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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ANNUAL REVISIONS TO)	
AVISTA CORPORATION'S SCHEDULE 51)	CASE NO. AVU-E-09-3
REGARDING LINE EXTENSIONS,)	
CONVERSIONS AND RELOCATIONS.)	
)	COMMENTS OF THE
)	COMMISSION STAFF
)	

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Donald L. Howell II, Deputy Attorney General, submits the following comments in response to Order No. 30787 issued on April 22, 2009.

BACKGROUND

On March 31, 2009, Avista Corporation filed Tariff Advice No. 09-01-E proposing various revisions to Schedule 51 regarding the Company's line extension, conversion, and relocation charges. In Order No. 28562 issued November 27, 2000, the Commission directed Avista to annually update its Schedule 51 charges on or before April 1 each year. The purpose of the annual filing is to update the Company's line extension charges to reflect actual costs incurred in the previous calendar year. The Company requests an effective date of May 18, 2009.

STAFF REVIEW

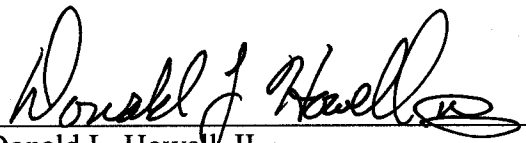
Staff has reviewed the proposed revised tariff which includes all of the proposed line extension cost updates. The proposed costs update incorporates all of the changes ordered by the Commission in Order No. 28562 which stated that the "Company may continue to annually file an updated tariff reflecting changes in Basic Costs."

In this update, most line extension costs have increased at least 10 percent. For example, the fixed cost for an overhead primary service increases 13 percent from \$3,323 to \$3,774. Similarly, the fixed cost for an underground secondary also increases about 13 percent from \$175 to \$199. For a residential development, the service cost per lot increases 12 percent from \$523 to \$587. Including the service cost with primary, secondary and transformer costs, the total cost per lot increases approximately 9 percent from \$2,090 to \$2,288. While most of the line extension costs and charges have increased, transformer costs are down approximately 5 percent for overhead transformers and approximately 11 percent for pad-mounted transformers. Staff has consistently seen transformer costs increase each year and this is the first update in the past few years in which Staff has seen a decrease in transformer costs. While most of the cost updates appear to be a substantial increase from last year, Staff believes these cost updates are reasonable because they reflect the actual costs incurred by the Company in the previous calendar year.

STAFF RECOMMENDATION

Staff asserted that updating line extension costs annually results in new customers bearing their fair share of extension costs, rather than burdening existing ratepayers with the cost of serving new customers. Therefore, Staff recommends that the Commission approve Avista's proposed revisions to Schedule 51 – Line Extension, Conversion and Relocation Schedule.

Respectfully submitted this 6th day of May 2009.


Donald L. Howell, II
Deputy Attorney General

Technical Staff: TJ Golo

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6TH DAY OF MAY 2009, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-09-03, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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