

DECISION MEMORANDUM

TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: NANCY HYLTON

DATE: AUGUST 22, 2008

RE: FORMAL COMPLAINT OF JONATHAN GIBBS

On August 14, 2008, the Commission received a "formal" complaint from Jonathan Gibbs against Idaho Power Company. The customer had Idaho Power install new underground service to a cabin in a new subdivision in New Meadows. The initial quote provided by Idaho Power for the installation included a provision for \$4,000 in extra costs if the Company encounters "unusual" trenching conditions. As noted below, the Company's trenching contractor ran into "rock conditions" and charged Mr. Gibbs accordingly. In his informal complaint, Mr. Gibbs claims that digging through rock is not unusual conditions. Jonathan Gibbs was unsatisfied with the outcome of the informal procedures to resolve his complaint and has filed this formal complaint.

BACKGROUND

The customer paid \$6,383 in advance of construction. The quote included \$4,000 if the Company experienced unusual conditions. Idaho Power charges in Rule H are based on average costs encountered in "normal" conditions. If "unusual" conditions are not encountered, the customer is refunded the amount included in the quote. As part of the cost quote (Attachment A), the customer signed an Unusual Conditions Acknowledgement on May 20, 2008. Part of the document states that "These conditions may include but are not limited to ... rock digging."

Idaho Power used an outside contractor for the trenching. The total length of the trench was 180 feet, which included 160 feet of rocky trench at \$24.49 per foot. The total charge for the unusual conditions was \$3,918.40. Mr. Gibbs was refunded the balance of \$81.60. Mr. Gibbs

does not agree with the amount of the refund. He contends that digging through rock is not unusual for that area. Furthermore, he maintains that he was not offered the option to trench himself and that if he had used his own contractor, the charge would have been substantially less, approximately \$1,500.

STAFF RECOMMENDATION

Jonathan Gibbs was not satisfied with the outcome of the informal complaint. Consequently, he filed a formal complaint. (Attachment B) *See* Rules 23, 25 and 54, IDAPA 31.01.01.023, .024 and .054. Staff recommends that the Commission issue a Summons to Idaho Power Company and directs the Company to file a response to the issues raised in the complaint.

COMMISSION DECISION

Does the Commission wish to accept Jonathan Gibbs' formal complaint? Does the Commission wish to issue a Summons?



Nancy Hylton

i:Consum/Jonathan Gibbs formal complaint



**CUSTOMER COST QUOTE
IDAHO**

Customer or Project Name: GIBBS, JONATHAN-URD LINE EXT FROM SECTER DD4 TO NE	Design Number: 0000071192	Work Order #: 27284188
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	Prepaid Fees	Credit	Debit	Totals
1. Line Installation/Upgrade Costs			4,840	
2. Company Betterment		616		
3. Line Installation Allowances				
a. Customer Cash Allowance		800		
b. Terminal Facilities Allowance		1,591		
c. Salvage Taxable - Credit		0		
4. Line Installation Credit (Customer Provided Trench)		0		1,833
5. Vested Interest Work Order #			0	
6. Bank Letter of Credit (for Unusual Conditions over \$10,000)		0		
7. Unusual Conditions			4,000	
8. Net Construction Cost				5,833
9. Net Vested OR Refundable Construction Cost (Limited to 5 years or 4 additional applicants)				4,000
10. Construction Cost Not Available for Vesting or Refund				1,833
11. Right of Way Permits (NSR)			0	
12. Billable Engineering Charges (NSR) (11 Hrs @ \$50 per Hr)			550	
13. Underground Service Charge (NSR)			0	
14. Relocation or Removal Charges (NSR)				
a. Relocation or removal with new load. (412)			0	
b. Relocation or removal with NO new load (415)			0	
c. Non-Taxable Salvage Credit on Relocation or Removal		0		
15. Other Charges			0	
16. Feeder Charge			0	
17. Sub-Total Non-Refundable Charges				550
18. Engineering Fees		\$0		
19. Right of Way Permits (NSR)		\$0		
20. Temporary Service Charge (NSR)		\$0		
21. Total Prepaid Customer Charges		\$0		
22. Idaho Power Co. Contribution & Bank Letter of Credit		\$ 3,007		
23. Total Work Order Charges			\$ 9,380	
24. Total Customer Payment Due (Line 8 + Line 17)				\$ 8,383 <i>Pd</i>

Notes:

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 <i>Jonathan Gibbs</i>	Date <i>5-20-08</i>
Quotation Date <i>5/16/8</i>	IPCo Representative

Customer or Project Name: GIBBS, JONATHAN-URD LINE EXT FROM SECTER DD4 TO NE	Design Number: 0000071192	Work Order #: 27284188
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Unusual Conditions Acknowledgement

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.

