

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF PACIFICORP'S</b>	)	
<b>APPLICATION TO ADD CLARIFYING</b>	)	<b>CASE NO. PAC-E-04-4</b>
<b>LANGUAGE TO ITS ELECTRIC SERVICE</b>	)	
<b>REGULATION NO. 12 LINE EXTENSION RULE)</b>	)	
<b>AS PERTAINS TO APPLICANT-BUILT LINE</b>	)	<b>ORDER NO. 29599</b>
<b>EXTENSIONS</b>	)	
	)	

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On July 16, 2004, PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission requesting changes to its Electric Service Regulation No. 12 – Line Extension Rule. The stated purpose of the Company’s filing is to add clarifying language to Regulation 12 regarding the availability of the “Applicant-Built Line” option and payment responsibility for engineering charges for “large, complex or speculative” developments.

On July 30, 2004, the Commission issued a Notice of Application and Modified Procedure in this matter. The Notice invited written comments by August 27, 2004. The Commission Staff was the only party to file comments. Based upon our review of the Application and comments, the Commission approves the proposed changes.

**THE APPLICATION**

The proposed revision to Regulation 12 Section 5(a)1, Applicant-Built Line Extensions, adds language to explicitly state that the applicant-built option only applies to new construction and is not available for “relocations, conversions from overhead to underground, going from single-phase to three-phase or increasing the capacity of facilities.” PacifiCorp contends that the proposed clarification reflects the Company’s long-standing practice. In conjunction with the foregoing change, the Company is also proposing to add clarifying language to the definition of an “Extension” as set forth in Regulation 12 Section 1(d), excluding circumstances where a line has been removed, at customer request, within the prior five years. Finally, the Company proposes a change to Regulation 12 Section 1(c), Engineering Costs, clarifying that “large, complex or speculative” extensions are to be defined from the sole perspective (or judgment) of the Company. The purpose of this last change is to avoid disputes between the Company and the customer as to whether a development is “large, complex or speculative.”

## STAFF COMMENTS

Staff recommends that PacifiCorp's proposed changes to electric service Regulation No. 12 be approved as filed. Staff's Comments can be summarized as follows:

### *Availability of the Applicant-Built Line Option*

The purpose of the Company-proposed changes to Rule 12 § 5(a)1 and Rule 12 § 1(d), Staff contends, is to more clearly distinguish rules as they apply to new line extensions as opposed to relocations or alterations of existing lines. Staff believes that the proposed changes accurately reflect the manner in which PacifiCorp has interpreted and applied the rules in the past. Staff also believes the Company's interpretation of the rules is reasonable and that the proposed language changes make this interpretation clear.

As set forth in Staff comments, Staff notes as follows:

In response to a Staff production request asking why PacifiCorp restricts the applicant built line extension option to only new line extensions, the Company cites safety and liability concerns. PacifiCorp points out that working within proximity of energized power lines is a clear safety risk. The Company contends that hand digging is required within 2 feet of an insulated buried line, and that Idaho's overhead line safety act limits contractors from working within 10 feet of a standard distribution line. PacifiCorp admits that not all relocations require such work, but notes that many do. The Company believes that the safety risk and potential for liability resulting from electrical contact that could occur by qualified or non-qualified individuals who are working under the direction of an applicant is higher for relocations and alterations simply by virtue of the fact that more of that work would be in closer proximity to energized facilities than is the case with construction of new line extensions.

PacifiCorp also cites the potential for claims against the Company due to failure to provide service to other customers on the line during construction. At a minimum, in addition to connecting the new line to the grid, relocations or alterations have the additional requirement of de-energizing the old line, switching load and removing the old line. This additional work requires additional coordination and greater exposure to problems according to the Company.

Staff believes that PacifiCorp's long standing practice of restricting the applicant built option to only new line extensions is based on sound reasoning. Staff contends that safety should be kept paramount and understands the liability concerns of the Company.

***Responsibility for Engineering Charges—“Large, Complex or Speculative” Development***

PacifiCorp has informed Staff that on occasion, customers have disputed payment of engineering charges for proposed developments that are “large, complex or speculative.” PacifiCorp’s rules do not require that engineering charges be advanced when developments are not judged to be large, complex or speculative. The dispute generally boils down to differences of opinion between the customer and the Company as to whether the proposed development is, in fact, “large, complex or speculative.” The proposed tariff change to Regulation 12 § 1(c) will permit the Company to use its own judgment in deciding whether the “large, complex or speculative” standard is met.

Staff believes it would be very difficult to define in the tariff precisely what constitutes “large, complex or speculative.” Furthermore, Staff believes a precise definition is unnecessary. Each line extension is unique, and the possible circumstances associated with each one would make it nearly impossible to develop tariff language where virtually no judgment needed to be exercised. Staff believes this is one instance wherein the Company should be allowed to exercise its judgment. Staff believes the language proposed by the Company is acceptable.

**COMMISSION FINDINGS**

The Commission has reviewed the Application and the recommendations of Commission Staff. The Commission continues to find it reasonable to process the Company’s filing pursuant to Modified Procedure, IDAPA 31.01.01.204. In its filing PacifiCorp proposes to add clarifying language to its Regulation No. 12 – Line Extension Rule pertaining to Applicant-built line extensions and payment responsibility for engineering charges for “large, complex or speculative” developments. Based upon our review of the proposed changes and the comments, the Commission finds that the proposed changes to Regulation No. 12 Sections 1(c), 1(d) and 5(a)(1) are reasonable. The addition of clarifying language avoids utility-customer disputes and conforms the tariffs to existing line extension practice. The Commission further finds the proposed changes shall be effective 30 days after the Application was filed, or August 16, 2004.

**CONCLUSIONS OF LAW**

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Utah Power & Light Company, an electric utility, pursuant to the authority granted by Idaho Code Title 61 and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

**ORDER**

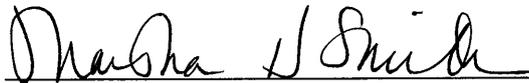
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve the proposed changes to PacifiCorp Service Regulation No. 12, Section 5(a)1 (Fourth Revised Sheet No. 12 R.9), Applicant-Built Line Extensions, Section 1(d) (Fifth Revised Sheet No. 12 R.2) Extension and Section 1(c) Engineering Costs (Fifth Revised Sheet No. 12 R.1) for an effective date of August 16, 2004.

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 28<sup>th</sup> day of September 2004.



PAUL KJELLANDER, PRESIDENT

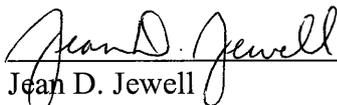


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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