

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
LEGAL
WORKING FILE

IPC-E-06-25

FROM: WAYNE HART

DATE: SEPTEMBER 27, 2006

RE: FORMAL COMPLAINT OF REID STEWART SEEKING REVERSAL OF IDAHO POWER DECISION REGARDING REMOVAL OF POWER LINES AND POLES.

On September 11, 2006, the Commission received a "formal complaint" (Motion For Competitive Bidding) from Mr. Reid Stewart against Idaho Power Company. Mr. Stewart objects to the price the Company charges under its tariff to remove unused power poles and lines from his property. Mr. Stewart was unsatisfied with the outcome of the informal procedures to resolve his complaint. He requests that the Commission allow him to remove the lines and poles, and not pay what he feels are excessive fees by the Company.

BACKGROUND

On August 9, 2006, Mr. Stewart contacted the Commission and indicated that he was changing the use of his property and wanted some of Idaho Power's poles and lines that were no longer needed and in the way to be removed. He contacted Idaho Power about removing the poles and lines and felt that they were overcharging for that service.

Mr. Stewart apparently has two projects for which he has requested price estimates. He received a rough estimate of \$800.00 for the removal of two poles and the associated lines, transformer, etc... on one project (single-phase facilities). The second project involves the removal of four poles with the associated lines, transformer, etc... (three-phase facilities). For the removal of the three-phase facilities Mr. Stewart paid the engineering fees and received a detailed, work order cost estimate of \$2,505.82. This work order cost estimate is valid through October 14, 2006, when the 60-day period expires. He has not paid the engineering fees for the

removal of the single-phase facilities, and thus there is only the rough estimate of \$800.00 for their removal.

Mr. Stewart indicated to Staff that he wanted the Company to disconnect the lines and let him remove them at a much lower cost. Staff contacted the Company and obtained the written work order for the three-phase removal and the rough estimate for the single-phase removal. Idaho Power indicated to Staff that for safety, reliability, and liability reasons that it always used its own personnel, or contractors under their control, to remove and salvage its facilities. Staff relayed this information to Mr. Stewart and indicated that the price estimates from Idaho Power were typical for a project of this nature.

Mr. Stewart indicated that he still wanted to pursue the option of removing the poles himself, and stated that he was going to discuss it with Idaho Power's manager in Pocatello. On August 15, 2006, Mr. Stewart indicated to Staff that he was unsatisfied with the outcome of his further discussion with Idaho Power, and that he had oral bids from local electricians to remove the four poles for \$100 each. He clarified that he wanted the Company to disconnect the facilities from their system, sell him the abandoned facilities, and he would be responsible for removing them. Staff again asked the Company if they would consider disconnecting the lines and selling the facilities to Mr. Stewart. The Company indicated that it was their policy to maintain control over the removal and salvage of their facilities and that selling the facilities to a customer for removal did not provide the Company with sufficient control.

STAFF ANALYSIS

The Company's tariff indicates that if a customer requests the removal of distribution facilities, the customer "will pay a nonrefundable charge equal to the work order cost." Rule H, § 5.a. Staff has reviewed the work order for the removal of the three-phase facilities and believes that it is a reasonable estimate of the costs the Company would incur to remove these facilities. The Company utilizes highly trained personnel and specialized equipment for such projects, and the work order costs reflect this. The Company maintains that it is their policy to retain control over the removal and salvage of their facilities, and that it is not willing to sell the facilities to Mr. Stewart for removal.

Mr. Stewart maintains that he wants the Commission to order the Company to deviate from its normal procedures and tariff and disconnect the facilities from the Company's system,

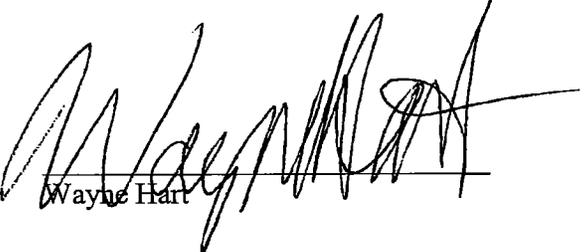
then sell him the remaining facilities, which he would be responsible for removing. He believes the project does not require the specialized equipment or personnel, and is proposing a transfer of responsibility and liability from the Company to him so that he may utilize less expensive equipment and personnel to complete the project.

STAFF RECOMMENDATION

Mr. Stewart was not satisfied with the outcome of the informal complaint. Consequently, he filed a formal "complaint" with the Commission. See, Rules 23, 25 and 54; IDAPA 31.01.01.023, .024, and .054. Staff recommends that the Commission treat Mr. Stewart's Motion as a Formal Complaint. Staff recommends that the Commission issue a summons to Idaho Power directing the Company to file a response.

COMMISSION DECISION

Does the Commission wish to accept Mr. Stewart's Motion as a Formal Complaint?
Does the Commission wish to issue a Summons or proceed under Modified Procedure?


Wayne Hart

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