

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF THE APPLICATION )          OF IDAHO POWER COMPANY FOR )          AUTHORITY TO MODIFY ITS RULE H )          LINE EXTENSION TARIFF RELATED TO )          NEW SERVICE ATTACHMENTS AND )  <u>DISTRIBUTION LINE INSTALLATIONS. )</u> </b>	<b>CASE NO. IPC-E-08-22           ORDER NO. 30853</b>
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On October 30, 2008, Idaho Power Company filed an Application seeking authority to modify its Rule H tariff relating to charges for installing or altering distribution lines. Specifically, the Company sought to increase the charges for new service attachments, distribution line installations and alterations. After reviewing the record in this case, we approve Idaho Power's Application as modified below. We approve the Company's proposed allowances, miscellaneous costs, language regarding highway relocations, and the requested changes to format and definitions. We further approve a "cap" of 1.5% on general overhead costs and maintain the existing five-year period for Vested Interest Refunds. These changes to Rule H shall become effective on November 1, 2009.

### I. THE APPLICATION

Idaho Power proposes modification to its existing Rule H tariff that reorganizes sections, adds or revises definitions, updates charges and allowances, modifies refund provisions, and deletes the Line Installation Agreements section. Section titles were arranged to more closely reflect the manner in which customers are charged and to better match the arrangement of the Company's cost estimation process. Definitions have been added or revised to provide clarity.

Idaho Power proposes separate sections for "Line Installation Charges" and "Service Attachment Charges." Within the Service Attachment Charges section, Idaho Power separates the overhead and underground service attachments, updates the charges for underground service attachments less than 400 amps, and outlines the calculation for determining the charges for underground service greater than 400 amps. The "Vested Interest Charges" section was reworded and some definitions were removed. The available options and calculations in this section were not changed. Engineering charges, temporary service attachment charges, and return trip charges were updated in the "Other" Charges section.

The Company asserts that the Line Installation and Service Attachment Allowances section was modified and updated to reflect current costs associated with providing and installing “standard terminal facilities” for single-phase and three-phase service and line installations. The Company’s proposal to provide customer allowances equal to the installed costs of “standard” overhead terminal facilities is intended to provide a fixed credit toward the cost of constructing terminal facilities and/or line installations for customers requesting service under Rule H. The fixed allowance is based upon the cost of the most commonly installed facilities and attempts to mitigate intra-class and cross-class subsidies by requiring customers with greater facilities requirements to pay a larger portion of the cost to serve them. The proposal also modifies Company-funded credit allowances inside subdivisions. Idaho Power maintains that these significant revisions to the tariff specifically address the Company’s and Commission’s desire for customers to pay their fair share of the cost for providing new service lines or altering existing distribution lines.

Idaho Power proposes Vested Interest Refunds for developers of subdivisions and new applicants inside subdivisions for additional line installations that were not part of the initial line installation.<sup>1</sup> The Company also proposes to change the availability of Vested Interest Refunds from a five-year period to a four-year recovery period and discontinue all subdivision lot refunds.

Idaho Power also seeks authority to add a section entitled “Relocations in Public Road Rights-of-Way” to address funding of roadway relocations required under *Idaho Code* § 62-705. The section would identify when and to what extent the Company would fund roadway relocations. Specifically, this section would outline road improvements for the general public benefit, road improvements for third-party beneficiaries, and road improvements for a joint benefit.

The Company asserts that it has undertaken a special communications effort to advise builders and developers in its service territory of the proposed changes. Idaho Power requests that the Commission’s Order set an effective date 120 days beyond the date of the final Order to allow the Company time to train employees, reprogram computerized accounting systems, and reconstruct internal processes.

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<sup>1</sup> Subdividers and new applicants will continue to be eligible for Vested Interest Refunds outside of subdivisions.

## II. PROCEDURAL HISTORY

On November 26, 2008, the Commission issued a Notice of Application and Intervention Deadline. Order No. 30687. Four parties petitioned to intervene. The Building Contractors Association of Southwestern Idaho (BCA), the City of Nampa, The Kroger Company, and Association of Canyon County Highway Districts (ACCHD) were granted intervention. The Commission issued its Notice of Parties on December 30, 2008. Pursuant to Order No. 30687, the parties met on January 14, 2009, to discuss the processing of this case.<sup>2</sup>

The participating parties recommended that the case be processed under Modified Procedure with comments due no later than March 20, 2009.<sup>3</sup> The comment deadline was subsequently extended until April 17, 2009, with response comments due no later than May 1, 2009.

