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IDAHO PUBLIC  
UTILITIES COMMISSION

Lisa D. Nordstrom  
Attorney II

October 5, 2007

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P. O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-07-14  
*Bowers v. Idaho Power Company*

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Response to the Commission's Notice of Investigation for the above-referenced matter.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,



Lisa D. Nordstrom

LDN:sh  
Enclosures

LISA NORDSTROM, ISB # 5733  
BARTON KLINE, ISB # 1526  
Idaho Power Company  
1221 West Idaho Street  
P. O. Box 70  
Boise, Idaho 83707  
Telephone: (208) 388-5825  
FAX Telephone: (208) 388-6936

Attorney for Idaho Power Company

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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PAMELA AND SCOTT BOWERS,

COMPLAINANTS,

v.

IDAHO POWER COMPANY,

RESPONDENT.

CASE NO. IPC-E-07-14

IDAHO POWER'S RESPONSE TO THE  
COMMISSION'S NOTICE OF  
INVESTIGATION

Pursuant to Idaho Public Utilities Commission Order No. 30421, Notice of Investigation, in Case No. IPC-E-07-14, Idaho Power Company ("Idaho Power" or the "Company") submits the following report to the Idaho Public Utilities Commission ("IPUC" or the "Commission").

I.

**DETAILS SURROUNDING THE BOWERSES' SERVICE REQUEST**

Pamela and Scott Bowers own a lot in the 20/26 Commercial Park Subdivision located in Caldwell, Idaho, a commercial subdivision recorded with the Canyon County Recorder on July 13, 2000, as document 200024601 (the "Subdivision"). The

Bowerses' property is Lot 2 of the Subdivision and is generally known by the property address, 15931 Gunfire Road (the "Bowerses' Lot").

In December 2004, the Bowerses requested underground single-phase electrical service from Idaho Power for a 200-amp panel located at the facility constructed on their lot. Pursuant to their request, Idaho Power placed a Company-owned 50 kVA pad-mounted transformer within a permanent ten-foot wide public utility easement within the Subdivision. The easement is located five feet on either side of the lot line between the Bowerses' Lot and Lot 1 of the Subdivision, the lot located immediately west of the Bowerses' Lot (the "Terra West Lot") as depicted in the Work Order Map in Attachment 1. Idaho Power sized the transformer to accommodate the loads anticipated by the Bowerses in their service request. The Bowerses' Service Request, attached as Attachment 2, requested service adequate to cover 30 kW of 1 Phase Demand and 50 kW of Connected Load.

As noted in Attachment 2, the work order estimate for the cost of the new distribution facilities and installation of the facilities requested by the Bowerses was \$2,660.00, of which the Bowerses paid \$1,461.00. Additionally, they were charged an engineering fee of \$144 for the work order design and an Underground Service Attachment fee of \$102.45.

The \$2,660.00 work order estimate was calculated using the provisions of Rule H, "New Service Attachments and Distribution Line Installations or Alterations" ("Rule H"), Section 4, "Charges for Line Installations and Additional Charges for Underground Service Attachments," Section a(i) "Line Installation Charges - Line Installation Charges Inside Subdivisions". The Company's Rule H tariff is attached as Attachment 3. The

breakdown of the \$2,660.00 estimated cost was: (1) \$1,121.17 for labor, (2) \$1,675.06 for materials, and (3) \$226.18 for use of Company equipment and vehicles.

The total work order cost of \$2,660.00 was offset by an Overhead Terminal Facilities allowance, as specified in Rule H, Section 4(a)(i), "Line Installation Charges Inside Subdivisions," in the amount of \$1,199.00. This amount was funded by the Company. Overhead terminal facilities are generally provided by the Company through the allowances listed in Rule H and include the transformer, meter, service cable and underground conduit (where applicable). Generally, the difference between the cost of overhead and underground facilities is charged to the customer. In this case, the Bowerses were charged \$1,461 for the new underground distribution facilities (the cost estimate less the estimated cost of the overhead terminal facilities.)

The applicable, non-refundable Underground Service Attachment charge was calculated using the guidelines listed in Rule H, Paragraph 4(b), "Underground Service Attachment Charge." The Underground Service Attachment charge included a \$1.05 per foot charge for the installation of service wire from the pad-mounted transformer to the Bowerses' meter base and a \$30.00 base charge. At a distance of 69 feet from the transformer to the Bowerses' meter base, including the \$30.00 base charge, the cost of the service extension was \$102.45.

## **II.**

### **DETAILS SURROUNDING THE SERVICE REQUEST OF TERRA-WEST**

Subsequent to the Company's installation of the transformer within the designated public utility easement and unknown to Idaho Power, the Bowerses erected a security fence around the perimeter of their lot and along the shared lot line between the

Bowerses' Lot and the Terra West Lot. That action completely enclosed the Company-owned transformer within the Bowerses' Lot. Rule H, Section 2(b), "General Provisions – Ownership" states that "the Company will own all distribution Line Installations and retain all rights to them." However, Company personnel could no longer directly access the Company-owned transformer from either the public right-of-way or the dedicated utility easements within the Subdivision.

In November 2006, Terra West requested that electrical service be extended to its lot located adjacent to the lot owned by the Bowerses within the 20/26 Commercial Subdivision. At that time, Idaho Power determined that the Company-owned transformer serving the Bowerses' Lot had sufficient capacity to serve both the loads required by the Bowerses and the loads anticipated by Terra West. As a result, the Company was not required to install a second transformer. Instead, service to Terra West could be provided via extension of service wire between the existing transformer to the Terra West meter base.

At the time Terra West requested electrical service, Idaho Power personnel were unable to directly access the Idaho Power transformer from the public right-of-way and the utility easement along the Bowerses' Lot and the Terra West Lot due to the presence of the security fence erected by the Bowerses. That fence essentially locked the Company's transformer within the boundaries of the Bowerses' Lot.

