhead	\$235	\$277	\$1,624
			Underground	\$1,377		\$2,766
Pad-Mounted	\$1,127	\$213	Underground	\$958	\$277	\$2,575
Three Phase						
Transformer		Switch, Cutout & Misc Hardware	Service		Meter	Total
Overhead	\$40.2/kW \$1,859	\$832	Overhead	\$654	\$735	\$4080 + \$40.2/kW
			Underground	\$1,607		\$5033 + \$40.2/kW
Pad-Mounted	\$13.4/kW \$7,149	\$832	Underground	\$1,193	\$735	\$9909 + \$13.4/kW

Idaho Power Line Extension Allowances

	<u>Existing Allowance</u>	<u>IPCo Proposal</u>	<u>Staff Proposal</u>
Schedule 1			
Subdivision	Terminal Facilities + \$800	\$1780 per transformer	Terminal Facilities
Non-electric heat	Terminal Facilities + \$1000	\$1,780	Terminal Facilities
All-electric	Terminal Facilities + \$1300	\$1,780	Terminal Facilities
Schedule 7			
Single Phase	Terminal Facilities	\$1,780	60% of Terminal Facilities
Three Phase	80% of Terminal Facilities	\$3,803	25% of Terminal Facilities
Schedule 9			
Single Phase	\$1,726	\$1,780	Terminal Facilities
Three Phase	80% of Terminal Facilities	\$3,803	Terminal Facilities
Schedule 24			
Single Phase	\$1,726	\$1,780	Terminal Facilities
Three Phase	80% of Terminal Facilities	\$3,803	Terminal Facilities
Schedule 19			
	Case-by-case	Case-by-case	Case-by-case

Comparison of Costs Residential Example

Example is for a single phase, residential lot with a 100' underground extension from an underground system. No electric space or water heating

Current Rule H		
Design Number	37196	vs 2
Work Order Cost		\$7,284
Unusual Conditions		\$1,000
Subtotal		\$8,284
Overhead Transformer		(\$922)
Less Allowance	OH Terminal Facilities + \$1000	(\$1,922)
Net Payment		\$6,362
Amount Subject to Refund		\$6,362

IPCo Proposed Rule H		
Design Number	37196	vs 4
Work Order Cost		\$7,284
Unusual Conditions		\$1,000
Subtotal		\$8,284
Less Allowance	OH Terminal Facilities	(\$1,780)
Net Payment		\$6,504
Amount Subject to Refund		\$6,504

Cost Difference \$142

Staff Proposal		
Design Number	37196	vs 4
Work Order Cost		\$7,284
Unusual Conditions		\$1,000
Subtotal		\$8,284
Less Allowance	OH Terminal Facilities	(\$1,780)
Net Payment		\$6,504
Amount Subject to Refund		\$6,504

Cost Difference \$142

Comparison of Costs for Residential Subdivisions
with 1.5% General Overheads Assumed

	Subdivision No. 1	Subdivision No. 2	Subdivision No. 3	Subdivision No. 4	Subdivision No. 5
Design Number	61114	67186	60197	24482	27729
Year of Development	2007	2007	2007	2002	2002
Number of Lots	3	10	32	60	101

Current Rule H					
Total Design Cost	\$10,572	\$13,713	\$50,432	\$72,528	\$144,771
Terminal Facilities Allowance	\$3,478	\$3,382	\$11,496	\$15,645	\$25,322
Work Order Cost	\$7,094	\$10,331	\$38,936	\$56,883	\$119,449
Work Order Cost per lot	\$2,365	\$1,033	\$1,217	\$948	\$1,183
Amount Eligible for Refund	\$2,400	\$8,000	\$25,600	\$48,000	\$80,800
Meter, Service	\$0	\$0	\$0	\$0	\$0
Net Cost per lot	\$1,565	\$233	\$417	\$148	\$383

Proposed Rule H					
Total Design Cost	\$10,572	\$15,116	\$50,432	\$72,528	\$144,771
Terminal Facilities Allowance	\$3,560	\$1,780	\$7,120	\$8,900	\$17,800
Work Order Cost	\$7,012	\$13,336	\$43,312	\$63,628	\$126,971
Work Order Cost per lot	\$2,337	\$1,334	\$1,354	\$1,060	\$1,257
Amount Eligible for Refund	\$0	\$0	\$0	\$0	\$0
Meter, Service	\$0	\$0	\$0	\$0	\$0
Net Cost per lot	\$2,337	\$1,334	\$1,354	\$1,060	\$1,257