### THE COMMENTS

Written comments were filed by Commission Staff and all intervenors with the exception of Kroger. In addition, more than 40 public comments were received, including comments filed by the Ada County Highway District and the Idaho Irrigation Pumpers Association. A great number of the public comments were submitted by contractors, many of whom submitted identical form letters stating their concern regarding: (1) the timing of Idaho Power's Application and the processing of the case; (2) the undue hardship that will be created on the construction industry; and (3) their opposition to any increase in fees that would ultimately be passed on to home buyers. Idaho Power and the Building Contractors Association filed reply comments.

1. Ada County Highway District. Although not an intervenor in this case, Ada County Highway District (Highway District) filed comments asserting that Idaho Power's proposed Section 10 is beyond the jurisdictional authority of the Commission, is potentially unconstitutional, and includes an overly broad definition of "third party beneficiary." The Highway District argues that Section 10 is "an illegal usurpation of the highway districts'

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<sup>2</sup> Although notified of the meeting, no representatives for Kroger or the Building Contractors Association were in attendance.

<sup>3</sup> On February 27, 2009, BCA filed a motion to extend the comment period based on the complexity and nature of the issues involved. The Commission granted BCA's request on March 11, 2009. The suspension of the proposed changes to Rule H was extended until July 1, 2009, commensurate with the comment extension deadlines. Order No. 30746.

*exclusive* general supervision and jurisdiction over all highways and public rights-of-way because it purports to regulate and control electric utility relocations by assigning financial liability for such relocations.” Highway District Comments at 1 (emphasis in original). The Highway District requests that the Commission strike anything in Idaho Power’s proposed Rule H tariff that attempts to regulate in any manner the relocation of utilities in the public rights-of-way.

2. Idaho Irrigation Pumpers Association. Idaho Irrigation Pumpers Association, Inc. (IIPA) filed comments which generally supported Idaho Power’s Application. However, IIPA maintains that Idaho Power’s “standard terminal facility” concept does little to spread the cost of growth to those causing such costs because it fails to ensure that the most expensive customers pay additional costs for their new service. IIPA Comments at 2-3. IIPA asserts that larger customers should not be penalized for simply being larger, especially considering economies of scale that allow Idaho Power to serve its larger customers at less cost than its smaller customers. In addition, IIPA points out that the proposed Rule H changes do not address the incremental costs of growth as it applies to associated transmission and generation costs.

3. Commission Staff. Staff agrees in principle with Idaho Power’s rationale that growth should pay for itself and that new customer growth, combined with the effects of inflation, does indeed cause upward pressure on rates. However, Staff expressed concern that Idaho Power had not provided any analysis to determine specifically what amounts of allowances and refunds would alleviate upward pressure on rates. Staff supported line extension rules that provide a new customer installation credit or allowance that can be supported by electric rates paid by the new customer over time.

If the line extension costs exceed that allowance, then the new customer would pay an up-front contribution for the difference rather than including the excess costs in electric rates paid by all customers. In order to properly establish an allowance, a refund and the potential for additional customer contribution, a detailed analysis of distribution investment embedded in existing electric rates must be conducted.

Staff Comments at 3-4.<sup>4</sup>

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<sup>4</sup> Staff’s proposed allowances are based on the cost to provide customers with overhead service. Staff recommended that underground service for residential and small commercial customers be provided at no additional charge if the customer supplies the trench, conduit, backfill and compaction. Otherwise, Staff recommended that customers requesting underground service be required to pay the difference between the costs of providing underground service versus overhead service.

Staff next reviewed the cost allocation formula for current rates. Staff believes Rule H overhead costs are embedded in current electric rates to the extent they exceed the 1.5% limitation. Staff asserts that including the entire overhead rate in Rule H work orders would result in Idaho Power collecting the difference of 13.5 percent in both work orders and in current electricity rates. Staff maintains that this is a timing problem that can be resolved in the next general rate case. The case would set rates based on costs which do not include that portion of construction overhead belonging to Rule H work orders. The overhead rate for Rule H could include the 15%, effective on the same day as the new rates. This would shift costs from general rates to those requesting Rule H line extensions.

Staff does not support reducing the time period for receiving Vested Interest Refunds from five years to four years. Idaho Power reasoned that not enough refund requests are made in the fifth year to justify the administrative burden. Staff argues that more refunds will be made in the fifth year now that building activity has slowed and subdivisions are slower to fill. Staff does not object to Idaho Power's proposal that developers be eligible for Vested Interest Refunds inside subdivisions for additional line installations that were not part of the initial line installation.

