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IDAHO PUBLIC UTILITIES COMMISSION

LISA D. NORDSTROM
Senior Counsel

August 28, 2009

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-08-22
Rule H Compliance Filing Pursuant to Order Nos. 30853 and 30883

Dear Ms. Jewell:

In its Notice of Reconsideration Schedule and Interlocutory Order No. 30883 issued August 10, 2009, the Commission directed Idaho Power to "update the language of Section 10, including a clarified definition of 'third party beneficiary' and 'local improvement district'" as provided in Order No. 30853 no later than August 28, 2009.

To clarify the terminology of Section 10, Idaho Power added or clarified four defined terms in Section 1: Local Improvement District, Public Road Agency, Third-Party Beneficiary, and Underground Conversion Local Improvement District. The Company then removed the language defining Local Improvement District and Third-Party Beneficiary from Section 10 to avoid confusion. Idaho Power also distinguished between Local Improvement Districts generally and Underground Conversion Local Improvement Districts, the latter of which requires the Company to follow the process set forth in Section 9.

The Company has attached its updated Rule H tariff language pertaining to these issues in both clean and legislative formats. If you have any questions about this filing, please contact me at (208) 388-5825.

Very truly yours,

Lisa D. Nordstrom

LDN:csb
Enclosures

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28th day of August 2009 I served a true and correct copy of IDAHO POWER COMPANY'S REVISION TO SECTION 10 OF RULE H TARIFF SHEET upon the following named parties by the method indicated below, and addressed to the following:

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Lisa D. Nordstrom

RULE H
NEW SERVICE ATTACHMENTS
AND DISTRIBUTION LINE
INSTALLATIONS OR
ALTERATIONS

This rule applies to requests for electric service under Schedules 1, 4, 5, 7, 9, 19, 24, 45, and 46 that require the installation, alteration, relocation, removal, or attachment of Company-owned distribution facilities. New construction beyond the Point of Delivery for Schedule 9 or Schedule 19 is subject to the provisions for facilities charges under those schedules. This rule does not apply to transmission or substation facilities, or to requests for electric service that are of a speculative nature.

1. **Definitions**

Additional Applicant is a person or entity whose Application requires the Company to provide new or relocated service from an existing section of distribution facilities with a Vested Interest.

Alteration is any change or proposed change to existing distribution facilities. An alteration may include Relocation, Upgrade, Conversion, and/or removal.

Applicant is a person or entity whose Application requires the Company to provide new or relocated service from distribution facilities that are free and clear of any Vested Interest.

Application is a request by an Applicant or Additional Applicant for new electric service from the Company. The Company, at its discretion, may require the Applicant or Additional Applicant to sign a written application.

Company Betterment is that portion of the Work Order Cost of a Line Installation and/or Alteration that provides a benefit to the Company not required by the Applicant or Additional Applicant. Increases in conductor size and work necessitated by the increase in conductor size are considered a Company Betterment if the Connected Load added by the Applicant or Additional Applicant is less than 100 kilowatts. If, however, in the Company's discretion, it is determined that the additional Connected Load added by the Applicant or Additional Applicant, even though less than 100 kilowatts, is (1) located in a remote location, or (2) a part of a development or project which will add a load greater than 100 kilowatts, the Company will not consider the work necessitated by the load increase to be a Company Betterment.

Connected Load is the total nameplate kW rating of the electric loads connected for commercial, industrial, or irrigation service. Connected Load for residences is considered to be 25 kW for residences with electric space heat and 15 kW for all other residences.

Conversion is a request by a customer to replace overhead facilities with underground facilities.

Cost Quote is a written cost estimate provided by the Company that must be signed and paid by the Applicant or Additional Applicant prior to the start of construction. Cost Quotes are derived from Work Order Cost estimates.

RULE H
NEW SERVICE ATTACHMENTS
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ALTERATIONS
(Continued)

1. **Definitions (Continued)**

Fire Protection Facilities are water pumps and other fire protection equipment, served separately from the Applicant's other electric load, which operate only for short periods of time in emergency situations and/or from time to time for testing purposes.

Line Installation is any installation of new distribution facilities owned by the Company. Line Installations are exclusive of Service Attachments and eligible for Vested Interest Refunds.

Line Installation Allowance is the portion of the estimated cost of a Line Installation funded by the Company.

Line Installation Charge is the partially refundable charge assessed an Applicant or Additional Applicant whenever a Line Installation is built for that individual.

Local Improvement District is any entity created by an authorized governing body under the statutory procedures set forth in Idaho Code Title 50, Chapter 17 or Idaho Code §40-1322.

Multiple Occupancy Projects are projects that are intended to be occupied by more than four owners or tenants. Examples include, but are not limited to condominiums and apartments.

Point of Delivery is the junction point between the facilities owned by the Company and the facilities owned by the customer; OR the point at which the Company's lines first become adjacent to the customer's property; OR as otherwise specified in the Company's tariff.

Public Road Agency is any state or local agency which constructs, operates, maintains or administers public road rights-of-way in Idaho, including without limitation the Idaho Transportation Department or any city or county highway district or highway department.

Relocation is a change in the location of existing distribution facilities.

Residence is a structure built primarily for permanent domestic dwelling. Dwellings where tenancy is typically less than 30 days in length, such as hotels, motels, camps, lodges, clubs, and structures built for storage or parking do not qualify as a Residence.

Service Attachment is the interconnection between the Company's distribution system and the Applicant's or Additional Applicant's Point of Delivery.

Standard Terminal Facilities are the overhead Terminal Facilities the Company considers to be most commonly installed for overhead single phase and three phase services. Single phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and one 25 kVA transformer to serve a 200 amperage meter base. Three phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and three 15 kVA transformers to serve a 200 amperage meter base.

