

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**MARIAN MATHEWSON,**

**COMPLAINANT,**

**vs.**

**ROCKY MOUNTAIN POWER,**

**RESPONDENT.**

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**CASE NO. PAC-E-08-09**

**ORDER NO. 30753**

On November 13, 2008, the Commission issued a summons to Rocky Mountain Power (Rocky Mountain, Company) in response to a formal complaint filed by Marian Mathewson against the Company for its policies regarding monthly facilities charges for remote customers. On December 3, 2008, Rocky Mountain filed its answer. The Company requested dismissal of the complaint for failure to state a claim.

Commission Staff filed comments on January 23, 2009, confirming that the Company's estimate for Ms. Mathewson was consistent with its approved tariffs. As a result, Staff recommended that the Commission dismiss Ms. Mathewson's complaint. A workshop was convened on February 25, 2009, in order to gain insight into the Company's reasoning for a monthly facilities charge. For reasons set out in greater detail below, the Commission grants Rocky Mountain's Motion to Dismiss.

**MS. MATHEWSON'S COMPLAINT**

Ms. Mathewson's home is approximately eight-tenths of a mile from Rocky Mountain's nearest distribution line. After contacting the Company to inquire about the cost of obtaining electric service, Ms. Mathewson was provided with an estimate of \$19,867 for the Company to install a buried line extension approximately one mile in length. Ms. Mathewson was also informed that, in addition to her monthly electric usage, she would be assessed a "monthly facilities charge" of approximately \$180.<sup>1</sup>

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<sup>1</sup> In order to account for revenue, 20% of the remote customer's monthly usage charge is credited against the monthly facilities charge. As a result, Ms. Mathewson's monthly facilities charge would have amounted to something slightly less than \$180.

Ms. Mathewson does not object to paying the costs associated with constructing facilities to serve her remote location nor does she object to paying for her monthly energy consumption. She does, however, take exception to the imposition of a monthly facilities charge billed on top of her monthly energy usage. She points out that other public utilities do not assess a similar charge. Ms. Mathewson contends that the monthly facilities charge is unfair and punitive to remote customers.

### **ROCKY MOUNTAIN POWER'S RESPONSE**

Rocky Mountain filed an answer to Ms. Mathewson's formal complaint on December 3, 2008. The Company explained that the costs and charges quoted to Ms. Mathewson are consistent with its approved tariffs regarding billing for customers more than one-half mile from the Company's existing distribution facilities. The Company clarified that the monthly facilities charge "is an annualized charge on the life costs of an extension that covers taxes and replacement as well as maintenance." Answer, p. 2.

In case the revenue didn't cover the ongoing costs associated with that line, we would have this facilities charge that would pick up the deficit, so the whole point was to make it revenue neutral so that there would be neither an upward pressure on the rates, but at the same time be an allowance for the revenue that the customer brought on, so that was the intent behind the design.

Workshop Tr. p. 3. The Company further explained that, should an additional customer be placed on Ms. Mathewson's line, the monthly facilities charge would be removed.<sup>2</sup> Workshop Tr. p. 18. Because its quotes to Ms. Mathewson were consistent with approved tariffs, Rocky Mountain requested that the complaint be dismissed.

There are currently three Rocky Mountain residential customers in Idaho who pay a monthly facilities charge. Rocky Mountain expressed that it is willing and able to provide Ms. Mathewson with a line extension for electric service consistent with its approved tariffs upon her request.

### **DISCUSSION AND FINDINGS**

Pursuant to *Idaho Code* §§ 61-501 and 61-612 the Commission has jurisdiction to resolve the complaint brought against Rocky Mountain by Ms. Mathewson. The Commission finds that a hearing is not required to consider the issues presented in Ms. Mathewson's

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<sup>2</sup> The removal of a monthly facilities charge is a policy that the Company espouses, but it is not written into the language of the tariff.

complaint. Therefore, the Commission issues its decision based on the written record submitted, including the materials submitted prior to this matter becoming a formal complaint. *See* IDAPA 31.01.01.201.