The Company advised Terra West of its inability to access the transformer to provide the requested service. Terra West advised Company personnel that it would arrange with the Bowerses to enable the Company to access the transformer via the Bowerses' Lot on a designated date. On that date, December 4, 2006, and in accordance

with the representations made by Terra West, the gate to the Bowerses secured property was open when Company personnel arrived and Company personnel entered the Bowerses' Lot to provide service to the Terra West Lot.

Under the same Rule H tariff provisions as used for the Bowerses' line extension request, Terra West was charged for the Underground Service Attachment based on the \$1.05 per foot charge for installation of service wire from the pad-mounted transformer to the Terra West meter base and the \$30.00 base charge as defined in Rule H, Section 4(b), "Underground Service Attachment Charge." At a distance of 94 feet, the cost of the service extension and the base charge amounted to \$128.70. Terra West paid that amount.

It is the understanding of Idaho Power that the facilities installed by the Company are serving both customers at a level sufficient to cover the requirements the Bowerses and Terra West specified within their service requests to the Company. The Bowerses' service request specified Schedule 7 service and the Terra West request specified Schedule 9 service.

### III.

#### **EXPLANATION OF HOW TWO CUSTOMERS UTILIZING THE SAME FACILITIES ARE CHARGED DIFFERENTLY UNDER THE COMPANY'S RULE H TARIFF**

The Bowerses take service under Schedule 7, "Small General Service," which is available "at points on the Company's interconnected system within the State of Idaho where *existing facilities* at adequate capacity and desired phase and voltage are *adjacent to the Premises to be served*, and *additional investment by the Company for transmission, substation and terminal facilities [e.g., a transformer] is not necessary to supply the desired*

service.” Schedule 7 Tariff (emphasis added). Because existing electrical facilities were not adjacent to the Bowerses’ Lot at the time of their service request, additional investment by the Company for installation of the required transformer was necessary.

Idaho Power Company’s IPUC-approved Rule H applies to requests under Schedule 7 within the Company’s service territory that “require the installation, alteration, relocation, removal or attachment of Company-owned distribution facilities.” Under Rule H, a customer may receive an allowance for the full cost of, or a portion of the cost of, certain improvements that are to be funded by the Company. Customers may also be eligible for refunds if and when additional users attach to the improvements originally requested and paid for by a customer. Such potential for refund is identified at the time of the original applicant’s service request. In conformance with Section 3 of Rule H, Idaho Power contributed an allowance to the Bowerses for the transformer required as a result of their service request. As noted on Attachment 2, that allowance amounted to \$1,199.00. The Bowerses were responsible for the balance of the cost of the improvements without the potential for refund.

Rule H also sets out mechanisms whereby certain applicants for electrical service extensions are eligible to receive refunds of the original investment they made in the improvements they required. Rule H permits refunds in three circumstances: (1) for payments for line installations *outside* a subdivision, (2) for line installation charges *inside* a subdivision when a *permanent residence* connects to the service, and (3) for undeveloped subdivisions platted prior to January 1, 1997. Rule H, Section 6 (emphasis added).

None of these refund opportunities exist for the Bowerses since the 20/26 Commercial Subdivision was platted after January 1, 1997, residential development was not

anticipated (or permitted) on the Bowerses' Lot and the line extension requested by the Bowerses was not located outside of a subdivision. When Terra West requested a line extension with service under Schedule 9, existing facilities were available to that business via the transformer originally installed in response to the Bowerses' request. In accordance with the tariff, Terra West was only required to pay the line installation charges set out in Section 4 of Rule H. Furthermore, because of the restrictions of Rule H, Terra West was not required to contribute toward any of the costs incurred by the Bowerses for the electrical service improvements they required and Terra West subsequently utilized. Although the "costs of new facilities outside Subdivisions are subject to Vested Interest Refunds," Rule H is silent as to new facilities located inside non-residential subdivisions. Rule H. 4(a)(i). As a result, the Bowerses were unable to recover any of the investment they made in the facilities that supply electrical service to their business and Terra West.

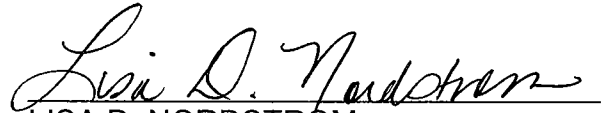
The Commission has requested the Company's explanation as to the rationale for not having refund provisions for circumstances such as those in this case. As the Commission may recall, refunds for joint use of terminal facilities (i.e., transformer, meter, service cable, and underground conduit) have never been a provision in Rule H or its predecessor, Schedule 71. In Order No. 27680 issued on February 6, 1997 in Case No. IPC-E-95-18, the Commission "balanced the competing objectives of fairness and administrative complexity" as they pertained to refund provisions for vested interests by limiting the number of additional applicants and the refund period. (Order No. 26780 at 17.)

Commercial subdivision refund provisions were eliminated in the tariffs filed on February 27, 1997 to comply with that Order. In this present case, Rule H provides an allowance in Section 4(a)(i) to offset the installation cost but does not enumerate a scenario in Section 6



under which the Bowerses could receive refunds from additional applicants. Thus, the methodology largely remains a "first in time, first in cost responsibility approach".

Respectfully submitted this 5<sup>th</sup> day of October 2007.

