

Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



March 14, 2014

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P O Box 83720
Boise, ID 83720-0074

Dear Ms. Jewell:

Advice No. ADV 14-02-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:

Second Revision Sheet 51B	Canceling	First Revision Sheet 51B
Sixteenth Revision Sheet 51D	Canceling	Fifteenth Revision Sheet 51D
Seventeenth Revision Sheet 51E	Canceling	Sixteenth Revision Sheet 51E
Fifteenth Revision Sheet 51F	Canceling	Fourteenth Revision Sheet 51F
Sixteenth Revision Sheet 51G	Canceling	Fifteenth Revision Sheet 51G
Fourteenth Revision Sheet 51H	Canceling	Thirteenth Revision Sheet 51H
Second Revision Sheet 51J	Canceling	First Revision Sheet 51J
Fifteenth Revision Sheet 51N	Canceling	Fourteenth Revision Sheet 51N
Fifteenth Revision Sheet 51O	Canceling	Fourteenth Revision Sheet 51O

The revisions to the tariff sheets listed above update the Company's Electric Line Extension Schedule 51 and are proposed to become effective May 1, 2014. The Company has updated line extension costs based on updates to the Company's Construction & Material Standards as well as an updated actual average costs of all material and labor used in line extensions during 2013. Further, as explained below, the Company has updated its line extension allowances.

Construction & Material Standards – The Distribution Engineering department at Avista is primarily tasked with the development and maintenance of the Company's Construction & Material Standards. On occasion, Distribution Engineering will update the Construction & Material Standards in order to comply with the National Electric Safety Code ("NESC"). These Construction & Material Standards were recently updated to reflect the NESC's 2012 code revision which included 377 individual changes, with the vast majority of these changes impacting the overhead distribution system. Significant changes include higher strength requirements for guy supported wood poles, and guy wire insulation upgrades to prevent transmission of voltage from the utility supply space to the communication worker space. Changes to the codes require that the Company review our standard designs and adapt them as necessary. Those standard design changes provide

for an accurate and fair representation of the distribution facilities installed by the Company and therefore are reflected in the proposed Schedule 51 costs in this filing.

Transformer Cost Trends – One of the more significant cost increases included in this filing are related to the cost of distribution transformers. The primary reasons for the increase in transformer costs are twofold. The first relates to the increased cost of the transformer itself. The U.S. Department of Energy publishes standards related to the overall power transfer efficiency of transformers. Over the last several decades, transformer manufacturers have steadily progressed towards lower electrical loss units in order to meet conservation energy targets. In turn, the magnetic core grade steel of transformers has improved, albeit at an increased cost. Secondly, when the Company updated its Construction & Material Standards some of the materials that were previously included with “Primary” and/or “Service” related costs were shifted to transformer costs. In the Company’s current Schedule 51 rates, the cost for the transformer is only the cost of the transformer itself. It does not include other materials that are required for installing the transformer, as those costs were included in the Primary or Service components. The updated Construction and Materials Standards now shift transformer related costs to the transformer, resulting in increased transformer costs and an offsetting reduction to Primary and Service costs.

Allowances – In this filing, the Company has updated the allowances applicable to new residential, commercial and industrial customer’s services. The current level of allowances were last updated in February 2001 in case No. AVU-E-00-01 (Order No. 28562). For purposes of calculating the revised allowances, the Company utilized an embedded cost methodology approach that is designed to ensure that investment in distribution/terminal facilities for each new customer will be equal to the embedded costs of the same facilities used to calculate base rates. Any costs in excess of the allowance would be paid by the new customer as a Contribution in Aid of Construction. The Company utilized the Cost of Service study from its most recent general rate case filing (AVU-E-12-01), updated for the approved Settlement Agreement as the basis of the embedded cost calculation. Below is a summary of the proposed allowance changes:

<u>Service Schedule</u>	<u>Current Allowance</u>	<u>Proposed Allowance</u>
Schedule 1 Individual Customer (per unit)	\$1,000	\$1,600
Schedule 1 Duplex (per unit)	\$800	\$1,275
Schedule 1 Multiplex (per unit)	\$600	\$975
Schedule 11/12 (per kWh)	\$0.10703	\$0.13766
Schedule 21/22 (per kWh)	\$0.06000	\$0.11657
Schedule 31/32 (per kWh)	\$0.06000	\$0.19689

The Company has provided workpapers that provide the inputs and calculation of the allowances. Avista is supportive of this methodology, and we believe it is consistent with Commission Staff’s preferred allowance calculation methodology.