I have read and understand the above definition of Unusual Conditions as set forth in Idaho Power Company's Line Installation tariff, Rule H. I further understand that Idaho Power Company will determine the type and extent of the Unusual Conditions encountered.

Unusual Conditions charged for on the Customer Cost Quote sheet, but not encountered, will be refunded to the Customer by Idaho Power Company after the completion of construction.

Signed: _____

A handwritten signature in black ink, appearing to read "Jonathan Gibbs", written over a horizontal line.

Customer Signature

Date: _____

5-20-08



Idaho Power Company
Service Request

Page: 1
Date: 5/16/2008

Service Request Number: 00249395

GIBBS, JONATHAN-URD LINE EXT FROM SECTER DD4 TO NEW PMT

Work Order Number: 27284188

Request Type: RS

Rate Sch: 1

Reply By:

Eng Hours: 00011

Eng Fee Amount (Att 98): \$550.00

Eng Fee Amount (Att 16):

Eng Fee Service Agreement No:

Eng Fee Service Agreement Date:

Customer No: 1876944492

Feeder: NWMS41A

Service Location: NEW MEADOWS, ID 83654

Required in Service Date: 10/17/2007

Planning Center/Team: MC CALL

Contact Detail:

252R JONATHAN GIBBS
9502 SCORPIO ST., BOISE ID 83709

362-3965/859-4126

CUST JONATHAN GIBBS
9502 SCORPIO ST., BOISE ID 83709

362-3965/859-4126

IFCO FLINT

630-7904

Attribute Information

RES/COM

Service Voltage:
No. Of Phases:
KW Motor Load:
Largest Motor:
1 Phase KW Demand:
3 Phase KW Demand:
Connected KW Load: 25
Commercial Deposit Amount:

No. of Meters: 1
Mtr. Loc:
Ct Loc:
Primary O/U/UG: UG
Service OH/UG: UG
Srv. Owner:
Panel Amp Size: 200

Notes

NEED PRIMARY LINE EXTENSION FROM EXISTING SECTER TO NEW PADMOUNT TRANSFORMER
AN UNDERGROUND EASEMENT IS NEEDED FROM CUSTOMER TO ACCOMPLISH LINE EXTENTION
UNDERGROUND SERVICE CHARGES IS NOT INCLUDED IN THIS WORK ORDER
CUSTOM TO PROVIDE 3" CONDUIT FOR FUTURE UNDERGROUND SERVICE.
IFCO WILL BE DIGGING ALONG EDGE OF CUSTOMERS DRIVEWAY, BUT DRIVEWAY IS NOT
THERE YET, SO NO PROVISIONS TO REPAIR DRIVEWAY IS IN THIS WORK ORDER.

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.

Jonathan Gibbs 5-20-08
Client Signature Date

[Signature]
Facility Rep. Signature

5/16/8
Date



Memorandum of Understanding

Project Name: New Residence

Work Order Number: 27284188

The quoted prices and credits include these requirements for trench backfill and compaction and the final grade.

1. **Standard Compaction** **Standard compaction** is required in all areas that do not require high compaction. For standard compaction, backfill with the native soil and "wheel-roll" the trench. If the soil is "loamy" or does not compact well, the spoils must be hauled off and replaced with 3/4" road mix up to 12" of the surface. Use native backfill for the top 12" of the trench.

200 Standard compaction footage

Note: The grantor of the right-of-way may require high compaction in areas that are not under a paved surface or road but still within the right-of-way.

2. **High (or 95%) Compaction** **High compaction** is required in areas where the trench will be under:

- ◆ A roadway, alley, driveway, or parking lot (whether paved or unpaved).
- ◆ A paved surface.
- ◆ Where the grantor of the right-of-way requires high compaction.