  
LISA D. NORDSTROM  
Attorney for Idaho Power Company

## CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 5<sup>th</sup> day of October 2007, I served a true and correct copy of the within and foregoing document upon the following named parties by the method indicated below, and addressed to the following:

Donovan Walker  
Idaho Public Utilities Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, Idaho 83702

☐ U.S. Mail, Postage Prepaid  
☒ Hand Delivered  
☐ Overnight Mail  
☐ Facsimile  
☐ Email:

Scott And Pamela Bowers  
9559 West Hills Gate Drive  
Star, Idaho 83669

☒ U.S. Mail, Postage Prepaid  
☐ Hand Delivered  
☐ Overnight Mail  
☐ Facsimile  
☐ Email:

  
\_\_\_\_\_  
LISA D. NORDSTROM

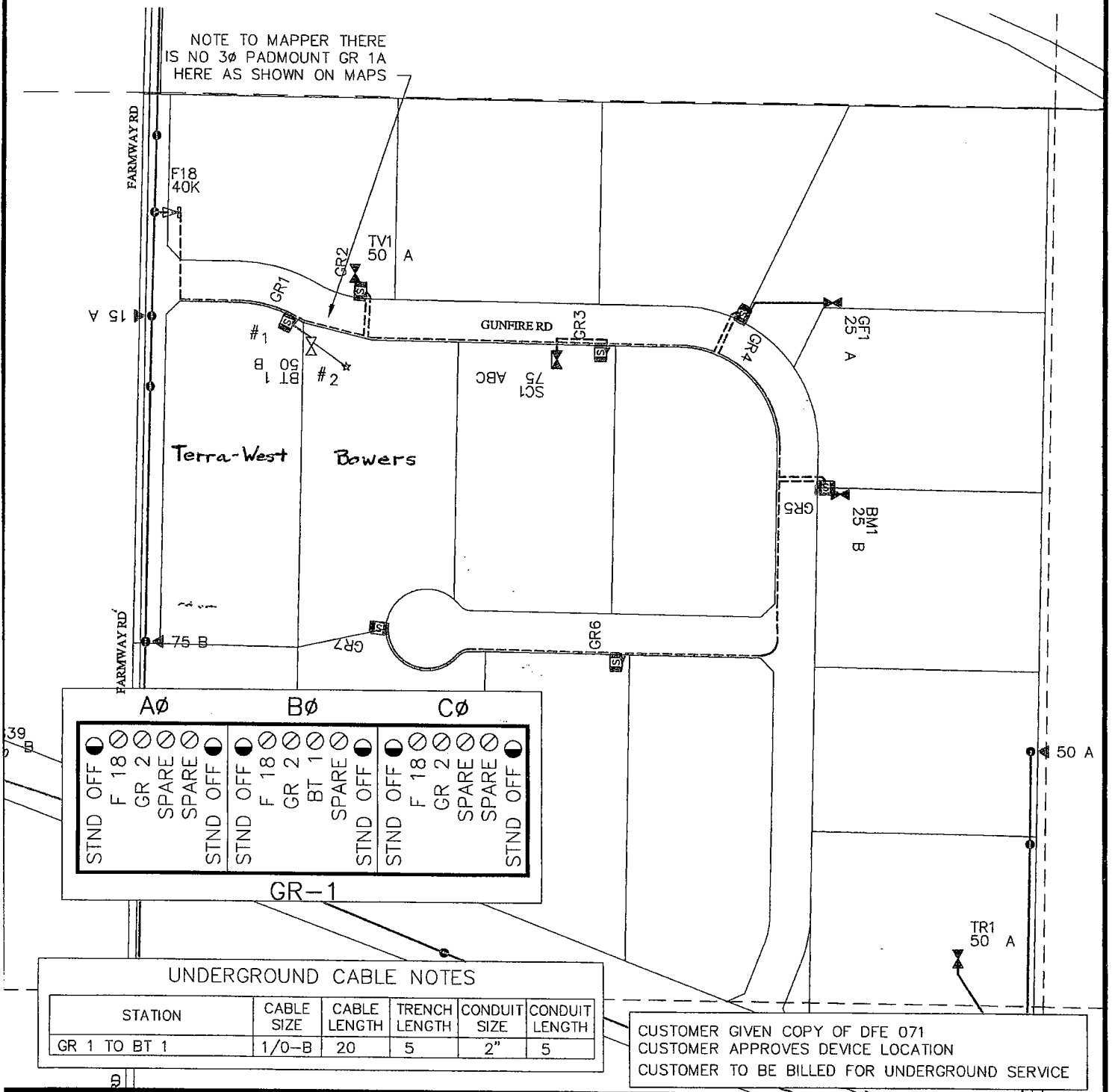
**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-07- 14**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

NOTE TO MAPPER THERE  
IS NO 3Ø PADMOUNT GR 1A  
HERE AS SHOWN ON MAPS



TIMES SCALE 0 1 2 3 4 Customer: \_\_\_\_\_ Date: \_\_\_\_\_

Job Title: **BOWERS TRANSPORT-UNDERGROUND SINGLE PHASE EXT**  
Additional Description: **15941 GUNFIRE RD**  
Additional Description: \_\_\_\_\_

Feeder Map file Name: <b>CDWL160</b>					Surveyed or GPS: <b>NONE</b>	Fdr By: _____	Designer: <b>SLB6687</b>
Qua <b>2</b>	Twn <b>4N</b>	Rng <b>3W</b>	Sec <b>9</b>	Mer <b>BM</b>	Joint Use Attachments: <b>No</b>	Date: _____	Design No: <b>0000043899</b>
State <b>ID</b>	County <b>CANYON</b>				Pre-Built Date: <b>12/07/04</b>	ArcFM By: _____	Work Order No: <b>27185586</b>
					Built as Designed:	Date: _____	
					Construction Date: <b>12/9/04</b>		
					Operating Voltage: <b>7.2 kV</b>		

**IDAHO POWER CO. WORK ORDER MAP** SCALE: 1" = 200 Sheet 1 of 1

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-07- 14**

**IDAHO POWER COMPANY**

**ATTACHMENT 2**



Idaho Power Company  
Service Request

Page: 1  
Date: 11/30/2004

Service Request Number: 00161640

BOWERS TRANSPORT-UNDERGROUND SINGLE PHASE EXT

Work Order Number: 27185586

Request Type: CS

Rate Sch: 07

Reply By:

Eng Fee Amount: 144.00

Eng Fee Service Agreement No: 525838835 DCR1036

Eng Fee Service Agreement Date: 11/24/04 FJE

Customer No: 6845207375

Feeder: CDWL16C

Service Location: 15941 GUNFIRE RD CADLWELL, ID 83605

Required in Service Date: 12/5/2004

Planning Center/Team: NCANYON

Contact Detail:

252R APTP INC BOWERS TRANSPORT  
9559 w hills gate dr., STAR ID 83669-5300

286-9909

CUST SCOTT BOWERS

213-880-1092

IPCO STEVE BROWN

465-8632

Attribute Information

RES/COM

Service Voltage: 120/240

No. Of Phases: 1

KW Motor Load:

Largest Motor:

1 Phase KW Demand: 30

3 Phase KW Demand:

Connected KW Load: 50

Commercial Deposit Amount:

No. of Meters: 1

Mtr. Loc: PED

Ct Loc:

Primary OH UG: UG

Service OH UG: UG

Srv. Owner: IPCO

Panel Amp Size:

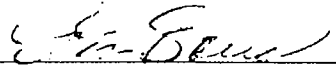
Notes

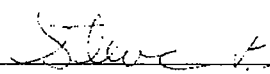
15' URD SINGLE PHASE PRIMARY

50KVA PADMOUNT

40 URD SERVICE

I understand that the information provided above is accurate to the best of my knowledge. Changes to load: voltage: location: etc. may result in additional engineering charges.

 12/6/04  
Client Signature Date

 11/30/04  
Facility Rep. Signature Date



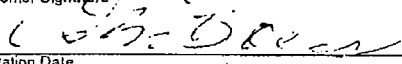
## CUSTOMER COSTS - IDAHO

Project or Customer	Design #	Work Order #
BOWERS TRANSPORT - 15941 GUNFIRE RD URD PRIMARY	0	27185586

1. Line Installation/Upgrade Costs	\$ 2,660	
2. Company Betterment	\$ -	
3. Line Installation Allowances		
a. Customer Cash Allowance or Salvage Credit	\$ -	
b. Terminal Facilities Allowance	(\$ 1,199)	
c. TOTAL ALLOWANCES (Lines 3a + 3b)	(\$ 1,199)	
4. Line Installation Credit (Customer Provided Trench -- FOJE)	\$ -	
5. Net Construction Cost (1-2-3c-4)		\$ 1,461
6. Vested Interest Paid to Previous Applicant (NSR) (Rule H Option 2) (Paid to WO#)	0	\$ -
7. Vested Interest Paid to Previous Applicant (Rule H Option 1) (Paid to WO#)	0	\$ -
8. Unusual Conditions		\$ -
9. Net Amounts for Refund Distributions		
a. Customer Payment for Line Installation (50% of Customer Payment)	\$ -	
b. Customer Payment Inside Residential Sub (Smaller amount of # of Lots x \$800 or Customer Payment)	\$ -	
c. Vested Interest Payment (Rule H after 2-26-97 Option 1) (Line 1 - 20% of Original Applicant's Line Installation Cost - see Applicant's A's Cost)	\$ -	
d. TOTAL AMOUNT AVAILABLE FOR REFUND (Line 8+9a+9b+9c)	\$ -	
10. 20% or Excess Investment (NSR) (Line 5 + 6 + 7 + 8 - 9d)	\$ 1,461	
11. Temporary Line Installation / Up&Down (NSR)		\$ -
12. Right of Way Permits (NSR)	\$ - Paid	\$ - Unpaid
13. Engineering Charges (NSR) (\$36 per Hour)		
a. Prepaid Engineering Charges	\$ 144 Paid	
b. Additional Engineering Charges		\$ -
14. Underground Service Attachment Charge (NSR)		
a. Base Charge (\$30 Base or \$255 if Riser is Needed)	\$ -	
b. IPCo provided Trench (Trench Footage x \$5.05)	\$ -	
c. Customer provided Trench - FOJE (Trench Footage x \$1.05)	\$ -	
d. TOTAL UNDERGROUND SERVICE ATTACHMENT CHARGE (a+b+c+d)		\$ -
15. Temporary Service Charge (NSR) (Overhead \$120, Underground \$140)	\$ - Paid	\$ - Unpaid
16. Relocation Charges (NSR)		
a. Relocation or removal with new load		\$ -
b. Relocation or removal with NO new load		\$ -
Salvage Credit on Relocation or Removal		\$ -
17. Other Charges		\$ -
18. Idaho Power Co. Contribution (Lines 2 + 3c)	\$ 1,199	
19. Prepaid Customer Charges (Lines 13+14+16)	\$ 144	
20. Total Customer Payment Due (Lines 5+6+7+8+9d+11+12+13b+14e+15+16a+16b+17)		\$ 1,461

Comments

**Notice:** This written quotation shall be binding on the Company for a period of sixty days (60) from the date below indicated, subject to changes in information provided by the Customer or changes in the Company's ability to obtain satisfactory rights-of-way or to comply with governmental regulations, including but not limited to the rules, regulations, and tariffs of the Idaho Public Utilities Commission. The Customer must make payment of the quote amount not less than thirty (30) days prior to the start of construction, but the Company does not represent that construction will commence within 30 days of receipt of payment. The start of construction will be subject to the Company's ability to obtain the necessary labor, materials and equipment.

Customer Signature 	Date 11/30/09
Quotation Date 11/30/09	IPCo Representative Steve Brown 465-8632

Dfs 031a (12-02)

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-07- 14**

**IDAHO POWER COMPANY**

**ATTACHMENT 3**



RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS

This rule applies to requests for electric service under Schedules 1, 4, 5, 7, 9, 19, 24, 45, and 46 that require the installation, alteration, relocation, removal, or attachment of Company-owned distribution facilities. New construction beyond the Point of Delivery for Schedule 9 or Schedule 19 is subject to the provisions for facilities charges under those schedules. This rule does not apply to transmission or substation facilities, or to requests for electric service that are of a speculative nature.

1. Definitions

Additional Applicant is a person or entity whose Application requires the Company to provide new or relocated service from an existing section of distribution facilities with a Vested Interest.