Impact to Residential Developments – For residential developments, the impact of revised Construction & Material Standards, updated construction costs based on 2013 average costs, and the increased allowance from \$1,000 to \$1,600 per residential unit results in a lower developer and builder required payment.

<u>Residential Developments</u>		
Filing - Development Summary	<u>2013</u>	<u>2014</u>
Total Cost per Lot	\$ 1,716	\$ 1,598
Less: Service Cost	<u>\$ 469</u>	<u>\$ 485</u>
Developer Responsibility	<u>\$ 1,247</u>	<u>\$ 1,113</u>
Developer Non-Refundable Payment	\$ 247	\$ -
Developer Refundable Payment	\$ 1,000	\$ 1,113
Builder Payment	\$ 469	\$ 0

Enclosed as Attachment 1 is a copy of the workpapers supporting the line extension cost revisions contained in the proposed tariff sheets. In addition, during the week of March 17, 2014, the Company will send a letter to those developers and builders that may be affected by the proposed changes.

Should you have any questions regarding this filing, please contact Joe Miller at 509.495.4546 or me at 509.495.8620.

Sincerely,



Patrick Ehrbar
Manager, Rates & Tariffs

Enclosures

Advice 14-02-E

**Avista 2014 Schedule 51
Filing**

Tariff Sheets - Clean

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Basic Cost and any Exceptional Costs of the line extension. Allowances shall be granted only against the Basic Cost and Exceptional Costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the sum of the Basic Cost and any Exceptional Costs, or the applicable amount listed below, whichever is less:

MAXIMUM ALLOWANCE

Schedule 1 individual Customer	\$1,600 per unit
Schedule 1 duplex	\$1,275 per unit
Schedule 1 multiplex	\$975 per unit

EXCEPTION: The Company will not grant an immediate Allowance if the Company, in its sole judgment, determines that the load:

- a) is less than 2500 kWh per year, or
- b) will be in service less than five years.

A mobile home will not qualify for an Allowance until it has permanent connections to both water service and either a sewer or septic system. If such connections are made within five years after the completion of the line extension, the Company will, at that time, refund the Basic Cost plus any Exceptional Costs, or the amount of the Allowance in effect at the time of the line construction, whichever is less. The Customer must apply for the refund before the line extension becomes six years old.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By

Kelly Norwood, Vice President – State & Federal Regulation



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

EXAMPLE:

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

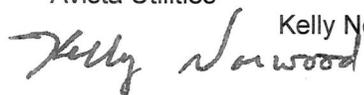
1. The Basic Cost is calculated from the charges in section 7.
 - a. $\$4,216 + (\$7.92 \text{ per ft} \times 2310 \text{ ft.}) = \$22,511.$
 - b. The average Basic Cost is $\$22,511/2310 \text{ ft} = \$9.75 \text{ per ft}.$
 2. Exceptional Cost:
 - a. If the cost estimate from the extension drawing is \$23,000, the average estimated primary cost is $\$23,000/2310 \text{ ft} = \$9.96 \text{ per ft}.$
 - 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:
 $EC = (\$9.96 - \$9.75) \times (2310 \text{ ft} - 1500 \text{ ft}) = \$170.$
 3. Total Primary Cost
 - a. The Customer's primary extension cost is $\$22,511 + \$170 = \$22,681.$
 - 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

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By



Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 \$9,580 for 1,000 feet of primary underground circuit (\$9.58 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:
 $600 \text{ ft} \times \$9.58/\text{ft} \times \frac{1}{2} = \$2,874$.
4. The Second Customer's payment of \$2,874 will be refunded to the First Customer to reduce his investment in the 600 feet to \$2,874. The First Customer's investment in the remaining 400 feet remains at \$3,832. ($\$9,580 - \$2,874 - \$2,874 = \$3,832$)

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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By

Kelly Norwood

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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: \$1,113 per Lot

