

) **CASE NO. AVU-E-14-02**  
)  
) **NOTICE OF APPLICATION**  
)  
) **NOTICE OF**  
) **MODIFIED PROCEDURE**  
)  
) **ORDER NO. 33003**

Further, the Code changes required the Company to review its standard designs and adapt them as necessary. The Company says the resulting design changes fairly and accurately represent the Company's distribution facilities and are thus reflected in the proposed Schedule 51 costs.

YOU ARE FURTHER NOTIFIED that the Company says a significant cost increase is related to the cost of distribution transformers. There are two main reasons for this increase. First, the cost of the transformer itself has increased. Second, the Company's new Construction & Material Standards shift the costs of certain transformer installation materials from primary and service costs to transformer costs. The Company says the shift results in increased transformer costs that offset the reduction in primary and service costs.

YOU ARE FURTHER NOTIFIED that the Company also proposes to update the electric line extension allowances that apply to new residential, commercial and industrial customer's services. The current allowances were set in 2001. *See* Order No. 28562 (Case No. AVU-E-00-01). For purposes of calculating the revised allowances, the Company says it used an embedded-cost methodology to ensure that investment in distribution/terminal facilities for each new customer will equal the embedded costs of the same facilities used to calculate base rates. The Company says the new customer would pay any costs above the allowance as a contribution in aid of construction. The Company says it calculated the embedded costs by using the cost-of-service study from its most recent general rate case (AVU-E-12-01) as updated to reflect the approved settlement agreement in that case. The changes to the proposed allowances are, in summary:

<b>Service Schedule</b>	<b>Current Allowance</b>	<b>Proposed Allowance</b>
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 21/11 (per kWh)	\$0.06000	\$0.11657
Schedule 31/32 (per kWh)	\$0.6000	\$0.19689

YOU ARE FURTHER NOTIFIED that the Company says that for residential developments, the proposed changes to Construction & Material Standards, construction costs

based on 2013 average costs, and increased allowance per residential unit results in a lower developer and builder required payment. In summary:

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

YOU ARE FURTHER NOTIFIED that the Company says that the week of March 17, 2014, it will send a letter to the developers and builders that may be affected by the proposed changes.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases," and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. 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.*

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, 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.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application must file a written comment in support or opposition with the Commission **within 21 days of the service date of this Order**. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that 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 Applicant 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

David Meyer  
Avista Corporation  
1411 East Mission  
PO Box 3727  
Spokane, WA 99220-0500  
E-mail: [david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

Patrick Ehrbar  
Joe Miller  
Avista Corporation  
1411 East Mission  
PO Box 3727  
Spokane, WA 99220-0500  
E-mail: [patrick.ehrbar@avistacorp.com](mailto:patrick.ehrbar@avistacorp.com)  
[joe.miller@avistacorp.com](mailto:joe.miller@avistacorp.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](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, 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 Company at the e-mail addresses listed above.

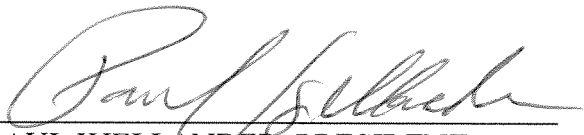
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit

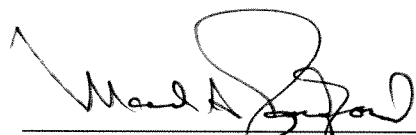
set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

**ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Persons wishing to file written comments must do so within 21 days from the service date of this Order.

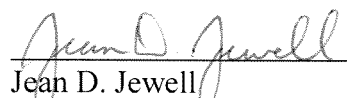
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1<sup>st</sup> day of April 2014.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:AVU-E-14-02\_kk