Applicant is a person or entity whose Application requires the Company to provide new or relocated service from distribution facilities that are free and clear of any Vested Interest.

Application is a request by an Applicant or Additional Applicant for new electric service from the Company. The Company, at its discretion, may require the Applicant or Additional Applicant to sign a written application.

Company Betterment is that portion of the Work Order Cost of a Line Installation, alteration, and/or Relocation that provides a benefit to the Company not required by the Applicant or Additional Applicant. Increases in conductor size and work necessitated by the increase in conductor size are considered a Company Betterment if the Connected Load added by the Applicant or Additional Applicant is less than 100 kilowatts. If, however, in the Company's discretion, it is determined that the additional Connected Load added by the Applicant or Additional Applicant, even though less than 100 kilowatts, is (1) located in a remote location, or (2) a part of a development or project which will add a load greater than 100 kilowatts, the Company will not consider the work necessitated by the load increase to be a Company Betterment.

Connected Load is the total nameplate kW rating of the electric loads connected for commercial, industrial, or irrigation service. Connected Load for residences is considered to be 25 kW for residences with electric space heat and 15 kW for all other residences.

Fire Protection Facilities are water pumps and other fire protection equipment, served separately from the Applicant's other electric load, which operate only for short periods of time in emergency situations and/or from time to time for testing purposes.

Line Installation is any installation of new distribution facilities (excluding Relocations or alteration of existing distribution facilities) owned by the Company.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

1. Definitions (Continued)

Line Installation Allowance is the portion of the estimated cost of a Line Installation funded by the Company.

Line Installation Charge is the partially refundable charge assessed an Applicant or Additional Applicant whenever a Line Installation is built for that individual.

Local Improvement District is an entity created by the appropriate city or county governing body, as provided by Idaho Code §50-2503, whose purpose is to provide for the study, financing and construction of a Distribution Line Installation or alteration. The governing body shall assess property owners to recover the cost of the distribution Line Installation or alteration. A Local Improvement District has discernible property boundaries.

Multiple Occupancy Projects are projects that are intended to be occupied by more than four owners or tenants. Examples include, but are not limited to, condominiums and apartments.

Relocation is a change in the location of existing distribution facilities.

Residence is a structure built primarily for permanent domestic dwelling. Dwellings where tenancy is typically less than 30 days in length, such as hotels, motels, camps, lodges, clubs, and structures built for storage or parking do not qualify as a Residence.

Subdivision is the division of a lot, tract, or parcel of land into two or more parts for the purpose of transferring ownership or for the construction of improvements thereon, that is lawfully recognized and approved by the appropriate governmental authorities.

Temporary Line Installation is a Line Installation for electric service of 18 calendar months or less in duration.

Temporary Service Attachment is a service attachment to a Customer-provided temporary pole which typically furnishes electric service for construction.

Terminal Facilities include transformer, meter, service cable, and underground conduit (where applicable).

Underground Service Attachment Charge is the non-refundable charge assessed an Applicant or Additional Applicant whenever new single phase underground service is required by a Schedule 1 or Schedule 7 customer attaching to the Company's distribution system.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

1. Definitions (Continued)

Unusual Conditions are construction conditions not normally encountered. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip-sealing, rock digging, boring, nonstandard facilities or construction practices, and other than available voltage requirements.

Vested Interest is the right to a refund that an Applicant or Additional Applicant holds in a specific section of distribution facilities when Additional Applicants attach to that section of distribution facilities.

Vested Interest Charge is an amount collected from an Additional Applicant for refund to a Vested Interest Holder.

Vested Interest Holder is an entity that has paid a refundable Line Installation Charge to the Company for a Line Installation. A Vested Interest Holder may also be an entity that has paid a refundable charge to the Company under the provisions of a prior rule or schedule.

Vested Interest Refund is a refund payment to an existing Vested Interest Holder resulting from a Vested Interest Charge to an Additional Applicant.

Vested Interest Portion is that part of the Company's distribution system in which a Vested Interest is held.

Work Order Cost is a cost estimate performed by the Company for a specific request for service by an Applicant or Additional Applicant. The Work Order Cost will include general overheads limited to 1.5 percent. General overheads in excess of 1.5 percent will be funded by the Company.

2. General Provisions

a. Cost Information. The Company will provide cost information as reflected in the charges contained in this rule, to potential Applicants and/or Additional Applicants. This preliminary information will not be considered a formal cost quote and will not be binding on the Company or Applicant but rather will assist the Applicant or Additional Applicant in the decision to request a formal cost quote. Upon receiving a request for a formal cost quote, the Applicant or Additional Applicant will be required to prepay non-refundable engineering costs to the Company.

b. Ownership. The Company will own all distribution Line Installations and retain all rights to them.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

2. General Provisions (Continued)

c. Rights-of-Way. The Company will construct, own, operate, and maintain lines only along public streets, roads, and highways that the Company has the legal right to occupy, and on public lands and private property across which rights-of-way satisfactory to the Company may be obtained at the Applicant's or Additional Applicant's expense.

d. Removals. The Company reserves the right to remove any distribution facilities that have not been used for one year. Facilities shall be removed only after providing 60 days written notice to the last Customer of record and the owner of the property served, giving them a reasonable opportunity to respond.

e. Property Specifications. Applicants or Additional Applicants must provide the Company with final property specifications as required and approved by the appropriate governmental authorities. These specifications may include but are not limited to: recorded plat maps, utility easements, final construction grades, and property pins.

f. Undeveloped Subdivisions. When electric service is not provided to the individual spaces or lots within a Subdivision, the Subdivision will be classified as undeveloped.

g. Mobile Home Courts. Owners of mobile home courts will install, own, operate, and maintain all termination poles, pedestals, meter loops, and conductors from the Point of Delivery.

h. Conditions for Start of Construction. Construction of the Line Installations and/or Relocations will not be scheduled until the Applicant or Additional Applicant pays the appropriate charges to the Company.