Staff recommended that transformer costs inside subdivisions be refunded to the subdivider/developer as new homes connect for permanent service. Staff stated that making transformer costs subject to refund as individual lots are developed ensures that all residential customers receive equal allowances, but relieves the Company of the risk of bearing the cost of transformers should lots not be developed.

Staff agrees with Idaho Power's efforts to clarify existing Rule H language by addressing third party requests that affect utility facilities in public rights-of-way. Staff opined that cost shifting from developers to Idaho Power customers should be prevented whenever possible.

Idaho Power proposes to update several charges in Rule H including engineering charges, underground service attachment charges, overhead and underground temporary service attachment charges, and overhead and underground temporary service return trip charges. Staff reviewed the proposed updated charges and believes they are reasonable based on changes in labor rates, different installation procedures and changes in calculation methodology.

Finally, Staff supports Idaho Power's proposed definition, general provision and formatting changes. Staff, however, recommended the following revision to the Company's definition of "unusual conditions" in order to clarify the Company's current policy:

Unusual Conditions are construction conditions not normally encountered, but which *the Company may encounter during construction which impose additional, project-specific costs*. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip-sealing, rock digging/trenching, boring, non-standard facilities or construction practices, and other than available voltage requirements. *Costs associated with unusual conditions are separately stated and are subject to refund.*

Staff Comments at 13-14. Staff further recommended that Idaho Power include a provision in its Unusual Conditions Charge, Subsection 6.h, declaring that, should anticipated unusual conditions not be encountered, the Company will issue the appropriate refund within 30 days of completion of the project.

4. City of Nampa and Association of Canyon County Highway Districts. The City of Nampa (Nampa, "intervenors" collectively) and Association of Canyon County Highway Districts (ACCHD, "intervenors" collectively) asserted the same concerns regarding Idaho Power's Application. Nampa and ACCHD argue that the Commission lacks jurisdiction to authorize Idaho Power's proposed Section 10 of its Rule H Tariff. The intervenors contend that municipalities have *exclusive* authority to determine whether relocation of utility facilities is necessary.

The intervenors maintain that Idaho Power's proposed Section 10 language places the Commission in the position of determining whether a project requiring utility relocation conveys a general public benefit, a third party benefit, or a shared benefit. In addition, Nampa and ACCHD argue that the definition of "third party beneficiary" is problematic and potentially overly broad. The intervenors suggest that the proposed definition be amended by deleting any reference to public entities or political subdivisions. Nampa and ACCHD further assert that including local improvement districts within the definition of third party beneficiary contravenes the exclusive authority of the municipality to require relocation of utilities to avoid incommoding the public use.

Nampa and ACCHD ultimately request that the Commission delete the entirety of Section 10 and any other parts of the proposed Rule H that attempt to regulate the relocation of utilities on municipal land.

5. Building Contractors Association. The Building Contractors Association (BCA) asserts that Idaho Power's approach in this Application is inconsistent with existing Commission policy established by Idaho Power's last Rule H tariff revision in 1995. According to BCA, the Commission at that time held that new customers were entitled to have the Company provide a level of investment equal to that made to serve existing customers in the same class, and that it was appropriate that some portion of the cost of new distribution be recovered through rates. BCA also argues that Idaho Power's current position is inconsistent with the Commission's policy that rates should send a stronger price signal to customers encouraging the efficient use of energy. Case No. IPC-E-08-10.

BCA alleges that inflation, not growth, is the actual source of increased costs to extend new distribution plant. BCA further asserts that Idaho Power's proposal would shield its existing customers from paying for the actual value of the service that they receive. According to BCA, the requested modifications are likely to stimulate/increase electricity demand because of the incorrect market signal that a subsidy would send.

BCA maintains that to shift the cost of providing service from Idaho Power and/or one class of customers to another will have adverse and unintended consequences to all homeowners that could exceed whatever arguable benefit they might receive from paying electric rates set below the cost of service. BCA urges the Commission to deny Idaho Power's Application, increase the terminal facilities allowances under its current tariff, provide for periodic true-ups of these allowances, and increase the vested interest period from five years to ten years.