The facts are not disputed. Ms. Mathewson requested an estimate from Rocky Mountain regarding the cost of a line extension to provide electricity to her home. Because Ms. Mathewson is more than one-half mile from the nearest distribution line, the Company informed her that, in addition to the costs associated with installing the line extension, her monthly electric bill would include a facilities charge. The imposition of a monthly facilities charge for customers who are more than one-half mile from the nearest distribution line is consistent with the Company's Commission-approved tariffs.

Ms. Mathewson asserts that the Company's monthly facilities charge is unfair and punitive. While the Commission understands Ms. Mathewson's frustration, after reviewing the tariff language and the Company's rationale we cannot find that Rocky Mountain's monthly facilities charge is patently unreasonable.

The facilities charge is meant to cover ongoing costs and future replacement of the line extension. Contrary to what Ms. Mathewson believes, the charge is meant to be revenue neutral, *i.e.*, the Company does not make additional revenue by assessing a monthly facilities charge. It is true that other Idaho utilities do not charge a similar fee to their remote residential customers. Instead, for other utilities the added costs associated with a remote customer are borne by the entire body of ratepayers. Rocky Mountain's decision to utilize a monthly facilities charge for a remotely located customer as opposed to imposing that cost on the company's ratepayers as a whole is reasonable and consistent with its approved tariffs. *Idaho Code* § 61-502.

While we find that the imposition of a monthly facilities charge is reasonable, a question regarding the Company's one-half mile distinction was raised during the February 25 workshop. A customer receiving service beyond 100 feet up to one-half mile must pay for installation of the line extension, but pays no monthly facilities charge. A customer receiving service in excess of one-half mile must pay for the installation of the line extension and a monthly facilities charge that is calculated, in part, based on the entire length of the line extension – not merely the length in excess of one-half mile. The question arises, then, whether it is more equitable to include in the facilities charge calculation only the length of the line

extension in excess of one-half mile. The Commission answers this question in the affirmative. Therefore, the Commission directs the Company to modify its tariff(s) to be consistent with a facilities charge calculation that incorporates only the line extension length that exceeds one-half mile.

Also, during the course of these proceedings it came to the Commission's attention that the Company's policy of removing a monthly facilities charge is not written into its tariff. We find the Company's policy of removing a monthly facilities charge once another customer builds on the distribution line to be reasonable. Therefore, we direct Rocky Mountain to include such language in the appropriate tariff.

The Company's actions were consistent with its Commission-approved tariff. Moreover, Ms. Mathewson's original quote has long since expired. An updated quote, should Ms. Mathewson still desire a line extension, would reflect a reduced monthly facilities charge based on the Commission's directive for the Company to modify its method of calculation. Therefore, the Commission grants Rocky Mountain's Motion to Dismiss.

### **ORDER**

IT IS HEREBY ORDERED that Rocky Mountain Power's Motion to Dismiss is granted. Consequently, Marian Mathewson's complaint against Rocky Mountain Power is denied.

IT IS FURTHER ORDERED that Rocky Mountain Power modify its tariff(s) to be consistent with a facilities charge calculation that incorporates only the line extension length that exceeds one-half mile as more fully explained above.

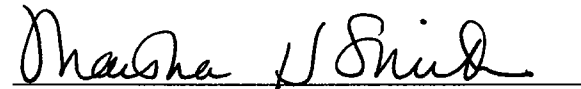
IT IS FURTHER ORDERED that Rocky Mountain Power include language in its tariff consistent with its policy of removing a facilities charge when an additional customer takes service from the previously remote customer's distribution line.


IT IS FURTHER ORDERED that Rocky Mountain Power file a conforming tariff incorporating these changes no later than thirty (30) days from the service date of this Order.

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 6<sup>th</sup>  
day of May 2009.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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