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IDAHO PUBLIC
UTILITIES COMMISSION



March 31, 2009

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

Dear Ms. Jewell:

Advice No. ADV 09-01-E

Attached for filing with the Commission is an electronic copy of the Company's proposed revisions to the following tariff sheets, I.P.U.C. No. 28:

Eleventh Revision Sheet 51D	Canceling	Tenth Revision Sheet 51D
Twelfth Revision Sheet 51E	Canceling	Eleventh Revision Sheet 51E
Tenth Revision Sheet 51F	Canceling	Ninth Revision Sheet 51F
Eleventh Revision Sheet 51G	Canceling	Tenth Revision Sheet 51G
Twelfth Revision Sheet 51H	Canceling	Eleventh Revision Sheet 51H
Tenth Revision Sheet 51N	Canceling	Ninth Revision Sheet 51N
Tenth Revision Sheet 51O	Canceling	Ninth Revision Sheet 51O

These tariff sheets are being filed to update the Company's Electric Line Extension Schedule 51 to reflect 2008 average costs and are proposed to become effective May 4, 2008. The cost materials and labor has increased significantly over the past year, resulting in an overall increase in line extension costs.

Enclosed as Attachment 1 is a copy of the workpapers supporting the line extension cost revisions contained in the proposed tariff sheets. Please direct any questions to me at 509.495.8620.

Sincerely,

A handwritten signature in black ink that reads "Patrick Ehrbar". The signature is written in a cursive, somewhat stylized font.

Patrick Ehrbar
Sr. Regulatory Analyst, State and Federal Regulation
Avista Utilities
509-495-8620
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Enclosures

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

EXAMPLE:

For a single-phase primary overhead extension of 2310 feet:

1. The Basic Cost is calculated from the charges in section 7.
 - a. $\$3,774 + (\$4.04 \text{ per ft} \times 2310 \text{ ft.}) = \$13,106.$
 - b. The average Basic Cost is $\$13,106/2310 \text{ ft} = \$5.67 \text{ per ft}.$
 2. Exceptional Cost:
 - a. If the cost estimate from the extension drawing is \$14,000, the average estimated primary cost is $\$14,000/2310 \text{ ft} = \$6.06 \text{ per ft}.$
 - b. The Exceptional Cost for a long extension is the difference between the estimated cost and the tariffed cost for the length greater than 1500 ft:
 $EC = (\$6.06 - \$5.67) \times (2310 \text{ ft} - 1500 \text{ ft}) = \$316.$
 3. Total Primary Cost
 - a. The Customer's primary extension cost is $\$13,106 + \$316 = \$13,422.$
 - b. The total extension cost is calculated by combining all Basic Costs, Exceptional Costs, Allowance, Cost Reductions and Share of Previous Extension for the extension.
- 5) "Customer-Requested Cost" is the cost of unusual labor and/or materials which is requested by the Customer but which is not necessary to construct the Line Extension based on the Company's minimum design, construction, and operating practices. All Customer-Requested Costs must be paid in full by the Customer. Customer-Requested Costs may include, but are not limited to, the following:
- a) facilities to provide three-phase service where single-phase service is adequate
 - b) construction which is not for electric service
 - c) facilities longer, deeper, or larger than deemed appropriate by the Company
 - d) underground facilities in overhead areas
 - e) soil compaction on private property

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SCHEDULE 51 - continued

6) "Share of Previous Extension" applies only to Primary Circuits less than five years old. If part of a previous line extension is used to serve a new Customer, the new Customer must pay a share of the previous Primary Circuit cost and Transformer cost, if shared, to the Company before the start of construction. The amount paid by the new Customer will be refunded to existing Customers in relation to their share of the Primary Circuit and Transformer, if shared. The Company will refund appropriate shares to the bearers of Extension Certificates when the Certificates are presented for payment and the connection of the subsequent Customer has been verified. The Company will make a reasonable attempt to inform the bearer of the Certificate when a refund is due. Bearers of Extension Certificates must apply for refunds before the original line extension becomes six years old. Unclaimed refunds will be returned to the contributor.

EXAMPLE:

1. First Customer pays \$8,450 for 1,000 feet of primary underground circuit (\$8.45 per foot).
2. Second Customer takes service within five years using 600 feet of the original extension.
3. Both Customers share the first 600 feet equally:
600 ft x \$8.45/ft x 1/2 = \$2,535.
4. The Second Customer's payment of \$2,535 will be refunded to the First Customer to reduce his investment in the 600 feet to \$2,535. The First Customer's investment in the remaining 400 feet remains at \$3,380. (\$8,450 -\$2,535-\$2,535=\$3,380)

EXCEPTION: If the refund to an existing Customer is less than \$50 each, the new Customer will not be required to pay that share and the existing Customer will not receive a refund.

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SCHEDULE 51 - continued

4. RULES AND CHARGES FOR UNDEVELOPED RESIDENTIAL LOTS

- a. A development is a group of neighboring undeveloped lots separated by no more than streets and under the ownership or legal control of a single party as determined by the Company. Both the General Rules and the following rules apply to line extensions within residential developments.
- b. Before Company facilities will be installed, the developer must submit a written application for service, a copy of the plat as approved by the governing agency depicting dedicated utility easements approved by the serving utilities and must pay an extension cost to the Company which is computed as follows:

	Basic Cost
+	Exceptional Costs
+	Customer-Requested Costs
-	Cost Reductions
-	(one) Design Fee of \$185
=	extension cost within development
+	cost of extension to development
+	Share of Previous Extension
=	extension cost

- 1) "Basic Cost" will be computed from the following rate per lot when the Development serves single phase loads, has at least six lots and the average frontage is no more than 175 feet per lot. The Basic Cost includes the cost of the Primary Circuit, the Transformer and the Secondary Circuit in the utility easement or public right-of-way, but does not include the Service Circuit from the point of connection with the Secondary Circuit to the Point of Delivery. Any Exceptional Costs involved with installation of the service must be paid by the party requesting the service.