i. Terms of Payment. All payments listed under this section will be paid to the Company in cash 30 days prior to the start of Company construction, unless mutually agreed otherwise.

j. Interest on Payment. If the Company does not start construction on a Line Extension and/or Relocation within 30 days after receipt of the construction payment, the Company will compute interest on the payment amount beginning on the 31st day and ending once Company construction actually begins. Interest will be computed at the rate applicable under the Company's Rule L. If this computation results in a value of \$10.00 or more, the Company will pay such interest to the Applicant, Additional Applicant, or subdivider.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

2. General Provisions (Continued)

k. Fire Protection Facilities. The Company will provide service to Fire Protection Facilities when the Applicant pays the full costs of the Line Installation including Terminal Facilities, less Company Betterment. These costs are not subject to a Line Installation Allowance, but are eligible for Vested Interest Refunds under Section 6.a.

l. Customer Provided Trench Digging and Backfill. The Company will at its discretion allow an Applicant, Additional Applicant or subdivider to provide trench digging and backfill. In a joint trench, backfill must be provided by the Company. Costs of Customer-provided trench and backfill will be removed or not included in the Work Order Costs and will not be subject to refund.

3. Line Installation Allowances

The Company will contribute an allowance for the Terminal Facilities necessary for service attachments and/or Line Installations. A Line Installation Allowance will be applied to the Line Installation costs for a Subdivision as outlined in Section 4.a.i. Subdividers may recoup their payments only through the refunding provisions under Section 6 of this rule.

Schedule 1

Non-Electric Heat Residence  
All-Electric Residence  
Non-Residence  
Multiple Occupancy Projects

Single Phase  
Three Phase

Schedule 7

Single Phase  
Three Phase

Schedule 9

Single Phase  
Three Phase

Schedule 24

Single Phase  
Three Phase

Schedule 19

Case-By-Case

Maximum Allowance

Overhead Terminal Facilities + \$1,000  
Overhead Terminal Facilities + \$1,300  
Cost of Meter Only

Overhead Terminal Facilities  
80% of Terminal Facilities

Overhead Terminal Facilities  
80% of Terminal Facilities

\$1,726  
80% of Terminal Facilities

\$1,726  
Overhead Terminal Facilities

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

4. Charges for Line Installations and Additional Charges for Underground Service Attachments

An Applicant or Additional Applicant will pay the Company for construction of Line Installations and/or underground service attachments, less Line Installation Allowances, based upon the charges listed in this section.

a. Line Installation Charge. If a Line Installation is required, the Applicant or Additional Applicant will pay a partially refundable Line Installation Charge equal to the Work Order Cost less applicable Line Installation Allowances.

i. Line Installation Charges Inside Subdivisions. Inside a Residential Subdivision, the Line Installation Charges are calculated using the Work Order Cost less Terminal Facilities. The maximum refund will be the total per lot refund amount as specified in Section 6.b., but not more than the Work Order Cost less Terminal Facilities. Costs of new facilities outside Subdivisions are subject to Vested Interest Refunds.

Inside a non-Residential Subdivision, the Line Installation Charges are calculated as follows:

Maximum Allowance

Schedule 7

Single Phase.....Overhead Terminal Facilities  
Three Phase.....80% of Terminal Facilities

Schedule 9

Single Phase.....Overhead Terminal Facilities  
Three Phase.....80% of Terminal Facilities

b. Underground Service Attachment Charge. Each Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge for attaching new Terminal Facilities to the Company's distribution system. The Company will determine the location and maximum length of service cable.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

4. Charges for Line Installations and Additional Charges for Underground Service Attachments (Continued)

Schedule 1 and Schedule 7, Single Phase

Underground Service Cable  
(Base charge plus distance charge)

Base Charge

from underground \$ 30.00

from overhead including riser \$255.00

Distance Charge (per foot)

Company Installed Facilities \$ 5.05

Customer Provided Trench & Conduit \$ 1.05 (Schedule 1 only, Single Family and Duplex)

c. Vested Interest Charge

Additional Definitions for Section 4.c. and Section 6.a.:

Original Investment - Work Order Cost less Terminal Facilities Allowance.

Vested Interest Holder's Contribution - Customer Payment plus Line Installation Allowances other than Terminal Facilities.

Vested Interest - Amount potentially subject to refund.

Load Ratio - Additional Applicant load divided by the sum of Additional Applicant's load and Vested Interest Holder's load.

Distance Ratio - Additional Applicant distance divided by original distance.

i. The initial Applicant will pay the original investment cost less any allowances. An Additional Applicant connecting to a Vested Interest Portion will have two options:

Option One - An Additional Applicant may choose to pay the current Vested Interest Holder's Vested Interest, in which case the Additional Applicant will become the Vested Interest Holder and, as such, will become eligible to receive Vested Interest Refunds up to that new Vested Interest Holder's contribution less 20 percent of the original investment.

Option Two - An Additional Applicant may choose to pay an amount determined by this equation:

Vested Interest Payment = Load Ratio x Distance Ratio x Vested Interest Holder's unrefunded contribution.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

4. Charges for Line Installations and Additional Charges for Underground Service Attachments (Continued)

If Option Two is selected, the Additional Applicant has NO Vested Interest and the previous Vested Interest Holder remains the Vested Interest Holder. The Vested Interest Holder's Vested Interest will be reduced by the newest Additional Applicant's payment.

ii. The Vested Interest Charge will not exceed the sum of the Vested Interests in the Vested Interest Portion.

iii. If an Additional Applicant connects to a Vested Interest Portion which was established under a prior rule or schedule, the Vested Interest Charges of the previous rule or schedule apply to the Additional Applicant.