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By  Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 letter of credit, a contractor's performance bond, or another credit instrument agreeable to the Company for \$1,113 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 will provide ditching within the Development.
- d. 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By  Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 \$1,113 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By



Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 – continued

- 1) The Total Estimated Extension Cost shall include all costs which are necessary to provide service to the Customer, as determined by the Company. The amount of the Allowance will be determined individually for each Customer based on the Company's estimate of the Customer's annual energy usage and an allowance per kWh based on the applicable service schedule.
- d. When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Total Estimated Extension Cost. Allowances shall be granted only against the costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the Total Estimated Extension Cost, or the applicable Allowance by Schedule multiplied by the Customer's estimated energy usage, whichever is less:

ALLOWANCE BY SERVICE SCHEDULE

Schedule 11 or 12: \$0.13766 per kWh

Schedule 21 or 22: \$0.11657 per kWh

Schedule 31 or 32: \$0.19689 per kWh

Exception: The Company will not grant an immediate Allowance if the Company, in its sole judgment, determines that the load will be in service less than five years.

Undeveloped Commercial and Industrial Lots: 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. The General Rules, the Rules for Commercial and Industrial Customers and the following apply to line extensions within commercial or industrial developments. Before Company facilities will be installed, the developer must submit a written application for service and a copy of the plat as approved by the

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By



Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single-Phase

Overhead Primary Circuit:

Fixed Costs: \$4,216 per Customer
Variable Costs: \$7.92 per foot

Underground Primary Circuit:

Fixed Costs: \$1,657 per Customer
Variable Costs: \$9.58 per foot

Three-Phase*

Overhead Primary Circuit:

Fixed Costs: \$7,468 per Customer
Variable Costs: \$10.91 per foot

Underground Primary Circuit:

Fixed Costs: \$3,509 per Customer
Variable Costs: \$18.76 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities

By  Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single Phase Underground Secondary Circuit:

Fixed Costs: \$291 per customer
Variable Costs: \$8.71 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:

Variable Costs: \$2.94 per foot

Single Phase Underground Service Circuit:

Variable Costs: \$6.93 per foot

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

Single Phase Overhead Transformer Costs: \$2,487 per Customer
Single Phase Padmount Transformer Costs: \$2,985 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities



Kelly Norwood, Vice President – State & Federal Regulation

Advice 14-02-E

**Avista 2014 Schedule 51
Filing**

Tariff Sheets – Strikethrough

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Basic Cost and any Exceptional Costs of the line extension. Allowances shall be granted only against the Basic Cost and Exceptional Costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the sum of the Basic Cost and any Exceptional Costs, or the applicable amount listed below, whichever is less:

MAXIMUM ALLOWANCE

Schedule 1 individual Customer	\$1000 per unit
Schedule 1 duplex	\$ 800 per unit
Schedule 1 multiplex	\$ 600 per unit

EXCEPTION: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load:

- a) is less than 2500 kWh per year, or
- b) will be in service less than five years.

A mobile home will not qualify for an Allowance until it has permanent connections to both water service and either a sewer or septic system. If such connections are made within five years after the completion of the line extension, the Company will, at that time, refund the Basic Cost plus any Exceptional Costs, or the amount of the Allowance in effect at the time of the line construction, whichever is less. The Customer must apply for the refund before the line extension becomes six years old.

Issued January 29, 2001

Effective February 15, 2001

Issued by Avista Utilities
By

Thomas D. Dukich, Manager, Rates & Tariff Administration

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. $\$4,814 + (\$5.64 \text{ per ft} \times 2310 \text{ ft.}) = \$17,773.$
 - b. The average Basic Cost is $\$17,773/2310 \text{ ft} = \7.69 per ft.
 2. Exceptional Cost:
 - a. If the cost estimate from the extension drawing is $\$18,000$, the average estimated primary cost is $\$18,000/2310 \text{ ft} = \7.79 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:
 $EC = (\$7.79 - \$7.69) \times (2310 \text{ ft} - 1500 \text{ ft}) = \$84.$
 3. Total Primary Cost
 - a. The Customer's primary extension cost is $\$17,773 + \$84 = \$17,845.$
 - 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

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 ~~\$9,020~~ for 1,000 feet of primary underground circuit (~~\$9.02~~ 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:
 $600 \text{ ft} \times \text{\$}9.02/\text{ft} \times \frac{1}{2} = \text{\$}2,706$.
4. The Second Customer's payment of ~~\$2,706~~ will be refunded to the First Customer to reduce his investment in the 600 feet to ~~\$2,706~~. The First Customer's investment in the remaining 400 feet remains at ~~\$3,608~~. (~~\$9,020 - \$2,706 - \$2,706 = \$3,608~~)

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.

