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Salt Lake City, Utah 84116

October 3, 2016

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

RECEIVED
2016 OCT -3 AM 10:07
IDAHO PUBLIC
UTILITIES COMMISSION

**Re: CASE NO. PAC-E-16-13
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
FOR AUTHORITY TO MODIFY ELECTRIC SERVICE REGULATION NO. 12
RELATED TO LINE EXTENSION ALLOWANCES**

Dear Ms. Jewell:

Please find enclosed an original and nine (9) copies of Rocky Mountain Power's Application in the above referenced matter, along with the direct testimony and exhibits of Mr. F. Robert Stewart. Exhibit No. 2 contains clean and legislative copies of Electric Service Schedule No. 300 and Electric Service Regulation No. 12 requesting February 28, 2017, as the effective date of the proposed changes. The enclosed CD contains the Application, direct testimony, and exhibits.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

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Rocky Mountain Power
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-16-13
OF ROCKY MOUNTAIN POWER FOR)	
AUTHORITY TO MODIFY ELECTRIC)	APPLICATION OF
SERVICE REGULATION NO. 12 RELATED)	ROCKY MOUNTAIN POWER
TO LINE EXTENSION ALLOWANCES)	

Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”) pursuant to Idaho Code §§ 61-502 and 61-507 and Rules of Procedure 052, 121 and 123, does hereby apply to the Idaho Public Utilities Commission (“Commission”) for authority to modify Electric Service Regulation No. 12 - Line Extensions and Electric Service Schedule No. 300 – Regulation Charges. The Company respectfully requests Commission approval of the proposed tariff changes to become effective February 28, 2017. In support of this Application, Rocky Mountain Power represents as follows:

BACKGROUND

1. Rocky Mountain Power provides retail electric service to approximately 76,500 customers in Idaho as a public utility pursuant to Idaho Code § 61-129 and is subject to the jurisdiction of the Commission.
2. The Company last filed an application for major changes to the line extension

tariff in 1996, Case No. UPL-E-96-04. The purpose of that application was to move from transformer, meter and service plus 300 feet of primary to transformer, meter and service (“TMS”). On February 6, 1997, Commission Order No. 26780 approved the modification to TMS.

3. Approximately eleven years later, Case No. PAC-E-08-06, was filed requesting modifications to the line extension refund process for residential customers. Order No. 30684 approved the modifications improving the likelihood of refunds for the initial customer by requiring each of the next four additional customers to pay 20 percent of the line extension costs and allowing the initial customer the opportunity to waive refunds if it anticipated additional customers could provide a larger refund. These payments are refunded to the initial customer, reducing the cost and risk for those customers and increasing the probability that additional customers will pay to connect rather than wait for five years for the refund period to elapse, which increased the probability of a refund to the initial customer.

RELIEF

4. This Application seeks authorization to change residential allowances from TMS to \$1,550 which is revenue neutral based on the cost of service study from the Company’s last Idaho general rate case¹. The allowance for residential developers would be changed from providing the transformer to an allowance of \$1,000 per lot. Non-residential allowances are currently \$90 per kilowatt. The Company requests authority to change that allowance from a dollar per kilowatt to a percent of estimated annual revenue approach. Current rates support an estimated annual revenue of nine times the estimated monthly

¹ Case No. PAC-E-11-07.

revenue for non-residential customers. This is an increase from the existing allowance for all customers except those with an average annual load factor of 15 percent or less. For example, the allowance for a customer with a 40 percent load factor would be approximately two and one-half times the current \$90 per kilowatt.

5. This Application also requests approval of modification to Electric Service Schedule No. 300 – Regulation Charges. The Company proposed updates the distribution facilities charges, added new transmission facilities charges, and removed the references for residential and nonresidential extension allowances. These references were removed primarily because the extension advance is not a set amount, it varies based on the circumstances of each extension so an actual charge cannot be listed. As a result the current listing of the extension advances in Schedule 300 are incomplete definitions, rather than a charge.

6. The testimony and exhibits of Company witness Mr. F. Robert Stewart are provided in support of this Application. Mr. Stewart's testimony explains the proposed changes to the Company's line extension policy contained in Regulation 12, Line Extensions, and Electric Service Schedule No. 300, Regulation Charges. The proposed changes to the residential line extension allowance would move from Transformer, Meter, and Service ("TMS") to a fixed price per service, and are designed to be revenue neutral. The proposed changes to the non-residential line extension allowance will move from \$90/kW to a multiple of revenue allowance, and is also designed to be revenue neutral.

7. Mr. Stewart sponsors four Exhibits with his testimony: Exhibit No. 1 is a table referencing each change to the schedules along with an explanation of the changes. Exhibit No. 2 contains the clean and legislative copies of the tariff sheets with the proposed

modifications. Exhibit No. 3 is a summary of the calculation of the Facilities Charges and Exhibit No. 4 summarizes the calculation of the proposed line extension allowances.

COMMUNICATIONS

8. Communications regarding this Application should be addressed to:

Ted Weston
Daniel E. Solander
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
Telephone: (801) 220-2963
Fax: (801) 220-4648
Email: ted.weston@pacificorp.com
daniel.solander@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred)

datarequest@pacificorp.com

By regular mail

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

MODIFIED PROCEDURE

9. Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201 *et. seq.*

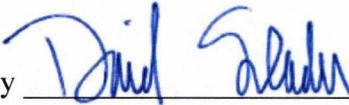
RELIEF

For the reasons set forth above and described in the testimony of Mr. Stewart, Rocky Mountain Power respectfully requests that the Commission approve this Application: (1) issuing an order authorizing that this matter be processed by Modified Procedure; and (2)

approve the proposed modifications to Electric Service Regulation No. 12 and No. 300 as filed effective February 28, 2017.

DATED this 3rd day of October, 2016

Respectfully submitted,

By  _____

Daniel E. Solander
Attorney for Rocky Mountain Power