For high compaction, backfill the trench in 12" lifts with 3/4" roadmix or "pit run" and compact each lift with a "wacker" or other similar compaction device. Native soil is not acceptable as a backfill material for high compaction and must be hauled off.

 High compaction footage

3. **Final Grade** We understand that as of _____ the above named project will be ready for facilities to be installed by Idaho Power.

All roadways and cable routes must have all grading and subgrading completed by this date. The project must be properly referenced and have grade stakes installed as might be necessary to establish proper elevations and burial depths for Idaho Power facilities. (MTR TYPE, OH OR UG SRV, ETC.) (PLEASE CHECK)

The customer will be responsible for the total cost of any needed relocation, repair, or damage to Idaho Power facilities that results from any subsequent changes in property lines, lot lines, elevations, grades, excavations, or profiles causing improper locations or burial depths of above-ground equipment, below-ground equipment, cable, or conduit.

This Memorandum of Understanding is accepted by:



 Customer's Signature

5/20/08

 Date



 Idaho Power Representative's Signature

5/16/8

 Date

8/17
Nancy

August 12, 2008

PUC Secretary and Commission
PUC
Po Box 83720
Boise, Id 83720-0074

RECEIVED
2008 AUG 14 AM 8:10
IDAHO PUBLIC
UTILITIES COMMISSION

I would like to appeal the charge made by Idaho Power for Unusual Conditions on the installation of the transformer at our home site at 3742 Van Dorn drive in New Meadows. I filed a complaint with Nancy at the PUC office and was told there was nothing she could do for me. A copy of that letter is enclosed.

I know you have regulated amounts that Idaho Power can charge for the installation of the transformers but it appears that they have a loophole in the regulations when it comes to Unusual Conditions. Nancy told me that I signed the unusual conditions form and it says that they determine the amount. They are the rate setter, judge and jury, no regulation and nobody to account to. I asked Idaho Power to give me the breakdown of the costs of the unusual conditions and all they told me was they had to dig through 160 feet of Solid Rock. I would like to see what they paid the outside contractor for that job. It seems to me that they should have to account to someone for charges they make to the public. I agree that I should be charged for legitimate charges that are encountered in my installation but they should not be arbitrary. Can they charge \$4000, \$6000, \$10000, is there a limit?

Thanks for reviewing my complaint & appeal.



Jonathan Gibbs
9502 Scorpio
Boise, Id 83709
Phone 208-362-3965

July 28, 2008

Nancy
PUC
PO Box 83720
Boise, Id 83720-0074

This is a complaint for the charge by Idaho Power for Unusual Conditions on our new home site at 3742 Van Dorm drive {Lot 2 Van Dorn Estates). We applied for a transformer for our new home which sets back in about 275 feet from the road where the power is available, so the transformer had to be located within 150 feet of our house. We contacted Flint McDaniel at the McCall Idaho Power office and filled out the forms necessary to get the job done. When I came to the form on Unusual Conditions I asked Flint if we could dig the trench to put the line in ourselves and he told me no, that was part of Idaho Powers revenue business.

When Idaho Power came to put the transformer in, the work was done by an outside contractor. They started digging about 9:30 and all the installation was completed by 5:00 PM.. When you dig in New Meadows you hit fractured rock at about one foot six inches and everyone that works in the area is familiar with the conditions. The crew doing the digging had not brought their smaller backhoe bucket which according to the operator would have made the digging a little easier and quicker. They did encounter some solid rock in places which slowed them down somewhat. No hammer , blasting or additional equipment was needed to complete the job. My excavator (Mr.Thueson) was working that same day and he indicated that if he had done the digging it would have been about \$1,500.00. He dug my 80 foot 4 feet deep water line from the house to the well in less than 2 hours.

Idaho Power told me at the end of job I would get a detail of the Unusual Conditions charges and a refund of any unused deposit. Six weeks after completion I had not received anything from Idaho Power so I called the office and was told that I would get a call from the McCall office. One week later after no word I called again, then I stopped at the McCall office and was told my \$81.00 check was in the mail. I received the check but no explanation of the charges. .

I expected a reasonable charge for Unusual Conditions, but \$3,919.00 is not reasonable.

Yours truly,

Jonathan Gibbs
9502 Scorpio
Boise, Id 83709

Attachment B
Decision Memorandum
Hylton, N.
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