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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: \$1,793 per Lot

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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.
- e. In lieu of a cash payment of the Basic Cost in a Development, the Company will accept ~~a cash payment of \$793 per lot~~ and a letter of credit, a contractor's performance bond, ~~promissory note~~, or another credit instrument for ~~\$1,000 (\$1,793 less \$793)~~ 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 \$546 per lot Cost Reduction. If the Developer provides the ditching, they must make a cash payment of \$247 per lot and may make a cash payment or provide an appropriate credit instrument for \$1,000 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 \$469 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.

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 \$1,000 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.

Issued May 3, 2010

Effective June 7, 2010

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 – continued

- 1) The Total Estimated Extension Cost shall include all costs which are necessary to provide service to the Customer, as determined by the Company. The amount of the Allowance will be determined individually for each Customer based on the Company's estimate of the Customer's annual energy usage and an allowance per kwh based on the applicable service schedule.

- d. When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Total Estimated Extension Cost. Allowances shall be granted only against the costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the Total Estimated Extension Cost, or the applicable Allowance by Schedule multiplied by the Customer's estimated energy usage, whichever is less:

ALLOWANCE BY SERVICE SCHEDULE

- Schedule 11 or 12: ~~\$0.10703~~ per kwh
- Schedule 21 or 22: ~~\$0.06000~~ per kwh
- Schedule 31 or 32: ~~\$0.06000~~ per kwh

Exception: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load will be in service less than five years.

Undeveloped Commercial and Industrial Lots: 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. The General Rules, the Rules for Commercial and Industrial Customers and the following apply to line extensions within commercial or industrial developments. Before Company facilities will be installed, the developer must submit a written application for service and a copy of the plat as approved by the

Issued January 29, 2001

Effective February 15, 2001

Issued by Avista Utilities
By

Thomas D. Dukich ,Manager Rates & Tariff Administration

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single-Phase
Overhead Primary Circuit:

Fixed Costs: \$4,814 per Customer
Variable Costs: \$5.61 per foot

Underground Primary Circuit:

Fixed Costs: \$1,840 per Customer
Variable Costs: \$9.02 per foot

Three-Phase*
Overhead Primary Circuit:

Fixed Costs: \$7,648 per Customer
Variable Costs: \$7.88 per foot

Underground Primary Circuit:

Fixed Costs: \$2,884 per Customer
Variable Costs: \$17.66 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: \$235 per customer
Variable Costs: \$4.56 per foot~~

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single Phase Underground Secondary Circuit:

Fixed Costs: ~~\$240~~ per customer
Variable Costs: ~~\$7.05~~ 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: ~~\$235~~ per customer
Variable Costs: ~~\$4.56~~ per foot

Single Phase Underground Service Circuit:

Fixed Costs: ~~\$240~~ per customer
Variable Costs: ~~\$7.05~~ per foot

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

Single Phase Overhead Transformer Costs: ~~\$1,544~~ per Customer
Single Phase Padmount Transformer Costs: ~~\$1,704~~ 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.

Issued March 25, 2013

Effective May 1, 2013

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

Advice 14-02-E

**Avista 2014 Schedule 51
Filing**

Tariff Sheets - Underline

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Basic Cost and any Exceptional Costs of the line extension. Allowances shall be granted only against the Basic Cost and Exceptional Costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the sum of the Basic Cost and any Exceptional Costs, or the applicable amount listed below, whichever is less:

MAXIMUM ALLOWANCE

Schedule 1 individual Customer	<u>\$1,600</u> per unit
Schedule 1 duplex	<u>\$1,275</u> per unit
Schedule 1 multiplex	<u>\$975</u> per unit

EXCEPTION: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load:

- a) is less than 2500 kWh per year, or
- b) will be in service less than five years.