5. Other Charges

All charges in this section are non-refundable.

a. Relocation and Removal Charges. If an Applicant or Additional Applicant requests a Relocation or removal of Company facilities, the Applicant or Additional Applicant will pay a non-refundable charge equal to the Work Order Cost.

b. Engineering Charge. Applicants or Additional Applicants will be required to prepay all engineering costs for Line Installations, and/or Relocations greater than 16 estimated hours. Estimates equal to or less than 16 hours will be billed to the Applicant or Additional Applicant as part of the construction costs, or after the engineering is completed in instances where construction is not requested. Engineering charges will be calculated at \$50.00 per hour.

c. Engineering Charges for Agencies and Taxing Districts of the State of Idaho. Under the authority of Idaho Code Section §67-2302, an agency or taxing district of the State of Idaho may invoke its right to decline to pay engineering charges until the engineering services have been performed and billed to the agency or taxing district. Any state agency or taxing district that claims it falls within the provisions of Idaho Code §67-2302 must notify Idaho Power of such claim at the time Idaho Power requests prepayment of the engineering charges. Idaho Power may require that the state agency or taxing district's claim be in writing. If the state agency or taxing district that has invoked the provisions of Idaho Code Section §67-2302 does not pay the engineering charges within the 60-day period as provided in that statute, all the provisions of that statute will apply.

d. Right of Way Charge. Applicants or Additional Applicants will be responsible for any costs associated with the acquisition of right-of-way.



RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

5. Other Charges (Continued)

e. Temporary Line Installation Charge. Applicants or Additional Applicants will pay the installation and removal costs of providing Temporary Line Installations.

f. Temporary Service Attachment Charge. Applicants or Additional Applicants will pay for Temporary Service Attachments as follows:

i. Underground - \$140

The Customer-provided pole must be set within two linear feet of the Company's existing transformer or junction box.

ii. Overhead - \$120

The Customer-provided pole shall be set in a location that does not require more than 100 feet of #2 aluminum service conductor that can be readily attached to the permanent location by merely relocating it.

The electrical facilities provided by the Customer on the pole shall be properly grounded, electrically safe, and ready for connection to Company facilities.

The Customer shall obtain all permits required by the applicable state, county, or municipal governments and will provide copies or verification to the Company as required. The above conditions must be satisfied before the service will be attached.

g. Temporary Service Return Trip Charge. If the conditions stated in Section 5.f. of this rule are not satisfied prior to the Customer's request for temporary service, a Temporary Service Return Trip Charge of \$35.00 will be assessed each time Company personnel are dispatched to the job site, but are unable to connect the service. The charge will be billed after the conditions have been satisfied and the connection has been made.

h. Unusual Conditions. Applicants, Additional Applicants, and subdividers will pay the Company the additional costs associated with any Unusual Conditions included in the Work Order Cost related to the construction of a Line Installation or Relocation. This payment, or portion thereof, will be refunded to the extent that the Unusual Conditions are not encountered. Unusual Conditions payments for Line Installations will also be refunded, under the provisions of Section 6, if the Unusual Conditions are encountered.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

5. Other Charges (Continued)

In the event that the estimate of the Unusual Conditions included in the Work Order Cost exceeds \$10,000, the Applicant, Additional Applicant or subdivider may either pay for the Unusual Conditions or may furnish an Irrevocable Letter of Credit drawn on a local bank or local branch office issued in the name of Idaho Power Company for the amount of the Unusual Conditions. Upon completion of that portion of the project which included an Unusual Conditions estimate, Idaho Power Company will bill the Applicant, Additional Applicant or subdivider for the amount of Unusual Conditions encountered up to the amount established in the Irrevocable Letter of Credit. The Applicant, Additional Applicant or subdivider will have 15 days from the issuance of the Unusual Conditions billing to make payment. If the Applicant, Additional Applicant or subdivider fails to pay the Unusual Conditions bill within 15 days, Idaho Power will request payment from the bank.

i. Joint Trench. Applicants, Additional Applicants, and subdividers will pay the Company for trench and backfill costs included in the work order prepared for an unshared trench. In the event that the Company is able to defray any of the trench and backfill costs included in the work order through the sharing of the trench with other utilities, the trench and backfill cost savings will be refunded.

j. Underground Service Return Trip Charge. When a residential Customer agrees to supply the trench, backfill, conduit, and compaction for an underground service, an Underground Service Return Trip Charge of \$50.00 will be assessed each time the Company's installation crew is dispatched to the job site at the Customer's request, but is unable to complete the cable installation.

6. Refunds

a. Vested Interest Refunds. The initial Applicant will be eligible to receive up to 80 percent of the original investment as a Vested Interest Refund in accordance with Section 4.c. Refunds will be funded by the Additional Applicant's Vested Interest Charge as calculated in accordance with Section 4.c. A Vested Interest Holder and the Company may agree to waive the Vested Interest payment requirements of Additional Applicants with loads less than an agreed upon level. Waived Additional Applicants would not be considered Additional Applicants for purposes of Section 6.a.i.(1).

i. Vested Interest Refund Limitations

(1). Except for Rule 6.c, Vested Interest Refunds will be funded by no more than four Additional Applicants during the 5-year period following the completion date of the Line Installation for the initial Applicant.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

6. Refunds (Continued)

(2). In no circumstance will refunds exceed 100 percent of the refundable portion of any party's cash payment to the Company.

b. Subdivision Refunds

i. A subdivider will be eligible for Vested Interest Refunds for payments for Line Installations outside the subdivision.

ii. A subdivider will be eligible for a refund from the Company on the Line Installation Charge inside the Subdivision when a permanent Residence connects for service and occupies a lot inside the Subdivision within 5 years from the construction completion date of the Line Installation for the Subdivision.

iii. The amount refunded to subdividers of residential Subdivisions will be \$800 per lot, less any additional Line Installation costs required to provide connected service to the lot.

c. Special Rule for Undeveloped Subdivisions Platted Prior to January 1, 1997

i. For an undeveloped Subdivision which has been platted prior to January 1, 1997, and which has not been amended after January 1, 1997, refunds will be made for connections inside the Subdivision during the first 10 years following the completion date of the Line Installation.