6. Idaho Power's Response. Idaho Power insists that, by providing allowances equal to the "standard" and most common services installed, the Company can help ensure that the additional costs associated with larger "non-standard" services are recovered from those customers requesting the services rather than spreading those additional costs to all ratepayers. The Company emphasizes that the quantification of standard terminal facilities costs would be updated annually.

Idaho Power expressed concern that Staff's recommendation for allowances might cause allowances to be inflated by lack of equipment sizing equivalents. Also, the Company pointed out that Staff did not address allowances for Schedule 1, Non-Residential and Multiple Occupancy. The Company opposes what it interprets as a recommendation by BCA that all terminal facilities (overhead and underground) be provided and included in rate base.

Idaho Power disagrees with Staff's assertion that adjusting general overheads in the Company's current Application would amount to double counting. Idaho Power explains that because overhead costs do not become additions to electric plant in service until the work order they have been applied to is completed, any future overhead costs would not be included in electric plant in service, and therefore in rates, until the next general rate case.

Although Idaho Power's initial Application requested reducing the vested interest period from five years to four years, the Company does not oppose Staff's recommendation to retain a five-year vested interest period. The Company does, however, oppose BCA's recommendation to extend the vested interest period to ten years.

Idaho Power stands by its proposal to discontinue subdivision lot refunds in an effort to shift a greater portion of the cost for facilities installed inside subdivisions from the general rate base to those customers requesting new facilities. However, the Company is not opposed to Staff's recommendation that transformer costs inside subdivisions be refunded to the subdivider/developer as new homes connect for permanent service.

Idaho Power points out that BCA's method for developing its lot refund recommendation is flawed because the calculation erroneously includes the cost of distribution substations, terminal facilities and meters. Idaho Power also disputes BCA's assertion that updated Rule H charges and credits will have a direct impact on housing prices. The Company argues that the market sets housing prices – not home builders, suppliers, utilities or developers – and that builders and developers have the opportunity to adjust their construction practices to meet current demand.

Idaho Power states that its Rule H and predecessor rules have, for at least 30 years, required that parties who request the relocation of Company utility facilities be obligated to pay for the costs of the relocations. Idaho Power asserts that Ada County Highway District and intervenors City of Nampa and ACCHD misunderstand: (1) what the Company is requesting; (2) the scope of the Commission's authority to regulate utility rates and operations; and (3) how the



Commission's jurisdiction encompasses the allocation of costs arising out of relocation of utility facilities, including relocation in public road rights-of-way.

Idaho Power agrees that the aforementioned agencies have sole and complete jurisdiction to determine when relocation is required to avoid incommoding the public. However, Idaho Power contends that, in regard to allocating the costs of utility facility relocations to determine utility rates and charges, the Commission has exclusive jurisdiction. Idaho Power asserts that its proposed Section 10 of Rule H allows the Commission to exercise its jurisdiction concurrently with the other agencies in a way that does not contravene the important roles that the agencies play in constructing, operating, and maintaining the streets and highways within their jurisdictions. The Company agrees to clarify the definition of "local improvement district" within Section 10 of its proposed Rule H changes.

Finally, Idaho Power does not oppose Staff's recommendation to modify the definition of "unusual conditions," but suggests that the final sentence read, "Costs associated with unusual conditions are separately stated and are subject to refund if not encountered." The Company further proposed that if unusual conditions are not encountered, the Company issue the appropriate refund within 90 days of completion of the project due to contract constraints with subcontractors that would make a 30-day refund unworkable.

7. BCA's Response. BCA filed response comments disputing Staff's analysis and recommendations regarding its position on investment in distribution facilities. BCA maintains that Staff's analysis essentially concurs with BCA's position that the increased costs of distribution facilities are attributable to inflation, yet Staff supports a line extension tariff that disproportionately allocates the additional cost of facilities to new customers simply because they are new customers. BCA argues that Staff's position is inherently discriminatory and inconsistent with longstanding Commission policy.

## **DISCUSSION AND FINDINGS**

Idaho Power is a public utility pursuant to *Idaho Code* §§ 61-119 and 61-129. The Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code. Idaho Power last filed for major changes to its Rule H tariff in 1995. The Commission appreciates the considerable efforts expended by the intervenors and commenters to this case.

1. Allowances. The capital cost of installing new generation and transmission plant has always generally been recovered through rates paid by all customers. Indeed, fees cannot be

charged for new plant that cannot be attributed specifically to serving new customers.<sup>5</sup> However, in the case of distribution plant it is possible to associate specific facilities with specific customers who use them. As a result, the costs of new distribution plant have, throughout most of Idaho Power's history, been recovered in two ways – partially through up-front capital contributions from new customers, and partially through electric rates charged to all customers. The portion collected through electric rates represents the investment in new facilities made by Idaho Power. It is often referred to as an installation or construction "allowance."