A mobile home will not qualify for an Allowance until it has permanent connections to both water service and either a sewer or septic system. If such connections are made within five years after the completion of the line extension, the Company will, at that time, refund the Basic Cost plus any Exceptional Costs, or the amount of the Allowance in effect at the time of the line construction, whichever is less. The Customer must apply for the refund before the line extension becomes six years old.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

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. $\$4,216 + (\$7.92 \text{ per ft} \times 2310 \text{ ft.}) = \underline{\$22,511}$.
 - b. The average Basic Cost is $\underline{\$22,511/2310 \text{ ft}} = \underline{\$9.75}$ per ft.
 2. Exceptional Cost:
 - a. If the cost estimate from the extension drawing is \$23,000, the average estimated primary cost is $\underline{\$23,000/2310 \text{ ft}} = \underline{\$9.96}$ 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:
 $EC = (\underline{\$9.96} - \underline{\$9.75}) \times (2310 \text{ ft} - 1500 \text{ ft}) = \underline{\$170}$.
 3. Total Primary Cost
 - a. The Customer's primary extension cost is $\underline{\$22,511} + \underline{\$170} = \underline{\$22,681}$.
 - 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

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 \$9,580 for 1,000 feet of primary underground circuit (\$9.58 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:
 $600 \text{ ft} \times \underline{\$9.58/\text{ft}} \times \frac{1}{2} = \underline{\$2,874}$.
4. The Second Customer's payment of \$2,874 will be refunded to the First Customer to reduce his investment in the 600 feet to \$2,874. The First Customer's investment in the remaining 400 feet remains at \$3,832. ($\underline{\$9,580} - \underline{\$2,874} - \underline{\$2,874} = \underline{\$3,832}$)

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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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: \$1,113 per Lot

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 letter of credit, a contractor's performance bond, or another credit instrument agreeable to the Company for \$1,113 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 will provide ditching within the Development.
- d. 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

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 \$1,113 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 – continued

1) The Total Estimated Extension Cost shall include all costs which are necessary to provide service to the Customer, as determined by the Company. The amount of the Allowance will be determined individually for each Customer based on the Company’s estimate of the Customer’s annual energy usage and an allowance per kwh based on the applicable service schedule.

d. When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Total Estimated Extension Cost. Allowances shall be granted only against the costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the Total Estimated Extension Cost, or the applicable Allowance by Schedule multiplied by the Customer’s estimated energy usage, whichever is less:

ALLOWANCE BY SERVICE SCHEDULE

Schedule 11 or 12: \$0.13766 per kwh

Schedule 21 or 22: \$0.11657 per kwh

Schedule 31 or 32: \$0.19689 per kwh

Exception: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load will be in service less than five years.

Undeveloped Commercial and Industrial Lots: 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. The General Rules, the Rules for Commercial and Industrial Customers and the following apply to line extensions within commercial or industrial developments. Before Company facilities will be installed, the developer must submit a written application for service and a copy of the plat as approved by the

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single-Phase
Overhead Primary Circuit:

Fixed Costs: \$4,216 per Customer
Variable Costs: \$7.92 per foot

Underground Primary Circuit:

Fixed Costs: \$1,657 per Customer
Variable Costs: \$9.58 per foot

Three-Phase*
Overhead Primary Circuit:

Fixed Costs: \$7,468 per Customer
Variable Costs: \$10.91 per foot

Underground Primary Circuit:

Fixed Costs: \$3,509 per Customer
Variable Costs: \$18.76 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 51 - continued

Single Phase Underground Secondary Circuit:

Fixed Costs: \$291 per customer
Variable Costs: \$8.71 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:

Variable Costs: \$2.94 per foot

Single Phase Underground Service Circuit:

Variable Costs: \$6.93 per foot

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

Single Phase Overhead Transformer Costs: \$2,487 per Customer
Single Phase Padmount Transformer Costs: \$2,985 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.

Issued March 14, 2014

Effective May 1, 2014

Issued by Avista Utilities
By

Kelly Norwood, Vice President – State & Federal Regulation