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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) ROCKY MOUNTAIN POWER FOR REVISIONS) TO STREET LIGHTING SERVICES.)

CASE NO. PAC-E-07-6

COMMENTS OF THE COMMISSION STAFF

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donovan E. Walker, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 30309 on April 25, 2007, respectfully submits the following comments.

THE COMPANY'S APPLICATION

On April 17, 2007, Rocky Mountain Power filed an Application for authority to revise its Electric Service Schedule No. 11 (Company-Owned Overhead System), Schedule No. 12 (Customer-Owned System), and Electric Service Regulation No. 12 (Line Extensions), regarding revisions to the Company's street lighting schedules.

The Company states the purpose of this Application is to revise its street lighting schedules to clarify applicability, include expanded lighting options such as metal halide and decorative lighting, to close non-standard lights to new service, and to add or rewrite service provisions clarifying Company and customer obligations surrounding the installation, conversion, and maintenance of facilities. As stated in the Application, the proposed changes are responsive to customer inquiries regarding expanded street lighting offerings.

The Application states that the Company has shared its proposals with representatives of multiple cities within its service territory and has worked with Commission Staff to develop this Application. The Company has sent a letter detailing its proposal to all customers receiving service under Schedules 11 and 12. The Company serves approximately 19 customers with 188 lights under Schedule 11, and 51 customers totaling 3,574 lights under Schedule 12. Of the 3,574 customer-owned lights, 3,406 receive full company maintenance and another 160 receive partial maintenance.

The specific changes to Schedule 11 include: (a) metal halide and decorative fixture options are added; (b) non-standard light sizes are closed to new service, existing fixtures will continue to be maintained; (c) service to pole-mounted outlets is to be provided under a metered general service rate; (d) contract term requirement is extended from three to five years; and (e) the schedule name is changed to Street Lighting Service – Company-Owned System.

The specific changes to Schedule 12 include: (a) standard lights are listed in the tariff with monthly lamp rates, a per kilowatt hour rate is available for non-listed, energy-only luminaries; (b) monthly maintenance will no longer be offered for new consumer-owned lights; however, the Company will continue to perform maintenance under existing service agreements; (c) installation, maintenance, transferring, or removal of lights must be performed by qualified personnel or, if qualified personnel are not available, by the Company at the consumer's expense; (d) service to pole-mounted outlets is to be provided under a metered general service rate; (e) references to light sizes in the "no new service" section are removed where there are no longer any active agreements; (f) references to low pressure sodium vapor 8,000, 13,500, and 22,500 lumens are removed from energy only; and (g) traffic and other signal system service is removed and is instead referenced to metered general service, the title of Schedule 12 is changed to Street Lighting Service – Consumer-Owned System.

The Company also proposes to add language to the existing Rule 12 for line extensions, specifying a street lighting line extension allowance equal to five years of revenue, based on the applicable rates for the lights to be added under Company-owned street lighting service. The

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allowance will be applied toward the cost of installing the required facilities and connecting to the Company's system. The consumer must advance any costs exceeding this allowance.

STAFF ANALYSIS

Staff worked with the Company in the development of this proposal and believes it represents a reasonable response to changing market conditions, and is structured in a manner that will protect existing customers. The new products were proposed by the Company in response to requests from customers. The Company provided an analysis that indicated the prices for the new products were established using the same general procedures as those for the existing products, and should provide the Company a comparable return.

The products being closed to new service are more expensive to buy and operate than other sizes, and therefore are facing a declining market share. The Company claimed it could no longer justify maintaining an inventory of these products, based upon market conditions. The Company's initial concept was to completely eliminate these products from the lighting options for which the Company provides lease and/or maintenance services. This would have forced existing customers to take over maintenance of their existing fixtures. After discussions with Staff, the proposal was modified to limit service to existing customers. This provided the Company with most of the reduction in inventory requirements they desired, and protected existing customers by providing a gradual and manageable transition to the more efficient fixtures.

Although relatively limited, there are circumstances where the eliminated products are the most appropriate fixture for the application. Staff finds that retaining these fixtures in the products for which the Company provides energy, but not maintenance, is sufficient to meet these applications.

The line extension provisions provide clarity and consistency in how the Company addresses the costs of line extensions required for street lighting purposes. It is consistent with the Company's general line extension policies, but tailored specifically to street lighting applications. Staff believes this will reduce customer confusion over when charges will be imposed and result in more consistency in the application of line extension charges to street lighting customers.

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STAFF RECOMMENDATION

Staff recommends approval of Rocky Mountain Power's Application to revise its street lighting schedules, Schedule 11 and Schedule 12.

Respectfully submitted this Ueth

day of May 2007.

m E. Wall

Donovan E. Walker Deputy Attorney General

Technical Staff: Wayne Hart

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16TH DAY OF MAY 2007, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-07-6, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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