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

1. Definitions (Continued)

Subdivision is the division of a lot, tract, or parcel of land into two or more parts for the purpose of transferring ownership or for the construction of improvements thereon that is lawfully recognized, platted and approved by the appropriate governmental authorities.

Temporary Line Installation is a Line Installation for electric service of 18 calendar months or less in duration.

Temporary Service Attachment is a Service Attachment to a customer-provided temporary pole which typically furnishes electric service for construction.

Terminal Facilities include transformer, meter, overhead service conductor, or underground service cable and conduit (where applicable). These facilities are not eligible for Vested Interest Refunds.

Third-Party Beneficiary is any individual, firm or entity that provides funding for road improvements performed by a Public Road Agency as set forth in Section 10. A Third-Party Beneficiary may include, but is not limited to, real estate developers, Local Improvement Districts or adjacent landowners.

Underground Service Attachment Charge is the non-refundable charge assessed an Applicant or Additional Applicant whenever new underground service is required by a customer attaching to the Company's distribution system.

Underground Conversion Local Improvement District is an entity created by an authorized governing body, as provided by Idaho Code §50-2503, whose purpose is to provide for the study, financing and construction of a distribution Line Installation or Alteration as set forth in Section 9. The governing body shall assess property owners to recover the cost of the distribution Line Installation or Alteration. An Underground Conversion Local Improvement District has discernible property boundaries.

Unusual Conditions are construction conditions not normally encountered, but which the Company may encounter during construction which impose additional, project-specific costs. These conditions may include, but are not limited to: frost, landscape replacement, road compaction, pavement replacement, chip-sealing, rock digging/trenching, boring, nonstandard facilities or construction practices, and other than available voltage requirements.

Costs associated with unusual conditions are separately stated and are subject to refund if not encountered. If unusual conditions are not encountered, the Company will issue the appropriate refund within 90 days of completion of the project.

RULE H
NEW SERVICE ATTACHMENTS
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(Continued)

1. **Definitions (Continued)**

Upgrade is a request by a customer to increase capacity and/or size of Company-owned distribution facilities. Upgrades are eligible for Vested Interest Refunds.

Vested Interest is the right to a refund that an Applicant or Additional Applicant holds in a specific section of distribution facilities when Additional Applicants attach to that section of distribution facilities.

Vested Interest Charge is an amount collected from an Additional Applicant for refund to a Vested Interest Holder.

Vested Interest Holder is an entity that has paid a refundable Line Installation Charge to the Company for a Line Installation. A Vested Interest Holder may also be an entity that has paid a refundable charge to the Company under the provisions of a prior rule or schedule.

Vested Interest Refund is a refund payment to an existing Vested Interest Holder resulting from a Vested Interest Charge to an Additional Applicant.

Vested Interest Portion is that part of the Company's distribution system in which a Vested Interest is held.

Work Order Cost is a cost estimate performed by the Company for a specific request for service by an Applicant or Additional Applicant. The Work Order Cost will include general overheads limited to 1.5 percent. General overheads in excess of 1.5 percent will be funded by the Company.

2. **General Provisions**

- a. Cost Information. The Company will provide preliminary cost information addressing in the charges contained in this rule, to potential Applicants and/or Additional Applicants. This preliminary information will not be considered a formal Cost Quote and will not be binding on the Company or Applicant but rather will assist the Applicant or Additional Applicant in the decision to request a formal Cost Quote. Upon receiving a request for a formal Cost Quote, the Applicant or Additional Applicant will be required to prepay non-refundable engineering costs to the Company. A Cost Quote will be binding in accordance with its terms.
- b. Ownership. The Company will own all distribution line facilities and retain all rights to them.

RULE H
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(Continued)

2. General Provisions (Continued)

- c. Rights-of-Way and Easements. The Company will construct, own, operate, and maintain lines only along public streets, roads, and highways that the Company has the legal right to occupy, and on public lands and private property across which rights-of-way or easements satisfactory to the Company will be obtained at the Applicant's or Additional Applicant's expense.
- d. Removals. The Company reserves the right to remove any distribution facilities that have not been used for 1-year. Facilities shall be removed only after providing 60 days written notice to the last customer of record and the owner of the property served.
- e. Property Specifications. Applicants or Additional Applicants must provide the Company with final property specifications as required and approved by the appropriate governmental authorities. These specifications may include but are not limited to: recorded plat maps, utility easements, final construction grades, property pins and proof of ownership.
- f. Undeveloped Subdivisions. When electric service is not provided to the individual spaces or lots within a Subdivision, the Subdivision will be classified as undeveloped.
- g. Mobile Home Courts. Owners of mobile home courts will install, own, operate, and maintain all termination poles, pedestals, meter loops, and conductors from the Point of Delivery.
- h. Conditions for Start of Construction. Construction of Line Installations and Alterations will not be scheduled until the Applicant or Additional Applicant pays the appropriate charges to the Company.
- i. Terms of Payment. All payments listed under this section will be paid to the Company in cash, a minimum of 30 days and no more than 120 days, prior to the start of Company construction, unless mutually agreed otherwise.
- j. Interest on Payment. If the Company does not start construction on a Line Installation or Alteration within 30 days after receipt of the construction payment, the Company will compute interest on the payment amount beginning on the 31st day and ending once Company construction actually begins. Interest will be computed at the rate applicable under the Company's Rule L. If this computation results in a value of \$10.00 or more, the Company will pay such interest to the Applicant, Additional Applicant, or subdivider. An Applicant, Additional Applicant, or subdivider may request to delay the start of construction beyond 30 days after receipt of payment in which case the Company will not compute or pay interest.