Cost Difference per Lot	\$773	\$1,101	\$937	\$912	\$874
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Staff Proposal					
Total Design Cost	\$10,572	\$15,116	\$50,432	\$72,528	\$144,771
Terminal Facilities Allowance	\$0	\$0	\$0	\$0	\$0
Work Order Cost	\$10,572	\$15,116	\$50,432	\$72,528	\$144,771
Work Order Cost per lot	\$3,524	\$1,512	\$1,576	\$1,209	\$1,433
Amount Eligible for Refund	\$3,560	\$1,780	\$7,120	\$8,900	\$17,800
Meter, Service	\$0	\$0	\$0	\$0	\$0
Net Cost per lot	\$2,337	\$1,334	\$1,354	\$1,060	\$1,257

Cost Difference per Lot	\$773	\$1,101	\$937	\$912	\$874
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Comparison of Costs Irrigation Example

Example is for an irrigation customer with 3-phase overhead service and a connected load of 150 hp pump.

Current Rule H			
Design Number	76428	vs1	
Work Order Cost		\$17,385	
Less Allowance	OH 3-phase Terminal Facilities	(\$7,709)	
Engineering Fees		\$500	
Net Payment		\$10,176	
Amount Subject to Refund	Line Extension Costs - Engineering Fees	\$9,676	

IPCo Proposed Rule H			
Design Number	76428	vs 2	
Work Order Cost		\$17,385	
Less Allowance	Standard 3-phase Terminal Facilities	(\$3,803)	
Engineering Fees		\$500	
Net Payment		\$14,082	
Amount Subject to Refund	Line Extension Costs - Engineering Fees	\$13,582	

Cost Difference \$3,906

Staff Proposal			
Design Number	76428	vs 2	
Work Order Cost		\$17,385	
Less Allowance	Actual 3-phase Terminal Facilities	(\$7,709)	
Engineering Fees		\$500	
Net Payment		\$10,176	
Amount Subject to Refund	Line Extension Costs - Engineering Fees	\$9,676	

Cost Difference \$0

Comparison of Costs Commercial Example

Example is for a large commercial customer with 3-phase overhead service and a connected load of 125 kW

Current Rule H			
Design Number	53545	vs2	
Work Order Cost			\$14,646
Less Allowance	80% of OH Terminal Facilities		(\$5,656)
Engineering Fees			\$300
Net Payment			\$9,290
Amount Subject to Refund	Line Extension Costs - Engineering Fees		\$8,990

IPCo Proposed Rule H			
Design Number	53545	vs 3	
Work Order Cost			\$14,646
Less Allowance	Standard 3-phase Terminal Facilities		(\$3,803)
Engineering Fees			\$300
Net Payment			\$11,143
Amount Subject to Refund	Line Extension Costs - Engineering Fees		\$10,843

Cost Difference \$1,853

Staff Proposal			
Design Number	53545	vs 3	
Work Order Cost			\$14,646
Less Allowance	Actual OH 3-phase Terminal Facilities		(\$7,070)
Engineering Fees			\$300
Net Payment			\$7,876
Amount Subject to Refund	Line Extension Costs - Engineering Fees		\$7,576

Cost Difference (\$1,414)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 17TH DAY OF APRIL 2009,
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE
NO. IPC-E-08-22, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE
FOLLOWING:

LISA D NORDSTROM
BARTON L KLINE
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: lnordstrom@idahopower.com
bkline@idahopower.com

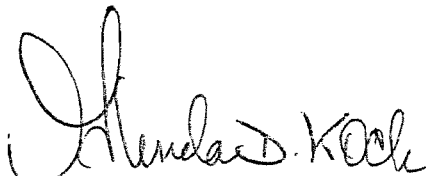
SCOTT SPARKS
GREGORY SAID
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: ssparks@idahopower.com
gsaid@idahopower.com

MICHAEL C CREAMER
GIVENS PURSLEY LLP
601 W BANNOCK ST
BOISE ID 83702
E-MAIL: mcc@givenspursley.com

MATTHEW A JOHNSON
DAVIS F VANDERVELDE
WHITE PETERSON GIGRAY ROSSMAN
NYE & NICHOLS P.A.
SUITE 200
5700 E FRANKLIN RD
NAMPA ID 83687
E-MAIL: mjohnson@whitepeterson.com
dvandervelde@whitepeterson.com

MICHAEL L KURTZ ESQ
KURT J BOEHM ESQ
BOEHM KURTZ & LOWRY
36 E SEVENTH ST STE 1510
CINCINNATI OH 45202
E-MAIL: mkurtz@BKLawfirm.com
kboehm@BKLawfirm.com

KEVIN HIGGINS
ENERGY STRATEGIES LLC
PARKSIDE TOWERS
215 S STATE ST STE 200
SALT LAKE CITY UT 84111
E-MAIL: khiggins@energystrat.com



SECRETARY