(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE PETITION OF THE WASHINGTON WATER POWER COMPANY FOR A REQUESTED WAIVER OF ITS ELECTRIC LINE EXTENSION TARIFF SCHEDULE 51 DEVELOPER DEPOSIT REQUIREMENT. | ))))))))))) | CASE NO. WWP-E-98-5NOTICE OF APPLICATIONNOTICE OF MODIFIED PROCEDURENOTICE OF COMMENT/PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on April 10, 1998 The Washington Water Power Company (Water Power; Company) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting a waiver of its electric line extension tariff Schedule 51 developer deposit requirement for a proposed residential and commercial development (Montrose Project) in Post Falls, Idaho.  The Montrose Project will be developed in six phases and when complete will encompass 1,650 residential lots and approximately 100 acres of commercial/industrial property.  The developer Greenstone Corporation, estimates the construction and sale of 100 to 125 residential homes and development of three to five acres of commercial property each year.

Both Water Power and Kootenai Electric Cooperative (Kootenai Electric) have distribution facilities within a quarter-mile of the Montrose Project.  Water Power has 13 kV lines surrounding eighty percent of the proposed development and has several substations in the immediate area.  Kootenai Electric has one existing distribution line running along the north side of the development.  Greenstone purportedly has flexibility and discretion in where it will initiate development of the project and in so doing can select who will be the electric provider to the entire development.  Reference Electric Supplier Stabilization Act, IC § 61-332.

Water Power’s present electric line extension Tariff Schedule 51 requires developers to provide a deposit of $790 per lot, which is refundable to the developer for each customer/lot which is connected during the first five years after the extension is completed.  The developer must apply to the Company in order to receive a refund for each lot where service is connected.  As an alternative, Schedule 51 allows the developer to provide the Company with a letter of credit, performance bond or other credit instrument.

Greenstone views Water Power’s Schedule 51 deposit/credit requirements as onerous, and despite Water Power’s more favorable kilowatt-per-hour rate has stated that if Water Power cannot waive these requirements, it will choose Kootenai Electric (no deposit requirement) to provide electric service to the development.

Greenstone intends to make a decision on the electric service provider by June 1, 1998 and begin construction shortly thereafter.  To obtain the Montrose Project load, the Company in this case requests a one-time exemption to the Schedule 51 deposit/credit instrument requirement.  As the present Schedule 51 requirement is ultimately for the protection of the Company’s existing customers, Water Power states that it is willing to bear the financial risk associated with any potential under-recovery of the incremental revenue requirement necessary to serve the proposed project.  Should a similar situation arise in the future, the Company states that it would request a proposed revision to its Schedule 51.

Providing an estimated margin/contribution analysis, Water Power contends that securing the Montrose Project will benefit all of its Idaho electric customers.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company’s Petition and proposed waiver of its electric line extension tariff Schedule 51 developer deposit requirements for the Montrose Project.  The Commission has preliminarily found that the public interest regarding the proposed waiver of tariff requirements may not require a hearing to consider the issues and that the Petition may be processed under Modified Procedure, i.e. by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Petition and the Commission’s use of Modified Procedure in Case No. WWP-E-98-5 is Wednesday, May 13, 1998.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Company’s Petition for waiver has been filed with the Commission and is available for public inspection during regular business hours at the Commission office and at the Idaho offices of The Washington Water Power Company.  Written comments concerning this Petition shall be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYTHOMAS D. DUKICH, MANAGER

IDAHO PUBLIC UTILITIES COMMISSIONRATES AND TARIFF ADMINISTRATION

PO BOX 83720THE WASHINGTON WATER POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 3727

SPOKANE, WA 99220-3727

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments should contain the case caption and case number shown on the first page of this document.

DATED at Boise, Idaho this day of April 1998.

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 22, 1998