

## DECISION MEMORANDUM

**TO:** COMMISSIONER KEMPTON  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** TJ GOLO

**DATE:** APRIL 15, 2009

AVU E-09-03

**RE:** REVISIONS TO AVISTA'S SCHEDULE 51 – LINE EXTENSION,  
CONVERSION AND RELOCATION SCHEDULE.

On March 31, 2009, Avista filed revised Schedule 51, the Company's Line Extension, Conversion and Relocation Schedule in compliance with Order No. 28562 issued on November 27, 2000 in No. AVU-E-00-1. Avista is required to make an annual filing, on or before April 1, updating its line extension costs and charges to reflect actual costs incurred in the previous calendar year.

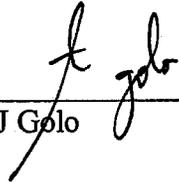
Staff has reviewed the revised tariff and finds that it incorporates all of the changes ordered by the Commission in Order No. 28562. Most line extension costs have increased approximately 10-11 percent. These cost increases greatly exceed the general inflation rate, but are consistent with recent cost increases in the construction and materials industries. Meanwhile, the costs of transformers are down from last year. Although Staff has seen continuous increases for transformer costs in previous updates of line extension cost, in this update, overhead transformer costs are down approximately 5 percent and underground transformer costs are down 11 percent from last year. By keeping line extension costs current, new customers bear more of their fair share of the costs, rather than burdening existing ratepayers with the costs of new growth.

### STAFF RECOMMENDATION

Staff recommends approval of the revised tariff with an effective date of May 4, 2009.

**COMMISSION DECISION**

Does the Commission wish to accept the annual revisions of Avista's Schedule 51 for 2009?

  
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TJ Golo

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