

## DECISION MEMORANDUM

**TO:** COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** KRISTINE SASSER  
DEPUTY ATTORNEY GENERAL

**DATE:** OCTOBER 17, 2008

**SUBJECT:** APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY  
TO REVISE ITS EXISTING RULE 12 LINE EXTENSION TARIFFS,  
CASE NO. PAC-E-08-06

On October 10, 2008, PacifiCorp dba Rocky Mountain Power filed an Application with the Commission seeking authority to revise its Rule 12, Line Extension tariffs. More specifically, the Company requests changes to tariff Sheet Nos. 12R.2, 12R.4, 12R.5, 12R.6, 12R.7, 12R.8, 12R.12, and 12R.13. The Company requests that the Application be processed by Modified Procedure.

### THE APPLICATION

The Company asserts that several of its proposed changes are housekeeping measures and meant to provide clarification of the existing tariffs. More substantive changes are being proposed for tariff Sheet Nos. 12R.4 through 12R.8.

Tariff Sheet Nos. 12R.4 and 12R.5 address residential line extensions. The proposed changes are regarding refunds to customers if/when additional customers connect to an initial line extension. Under the existing terms, the first additional customer must pay 80% of the initial customer's advance, with the obligation reducing to 60%, 40% and 20% for the next three additional customers, with each refund going to the most recent previous customer. Alternatively, a customer can currently avoid refunding any amount to the initial line extender by waiting for the five-year refund period to expire. The proposed changes would allow each of the first four additional customers to pay 20% each, resulting in less initial cost and risk for them. The Company believes this proposed methodology will increase the probability that additional

customers will pay to connect rather than wait for the refund period to expire, thereby increasing the probability of refunds to the initial customer.

Tariff Sheet Nos. 12R.6 and 12R.7 are regarding non-residential line extensions. The Company proposes a change in Sheet No. 12R.6 to provide explicit language regarding extension allowances for ease of interpretation. The clarification also mirrors the Company's existing practice. The proposed changes to Sheet No. 12R.7 are meant to clarify the current engineering practice of requiring a customer to extend the line extension through their property to the edge of the property. The Company asserts that this change would eliminate future disruptions of existing businesses or existing developments when connecting an additional service for a new customer.

The proposed changes to tariff Sheet No. 12R.8 address line extensions for non-residential and residential planned developments. The proposed language specifies the refund provisions for planned developments that previously were incorporated by reference to the refund provisions for non-residential customers. It also makes explicit the option of a developer to waive refunds of less than 20% that would otherwise use up the developer's four potential refunds, in order to preserve the opportunity to accept refunds of 20% or more, during the five year refund period.

#### **STAFF RECOMMENDATION**

Staff has reviewed the Application and recommends that the case proceed by Modified Procedure. Although the Company initially requested a November 7, 2008, effective date, it has agreed to suspend the requested effective date to allow adequate time for comments. Staff recommends a 28-day comment period.

#### **COMMISSION DECISION**

1. Does the Commission find that the public interest may not require a hearing to consider the issues presented, and that this proceeding may be processed under Modified Procedure?
2. Does the Commission wish to set a 28-day comment period?

  
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Kristine A. Sasser  
Deputy Attorney General

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