

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE ELECTRIC LINE)	CASE NO. AVU-E-19-03
EXTENSION SCHEDULE 51 RATE)	
ADJUSTMENT FILING OF AVISTA)	NOTICE OF APPLICATION
CORPORATION)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34291

On March 11, 2019, Avista Corporation (the “Company”) applied to the Commission for an order allowing it to revise Electric Line Extension Schedule 51. The Company proposes to update its costs to extend electric lines to new customers, and the allowance that customers can apply to offset those costs. The Company also proposes administrative changes to Schedule 51. The Company requested a May 1, 2019 effective date, and that its application be processed by Modified Procedure.

With this Order, we provide notice of the Application and set comment and reply deadlines.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that with this Application, the Company proposes to revise Electric Line Extension Schedule 51, effective May 1, 2019. Application at 1. Specifically, the Company seeks to update the average cost for facilities like transformers and conduit that are used to extend electric lines. The Company proposes to use the updated costs to increase the allowances that customers can apply against the costs to extend new residential, commercial, and industrial service. Any costs that exceed an allowance would be paid by the customer as a Contribution in Aid of Construction. *Id.* at 3-4. The Company’s proposed changes to the allowances by service schedule are, in summary:

Service Schedule	Present Allowance	Proposed Allowance
Sched. 1 Individual Customer (per unit)	\$1,810	\$1,840
Sched. 1 Duplex (per unit)	\$1,445	\$1,470
Sched. 1 Multiplex (per unit)	\$1,085	\$1,105
Sched. 11/12 (per kWh)	\$0.14788	\$0.15022
Sched. 21/22 (per kWh)	\$0.13603	\$0.13853
Sched. 31/32 (per kWh)	\$0.24227	\$0.24653

YOU ARE FURTHER NOTIFIED that the Company proposes to update its primary, secondary, service and transformer average costs as follows:

	Present	Proposed
Overhead Primary Circuit		
Fixed Cost	\$ 4,323	\$ 4,253
Variable Cost	\$ 8.43	\$ 8.38
Underground Primary Circuit		
Fixed Costs	\$ 1,889	\$ 1,854
Variable Costs	\$ 11.24	\$ 11.23
Underground Secondary Circuit		
Fixed Costs	\$ 430	\$ 418
Variable Costs	\$ 9.93	\$10.42
Overhead Secondary Circuit		
Fixed Costs	\$ 1,785	\$ 1,774
Overhead Service Cir.	\$ 3.98	\$ 3.91
Underground Service	\$ 9.39	\$ 9.41
Overhead Transformer	\$ 2,381	\$ 2,310
Padmount Transformer	\$ 3,516	\$ 3,507

Id. at 5.

YOU ARE FURTHER NOTIFIED that the Company proposes to update its residential development costs to reflect the Company's current Construction & Material Standards and average 2018 construction costs, as follows:

Residential Developments

	Present	Proposed
Total Cost per Lot	\$1,867	\$1,907
Less: Service Cost	<u>471</u>	<u>471</u>
Developer Responsibility	<u>\$1,396</u>	<u>\$1,436</u>
Developer Refundable Payment	\$1,396	\$1,436
Builder Non-Refundable Payment	\$ 57	\$ 67
Allowance	\$1,810	\$1,840

Id. at 5-6.

YOU ARE FURTHER NOTIFIED that, besides updating its costs and allowances, the Company proposes administrative changes that would make Schedule 51 easier for customers to understand. These include: (1) clarifying when a Design Fee is charged, and that the Design Fee is not refundable; (2) combining Basic and Exceptional charges into a single charge (the change would not impact the costs paid by the customer for line extensions); (3) redefining “Customer-Requested Costs” to help customers apply their line extension allowance toward the overall cost of their line extension; (4) for commercial and industrial customers, clarifying when an allowance would not be immediately provided and, in those cases, when a customer’s allowance would be refunded after service installation; and (5) for conversions and relocations, redefining “Salvage Value” to clarify that not all removed materials would have salvage value, and that the Company would determine Salvage Value in its discretion (the Company states this change would not materially impact customers). *Id.* at 6-10.

YOU ARE FURTHER NOTIFIED that the Company states that the week of April 1, 2019, it will send a letter to the developers and builders that may be affected by the proposed changes. *Id.* at 11.

YOU ARE FURTHER NOTIFIED that the Application and supporting work papers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission’s web site at 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 or party desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than April 16, 2019**. The comment must contain a statement of reasons supporting the comment. 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
Patrick Ehrbar
Avista Corporation
PO Box 3727
MSC-27
1411 E. Mission Ave
Spokane, WA 99220-3727
E-mail: david.meyer@avistacorp.com
patrick.ehrbar@avistacorp.com

Comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via email may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to the Applicant.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, **no later than April 23, 2019.**

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 by Modified Procedure, Rule 201 – 204 (IDAPA 31.01.01.201 through.204). Persons wishing to file written comments must do so by April 16, 2019. The Company must file a reply, if any, by April 23, 2019.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *26th* day of March 2019.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

I:\Legal\ELECTRIC\AVU-E-19-03\orders\AVUE1903_ntc app mp_kk.docx