DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

RICK STERLING

BEV BARKER

GARY RICHARDSON

WORKING FILE

FROM:SUSAN HAMLIN

DATE:SEPTEMBER 11, 1996

RE:UTAH POWER & LIGHT COMPANY’S APPLICATION FOR APPROVAL FOR MODIFICATIONS TO ITS LINE EXTENSION TARIFF—SCHEDULING

On August 16, 1996, Utah Power & Light Company (Utah Power), a division of PacifiCorp, filed an Application for approval of Modification to its Tariff No. 28, Rules 2 and 12 and Schedule 300, providing for charges for the construction of distribution line installation or operations, commonly referred to as the line extension policy.  Utah Power proposes to shift the cost of new service and distribution line installations or alterations from the system revenue requirement to the new customer requesting the connection.  The Company claims that the current policy provides for allowances that are not economically justified and that it provides subsidies to some customers at the expense of others.

There are two primary changes being proposed to Utah Power’s line extension policy.  The first is a reduction in allowances provided by the Company.  The second change is implementing a contract tracking charge on a two-year trial basis.

On September 11, 1996, the Commission issued a Notice of Application and Order suspending the proposed effective date of September 16, 1996, for 30 days plus five months.  In that Notice and Order the Commission indicated that scheduling would be accomplished at a later time.

Staff believes that this matter is potentially of sufficient controversy that a hearing date should be established.  Staff further recommends that a public hearing be set in the area such as Rexburg.

Commission Decision

Does the Commission wish to set a hearing date for the beginning months of 1997?  Does the Commission wish to set public hearings in Rexburg around the same time?  Does the Commission have another suggestion?

Susan Hamlin

vld/M:UP&L.sh