ii. The subdivider will not be entitled to refunds under Sections 6.b.ii. and 6.b.iii. Connections within the undeveloped Subdivision will be treated as individual Applicants or Additional Applicants for payment, extension allowance, and refunding purposes.

iii. The individual requesting the 10-year refund date will have the burden of demonstrating that the Line Installation is to a Subdivision which has been platted and is undeveloped.

iv. Special Arrangements Permitting Deviation from Rule H Refund Provisions – An Applicant and/or Applicants and the Company may mutually agree that a deviation from Rule H refund provisions is reasonable and does not adversely affect other Customers of the Company. A written agreement to deviate from Rule H refund provisions will be prepared and submitted to the Commission. The agreement will not be effective until approved by the Commission.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

7. Line Installation Agreements

When the Line Installation Allowance paid by the Company under the provisions of this rule equals or exceeds \$75,000, the Applicant will be required to contract to pay, for a period of 5 years following the completion date of the Line Installation, an annual payment equal to the greater of the billings determined by application of the appropriate schedule or:

a. Eighty percent of the Applicant's total annual bill as determined by application of the appropriate schedule; plus;

b. Twenty percent of the Line Installation Allowance granted the Applicant.

Each Line Installation, for which the Line Installation Allowance paid equals or exceeds \$75,000, will require a separate Uniform Distribution Line Installation Agreement between the Applicant and the Company.

Developers of multi-family residential dwellings in which each unit is separately metered will be exempt from the requirement to enter into an agreement with the Company if the Line Installation Allowance paid equals or exceeds \$75,000.

8. Existing Agreements

This rule shall not cancel existing agreements, including refund provisions, between the Company and previous Applicants, or Additional Applicants. All Applications will be governed and administered under the rule or schedule in effect at the time the Application was received and dated by the Company.

9. Local Improvement Districts

Unless specifically provided for under this paragraph, a Local Improvement District will be provided service under the general terms of this rule.

The Company will provide a cost estimate and feasibility study for a Local Improvement District within 120 days after receiving the resolution from the requesting governing body. The cost estimate will be based on Work Order Costs and will not be considered binding on the Company if construction is not commenced within 6 months of the submission of the estimate for reasons not within the control of the Company. The governing body issuing the resolution will pay the Company for the costs of preparing the cost estimate and feasibility study regardless of whether the Line Installation or the conversion actually takes place.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

9. Local Improvement Districts (Continued)

After passage of the Local Improvement District ordinance, the Company will construct the Line Installation or conversion. Upon completion of the project, the Company will submit a bill to the Local Improvement District for the actual cost of the work performed, including the costs of preparing the cost estimate and feasibility study. If the actual cost is less than the estimated cost, the Local Improvement District will pay the actual cost. If the actual cost exceeds the estimated cost, the Local Improvement District will pay only the estimated cost. The governing body will pay the Company within 30 days after the bill has been submitted.

A Local Improvement District will be eligible for a Line Installation Allowance for any new load connecting for service upon the completion of the Line Installation. A Local Improvement District will retain a Vested Interest in any Line Installation to the Local Improvement District. A Local Improvement District may waive payments for Vested Interest from Additional Applicants within the Local Improvement District.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

Idaho Power Company  
Uniform Distribution Line Installation Agreement

DISTRICT \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_  
THIS AGREEMENT Made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_, whose  
billing address is \_\_\_\_\_ hereinafter called  
Customer, and Idaho Power Company, A corporation with its principal office located at 1221 West  
Idaho Street, Boise, Idaho, hereinafter called Company:

NOW THEREFORE, The parties agree as follows:

1. The Company will agree to provide facilities to supply \_\_\_\_\_ volt, \_\_\_\_\_ phase Electric Service for the Customer's facilities located at or near \_\_\_\_\_, County of \_\_\_\_\_, State of Idaho.
2. The Customer will agree to:
  - a. Make a cash advance to the Company of \$\_\_\_\_\_ as the Customer's share of the investment in service facilities;
  - b. Provide rights-of-way for the line extension at no cost to the Company, in a form acceptable to the Company;
  - c. Pay an annual minimum charge during the first 60 months following the Initial Service Date. The annual minimum charge will be the greater of (1) the total of the schedule billings for the year or (2) \$\_\_\_\_\_ plus 80 percent of the total schedule billings for the year. The total schedule billings will be computed in accordance with the rates and provisions of the schedules under which the Customer received service for that year.
3. This Agreement will not become binding upon the parties until signed by both parties.
4. The initial date of delivery of power and energy is subject to the Company's ability to obtain required labor, materials, equipment, satisfactory rights-of-way and comply with governmental regulations.
5. The term of this Agreement will be for 5 years from and after the Initial Service Date thereof.

RULE H  
NEW SERVICE ATTACHMENTS  
AND DISTRIBUTION LINE  
INSTALLATIONS OR  
ALTERATIONS  
(Continued)

Idaho Power Company  
Uniform Distribution Line Installation Agreement  
(Continued)

6. This Agreement will be binding upon the respective successors and assigns of the Customer and the Company, provided however, that no assignment by the Customer will be effective without the Company's prior written consent. The Company's consent will not be unreasonably withheld.

7. This Agreement is subject to valid laws and to the regulatory authority and orders, rules and regulations of the Idaho Public Utilities Commission and such other administrative bodies having jurisdiction as well as Idaho Power Company's Rules and Regulations as now or may be hereafter modified and approved by the Idaho Public Utilities Commission.

8. The Company's Rule H, any revisions to that rule, and/or any successor rule is to be considered as part of this Agreement.

9. In any action at law or equity commenced under this Agreement and upon which judgment is rendered, the prevailing party, as part of such judgment, will be entitled to recover all costs, including reasonable attorneys fees, incurred on account of such action.

W.O. No. \_\_\_\_\_

Initial Service Date \_\_\_\_\_

(APPROPRIATE SIGNATURES)