Developments: \$1,701 per Lot

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SCHEDULE 51 - continued

The Basic Cost for all other Developments will be computed from the rates listed in this Schedule for Service Circuits, Secondary Circuits, Transformers and Primary Circuits.

- 2) "Cost Reductions," "Exceptional Costs" and "Share of Previous Extension" are described under Rules for Individual Customers.
- 3) "Extension to development" is the line extension between the Company's existing energized electric facilities and the boundary of the development. The Rules for Individual Customers apply to the extension to the development.
- c. In lieu of a cash payment of the Basic Cost in a Development, the Company will accept a cash payment of \$522 per lot and a letter of credit, a contractor's performance bond, promissory note, or another credit instrument for \$1,179 (\$1,701 less \$522) per lot upon execution of a written agreement with the Developer. The agreement shall prescribe the requirements for such a credit instrument and shall permit the face amount of the instrument to be reduced annually as new customers are connected within the Development. The Developer may provide ditching within the Development, for which they will receive a \$522 per lot Cost Reduction. If the Developer provides the ditching, they may make a cash payment or provide an appropriate credit instrument for \$1,179 per lot.
- d. Prior to installation of the Service Circuit to each single-family residence in a development, the home builder will be required to make a non-refundable cash payment to the Company of \$766 per residence. There will be no charge to the builder for the installation of the Service Circuit to serve a duplex or multiplex dwelling.
- e. A Developer who pays the extension cost described in 4.b.1) may apply for a refund annually for each permanent Customer connected within the Development during the first five years after the extension is completed. The Company will make a reasonable attempt to inform the bearer of the certificate when a refund is due. The Company will pay the refund to the bearer of the Extension Certificate when it is presented to the Company for payment and the connection of the permanent Customer has been verified.

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SCHEDULE 51 - continued

For Developers who have made a cash payment to the Company for the Basic Cost in the development, the sum of all refunds shall not exceed the total Basic Cost paid by the Developer or \$1,179 per lot multiplied by the number lots, whichever is less. The developer must apply for the refunds before the line extension becomes six years old.

- f. In a Development where primary taps may be required into some lots to provide adequate service or where the loads are not clearly defined, the Company may elect to install only an initial Primary Circuit through the Development (no Transformers or Secondary Circuits). The Rules for Individual Customers will be used to establish the extension cost of the Primary Circuit and that cost must be paid in advance by the Developer.

The permanent Customer on each lot must meet the Rules for Individual Customers for the extension into the lot, except they will not pay a share of the cost of the Primary Circuit through the Development or a share of previous extensions outside the Development. The applicable Allowance will be credited first to the Basic Cost to serve the permanent Customer. The Developer will be refunded only the portion of the Allowance not granted or applied to the permanent Customer.

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SCHEDULE 51 - continued

Single-Phase

Overhead Primary Circuit:

Fixed Costs: \$3,774 per Customer
Variable Costs: \$4.04 per foot

Underground Primary Circuit:

Fixed Costs: \$1,384 per Customer
Variable Costs: \$8.45 per foot

Three-Phase*

Overhead Primary Circuit:

Fixed Costs: \$5,706 per Customer
Variable Costs: \$5.27 per foot

Underground Primary Circuit:

Fixed Costs: \$2,066 per Customer
Variable Costs: \$16.88 per foot

***Note: Secondary Circuit, Service Circuit, and Transformer costs for three phase installations will vary based on the installed capacity of the Line Extension and are not shown in this Schedule.**

- g. "Secondary Circuit" is the electrical facility from the Company's Transformer to a handhole or connectors from which one or more Service Circuits originate. The Secondary Circuit is single phase, is operated at less than 600 volts to ground and may include conductors, connectors, supporting structures, conduit, handholes, junction box and trench. The Basic Cost of the Secondary Circuit shall be computed using the following rates.

Single Phase Overhead Secondary Circuit:

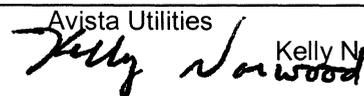
Fixed Costs: \$253 per customer
Variable Costs: \$4.23 per foot

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SCHEDULE 51 - continued

Single Phase Underground Secondary Circuit:

Fixed Costs: \$199 per customer
Variable Costs: \$6.80 per foot

- h. "Service Circuit" is the electrical facility between the Company's Transformer, connectors, or handhole and the Point of Delivery for a single Customer or building. The Service Circuit is single phase*, is operated at less than 600 volts to ground and may include conductors, connectors, junction box, supporting structures, conduit, handholes and trench. The Basic Cost of the Service Circuit shall be computed using the following rates. These rates do not include meters and metering facilities which are used by the Company for billing purposes.

Single Phase Overhead Service Circuit:

Fixed Costs: \$253 per customer
Variable Costs: \$4.23 per foot

Single Phase Underground Service Circuit:

Fixed Costs: \$199 per customer
Variable Costs: \$6.80 per foot

- i. "Transformer" Basic Cost shall be computed using the following rates for single phase transformers.

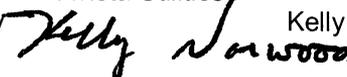
Single Phase Overhead Transformer Costs: \$1,173 per Customer
Single Phase Padmount Transformer Costs: \$1,659 per Customer

- j. "Underground Facilities" may include primary cable, secondary and service cable, secondary and service connections, surface-type (padmount) Transformers, concrete pads, enclosures, switch gear, terminations, equipment protective barriers and conduit or duct where necessary. These facilities will be owned, operated and maintained by the Company unless otherwise provided for by agreement.

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