Idaho Power, Staff and the BCA hold differing views as to what is causing the upward pressure on rates and whether the increasing costs should be borne by all customers through a rate increase or by new customers through higher line extension charges. The Commission recognizes that multiple forces put upward pressure on utility rates. In this case, we are addressing one of them.

The Commission finds that Idaho Power's proposed fixed allowances of \$1,780 for single-phase service and \$3,803 for three-phase service represent a fair, just and reasonable allocation of line extension costs. These allowances are larger than existing allowances. Therefore, the Commission approves allowances for overhead and underground line installations and overhead service attachments as follows:

<u>Class of Service</u>	<u>Maximum Allowance per Service</u>
Residential:	
Schedules 1, 4, 5	\$1,780
Non-residence	Cost of new meter only
Non-residential:	
Schedules 7, 9, 24	
Single-Phase	\$1,780
Three-Phase	\$3,803
Large Power Service	
Schedule 19	Case-by-case

Developers of subdivisions and multiple occupancy projects will receive a \$1,780 allowance for each single-phase transformer installed within a development and a \$3,803 allowance for each three-phase transformer installed within a development.

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<sup>5</sup> *Idaho State Homebuilders v. Washington Water Power*, 107 Idaho 415, 690 P.2d 350 (1984); *Building Contractors Association v. IPUC and Boise Water Corp.*, 128 Idaho 534, 916 P.2d 1259 (1996).

By updating line installation charges and increasing the allowances, the appropriate amount of contribution will be provided by new customers requesting these services. These changes relieve one area of upward pressure on rates. Moreover, the Company's proposal is impartial to customer class, minimizes subsidization of terminal facilities costs, and carries the added benefit of administrative simplicity. Idaho Power shall make an annual filing, no later than January 1 of each year, updating allowance amounts for single- and three-phase service to reflect current costs for "standard" terminal facilities.

2. General Overheads. The Commission finds that customers requesting Rule H line extensions should bear the overhead costs of those extensions. However, we find that the appropriate calculations and adjustments are best made during the Company's next general rate case to ensure that rates are set based on costs that do not include that portion of construction overhead belonging to Rule H work orders. Until then, we find that continuing the general overhead rate of 1.5% is fair, just and reasonable.

3. Vested Interest Refund Period. Idaho Power proposes to reduce the time limitation to receive Vested Interest Refunds from five to four years to reduce the administrative burden that accompanies such refunds. The Company noted that less than 2% of customers eligible for Vested Interest Refunds receive them in the fifth year.

If few refunds are actually requested in the fifth year, then the administrative burden should not be that great. In addition, as stated by Staff in its comments, it is reasonable to assume that more refunds may be made in the fifth year now that building activity has slowed from the rapid pace of the past several years and subdivisions are slower to fill. BCA's request to extend the refund period to ten years is not supported by documentation or cogent argument. Therefore, the Commission finds that maintaining a five-year timeframe for Vested Interest Refunds is fair, just and reasonable. In addition, and as requested by Idaho Power, we find it reasonable to include subdividers as eligible for Vested Interest Refunds for additional line installations inside subdivisions that were not part of the initial line installation.

4. Lot Refunds. Idaho Power seeks to discontinue subdivision lot refunds in an effort to reduce the growth of rate base that results from the refunds. Based on its calculations, BCA argues that lot refunds should be increased from \$800 to \$1,000 per lot.

Under the Rule H approved in 1995, lot refunds reimbursed a portion of the line extension costs that developers were required to advance to Idaho Power prior to construction.

The refunds were given as customers began taking permanent service. Developer line extension costs inside subdivisions do not include costs of distribution substations, drop wires or meters.

The BCA proposal to increase lot refunds to \$1,000 rests on incorrect calculations that include costs that are not part of developer line extension costs. Therefore, the Commission rejects that proposal. The Commission finds that the overall distribution allowance provided to developers, whether in the form of a subsequent refund or an upfront reduction in developer contribution (*i.e.*, allowance), is properly based on the amount of distribution investment that can be supported by new customer rates. The Company has reasonably calculated that amount in its upfront, per lot distribution allowance. Any additional distribution cost refund to the developer would exceed the distribution investment that new customer rates could support. Therefore, the Commission finds it fair, just and reasonable to accept the Company's per lot distribution allowance and eliminate lot refunds.

