DECISION MEMORANDUM

TO:COMMISSIONER NELSON

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COMMISSIONER HANSEN

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GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:MAY 11, 1995

RE:CASE NO. IPC-E-95-3

ALTERNATE DISTRIBUTION FEED AND RELATED SURCHARGE—

DEER POINT

On April 21, 1995 Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission).  The Company relates that it presently provides electrical service to 24 customers that primarily operate public and private radio and television transmitter sites at the top of a mountain ridge near the Bogus Basin Ski Resort commonly referred to as the Deer Point site.  Because of the remote location, the Company reports that electric service to the site has on occasion has been interrupted and a majority of the affected customers have requested a more reliable power supply source to the Deer Point site.  Idaho Power states that it can provide more reliable service by installing a second underground distribution line, as well as a new transfer switch and underground primary cable to loop feed the customers beyond the new switch.  Currently, the customers are served by a single distribution line and multiple radial feeds.  The new switch would be physically located closer to customer loads.  Additionally, Idaho Power would interconnect the new transfer switch with the Boise Dispatch Center, which would allow the Company’s dispatchers to monitor the switching activity.

Total cost of the project, the Company estimates, will be $93,211.  Assuming that all Deer Point customers will be required by the Commission to contribute to the construction costs the Company and the affected customer group have agreed (although apparently not unanimously) that the customers’ share should be $42,784.  Each customer’s share was calculated using a ratio of the average of the three highest billing demands over a 13-month period for each account to the sum of averages for all accounts.

The Company reports that some customers may refuse to make a contribution.  Others may desire to pay their contribution over time.  For customers not paying their full allocable share of the cost or the upgrade up front, Idaho Power proposes a monthly charge equal to 1/24th of their allocated cost plus interest (presently 12% per annum as provided in IPCo’s Schedule 66 § 4) on outstanding balances.  The Company proposes to follow its standard collection procedures including disconnection for non-payment.  In the event of a transfer of ownership prior to full payment, the Company proposes that the obligation be transferred to succeeding customers.  New customers requesting service at Deer Point within two years from date of upgrade completion will be required to contribute an allocable share based on connected load and all existing customers will be credited when the payment is received by the Company.

Idaho Power requests that the Commission approve the Company’s line extension proposal for service to Deer Point and approve the alternate distribution surcharge for service to Deer Point.

Commission Decision:

The Commission Staff recommends that the Company’s Application be processed initially under Modified Procedure.  Is this acceptable?  If not, how does the Commission wish to process the Company’s Application?

Scott Woodbury

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