

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-08-02
AUTHORITY TO MODIFY ITS RULE H)	
CHARGES AND CREDITS RELATED TO)	
DISTRIBUTION LINE INSTALLATIONS)	
AND UNDERGROUND SERVICE)	ORDER NO. 30558
ATTACHMENTS.)	

On March 10, 2008, Idaho Power Company filed an Application requesting modification of its Rule H tariff charges and credits for installing distribution lines and underground service to customers' premises. Specifically, the Company proposed to update Section 4(b) concerning Underground Service Attachment Charges. On April 8, 2008, the Commission issued a Notice of Application, set a deadline for intervention, and suspended the proposed effective date of May 1, 2008. Order No. 30525 at 3-4. No persons petitioned to intervene. Thereafter, the Commission issued a Notice of Modified Procedure and set a comment deadline of May 19, 2008. Order No. 30541. Only the Staff filed comments. After reviewing the Application and comments, we approve the proposed changes to Rule H.

THE APPLICATION

In its Application, the Company notes that the last major change to its charges and credits (specific to this section of its Rule H tariff) occurred in February 1997. Since that time, the Company has observed an increase in the construction of larger-sized residential properties within its service territory that require a larger-sized conductor than the traditional "1/0" underground cable. The current tariff charges and credits are based on use of the 1/0 cable size.

Idaho Power's current Rule H tariff assesses additional charges for customers who take service under Schedules 1, 4, 5, or 7.¹ These customers must pay for underground service attachments. Charges in Section 4(b) are divided into two types: a "Base" Charge and a "Distance" Charge (priced per foot based on the length of the installation).

The current method used to calculate the Distance Charge compares the cost difference between installing overhead and underground service based on a single service-size

¹ Schedules: 1 – Residential Service; 4 – Residential Energy Watch (optional); 5 – Residential Time-of-Day (optional); 7 – Small General Service.

(1/0 cable at \$5.05 per foot). Customers receive standard overhead service from the Company at no charge, but are charged an added cost differential when installing underground service. The Company proposes a Distance Charge calculation using the same method (overhead vs. underground), but with an additional assessment dependent on the size of the wire (\$6.90 per foot with 1/0 cable, \$7.50 per foot with 4/0 cable, and \$9.60 per foot with 350 cable).

Idaho Power also requests a change to the discount in Distance Charges for customers who provide their own trenching. The current charge for wire in customer-provided trenching is \$1.05 per foot. The existing tariff does not distinguish between types of wire. The proposed charges are \$2.15 per foot with 1/0 cable, \$3.60 per foot with 4/0 cable, and \$4.65 per foot with 350 cable.

The Company's Base Charge is currently \$30 for service from existing underground facilities, and \$255 for service from overhead facilities due to the cost of the 2" conduit riser. The Company proposes to increase the Base Charge to \$40 for service for existing underground facilities and \$395 for service requiring a 2" riser. The Company also proposes to add a charge for a 3" riser option to address the larger-sized services not previously envisioned when the tariff was created.

THE COMMENTS

Staff notes that it has been 11 years since Idaho Power last updated its charges and credits under Section 4(b) of its Rule H tariff. Staff agrees with the Company that increased costs should be reflected in the tariff so that new customers pay their fair share of the costs for providing new service. Indeed, Staff recommends that the Company file more frequently in order to keep line extension costs current.

Staff reviewed in detail the Company's assumptions and cost estimates in addition to meeting with Company personnel to review Idaho Power's computerized cost estimation system. Staff is satisfied that the revised charges proposed by the Company are reasonable. Staff also supports the Company's proposal to further refine line extension charges based on conductor size. By offering multiple service sizes the Company can more accurately match the charges a customer pays with the actual costs incurred to install the service.

Accordingly, Staff recommends approval of the Company's Application to amend line extension charges and credits in its Rule H tariff. Staff further recommends an effective date of June 1, 2008.

COMMISSION FINDINGS

Having fully reviewed the Application and comments in this proceeding, we approve Idaho Power Company's Application for authority to modify its Rule H charges and credits encompassed in Section 4(b). In the future, the Company should review its installation costs more frequently to keep line extension costs current.

Based upon our review and the absence of any objection, we find that the proposed charges and credits are fair, just, and reasonable. We further find it reasonable to base the charges for installing distribution lines upon the actual wire size (and cost) of the facilities. Finally, we find that the changes in Rule H should become effective June 1, 2008.

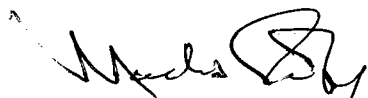
ORDER

IT IS HEREBY ORDERED that Idaho Power Company's Application to modify its Rule H tariff charges and credits in Section 4(b) is granted.

IT IS FURTHER ORDERED that the charges and credits authorized by this Order become effective for services rendered on or after June 1, 2008.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of May 2008.



MACK A. REDFORD, PRESIDENT

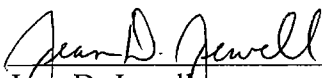


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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