BCA further argues that eliminating the lot refund will have a direct impact on housing prices, thereby pricing potential homeowners out of the market. The Commission is aware that this change in Rule H may impact the cost of a home. However, given the number of costs for building a new home and the relative size of this potential impact, we cannot draw any conclusions as to the significance of any impact on the ultimate price.

5. Section 10 - Highway Relocations. Generally, parties requesting the relocation of utility facilities are obligated to pay for the costs of the relocation. However, the State and its political subdivisions can require the relocation of utility facilities located within the public right-of-way pursuant to their police power. Utilities may use public rights-of-way so long as their facilities do not incommode the public use of such roads, highways, and streets. *Idaho Code* § 62-701; *State v. Idaho Power Co.*, 81 Idaho 487, 346 P.2d 596 (1959).

Ada County Highway District, the City of Nampa, and the ACCHD argue that Idaho Power's proposed Section 10 of its Rule H revisions is an improper usurpation of the aforementioned agencies' authority and beyond the jurisdiction of this Commission. We find that Section 10 does not explicitly or implicitly usurp the public road agencies' authority to manage and control their rights-of-way.

Section 10 does not impede a public road agency's right to require Idaho Power to relocate facilities in the public right-of-way, at no cost to the public road agency, where the facilities incommode the public use. Section 10 simply creates a mechanism for determining

who is responsible for the costs of the relocation. Contrary to the arguments of the aforementioned agencies, the Idaho Constitution and existing case law are not violated because Section 10 in no way grants Idaho Power or this Commission authority to impose such costs on a public road agency. Section 10 addresses whether Idaho Power customers or a third party should pay for the relocation of utility facilities.<sup>6</sup> Just as the Commission cannot compel the highway agency to pay for the relocation of utility facilities in the public right-of-way made at the agency's request, the agency cannot restrict the Commission from establishing reasonable charges for utility services and practices. *Idaho Code* §§ 61-502 and -503.

Idaho Power proposed Section 10 of its Rule H tariff to address the situation that arises when highway improvements and the concurrent requirement to relocate utility facilities is caused by development adjacent to streets and highways. We find that the Section 10 provisions will properly allocate the utility costs of relocation so that Idaho Power customers pay only the appropriate amount of the cost. We further find it persuasive that when a public road agency obtains contributions from a third party toward the cost of a highway improvement project it is a reasonable and appropriate indication of cost responsibility for ratemaking purposes. Moreover, utilizing the public road agency's formula for the allocation of costs maintains consistency between agencies.

Therefore, we find the creation and inclusion of Section 10 to be fair, just and reasonable. As agreed to in its reply comments, we direct Idaho Power to clarify its use of the phrase "local improvement district" as it is used in Section 10.

6. Miscellaneous Costs. We find the proposed updates to Idaho Power's miscellaneous costs such as engineering charges; underground service attachment charges; overhead and underground temporary service attachment charges; and underground temporary service return trip charges are fair, just and reasonable. These updates are based on changes in labor rates, different installation procedures, and changes in calculation methodology.

7. Formatting and Definitions. We find Idaho Power's proposed changes to its definitions, general provisions and formatting of Rule H to be reasonable. We direct Idaho Power to modify its proposed definition of "unusual conditions" to include not only the recommendation of Staff but also the clarification of "if not encountered" provided by the

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<sup>6</sup> We understand that some highway projects include funding to defray the costs of relocating utility facilities.

Company in its reply comments. We further direct the Company to include language addressing a 90-day refund period if unusual conditions are not encountered.

### ORDER

IT IS HEREBY ORDERED that Idaho Power's Application for authority to modify its Rule H tariff related to new service attachments and distribution line installations and alterations is approved with modifications as enumerated above.

IT IS FURTHER ORDERED that Idaho Power shall file revised tariffs consistent with the Order.

IT IS FURTHER ORDERED that Idaho Power shall submit to the Commission, no later than January 1 of each year, updated allowance amounts for single- and three-phase service to reflect current costs for "standard" terminal facilities.

IT IS FURTHER ORDERED that the charges and credits authorized by this Order shall become effective for services rendered on or after November 1, 2009.

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.

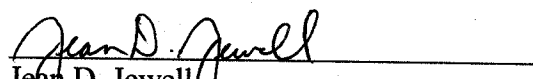
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *1<sup>st</sup>* day of July 2009.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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