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January 13, 2017

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

RE: Advice No. 17-01 - Revisions to Schedule 95 – Adjustment for Municipal Exactions

Attention Filing Center:

Consistent with OAR 860-22-0040, Idaho Power is filing its Second Revised Sheet No. 95-1 to provide for the billing of the amount of the franchise fee in excess of 3.5% for the City of Nyssa. Idaho Power is requesting an effective date of February 27, 2017, for this increase in franchise fee from 3.5% to 5%. A copy of the City of Nyssa Ordinance No. 653-16 adopting the franchise fee is included.

If you have any questions regarding this filing, please call Regulatory Analyst Kristy Patteson at (208) 388-2982.

Sincerely,



Julia A. Hilton
Senior Counsel

LDN:kkt
Enclosures

SCHEDULE 95
ADJUSTMENT FOR MUNICIPAL
EXACTIONS

PURPOSE

The purpose of this schedule is to set forth the exactions such as license, privilege, franchise, business, occupation, operating, excise, sales or use of street taxes or other exactions imposed on the Company by municipal corporations and billed separately by the Company to its Customers within the corporate limits of a municipality.

APPLICABILITY

This schedule is applicable to all bills for Electric Service calculated under the Company's schedules and Special Contracts in the Company's service area within the State of Oregon as provided in Rule C of this Tariff.

ADJUSTMENT

The rates and charges for Electric Service provided under the Company's schedules will be proportionately increased by the following adjustments within the municipality on and after the effective date of the applicable municipal ordinance:

<u>Municipality</u>	<u>Effective Date Of Ordinance</u>	<u>Adjustment Over 3.5%</u>
City of Ontario	July 30, 2010	3.5% Franchise Tax
City of Huntington	May 29, 2003	1.0% Franchise Tax
City of Nyssa	December 13, 2016	1.5% Franchise Tax

(N)

ORDINANCE NO. 653-16

AN ORDINANCE GRANTING A NON-EXCLUSNE RIGHT AND PRIVILEGE TO IDAHO POWER COMPANY TO CONSTRUCT, MAINTAIN AND OPERATE WITHIN THE CORPORATE LIMITS OF THE CITY OF NYSSA, OREGON, AN ELECTRIC UTILITY SYSTEM TOGETHER WITH THE FACILITIES NECESSARY TO SUPPLY THE SAID CITY, THE INHABITANTS THEREOF, AND OTHERS WITH ELECTRICITY AND ELECTRIC SERVICE, TO UTILIZE THE STREETS, HIGHWAYS AND OTHER PUBLIC PLACES WITHIN SAID CITY THEREFOR, PROVIDING FOR REGULATION OF SUCH ITEMS AND CONDITIONS FOR THE EXERCISE THEREOF, AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY OF NYSSA:

Section 1. DEFINITIONS AND EXPLANATIONS.

(1) As used in this ordinance:

- (a) "City" means the City of Nyssa, Oregon.
- (b) "City Council" means the legislative body of the City.
- (c) "Grantee" means the corporation referred to in Section 2 of this ordinance.

(2) Unless otherwise specified in this ordinance, any action authorized or required to be taken by the City may be taken by the City Council or by such official, officials, agent or agents as the City Council may designate.

Section 2. GRANTING CLAUSE.

(1) Subject to the conditions and reservations contained in this ordinance, the City hereby grants to Idaho Power Company, an Idaho corporation, for a period of ten (10) years from the effective date of this ordinance, unless sooner terminated as provided in this ordinance, the right and privilege to:

- (a) construct, maintain and operate within the corporate limits of the City an electric utility system; and

(b) construct, erect, operate and maintain, in, upon, along, across, above, over and under the streets, alleys, public ways and public places now laid out or dedicated, and all extensions thereof and additions thereto, in the City, poles, wires, cables, underground conduits, manholes and other electric fixtures necessary or proper for the maintenance and operation in the City of an electric distribution system and wires connected therewith. All such electric utility property and facilities now maintained by the Grantee within the corporate limits of the City shall be deemed covered by this ordinance, and the present location thereof hereby is ratified and approved.

Section 3. USE OF STREETS, PUBLIC PLACES.

The right to use and occupy said streets, alleys, public ways and places for the purposes herein set forth shall not be exclusive, and the City reserves the right, subject to Section 16 hereof, to grant a similar use of said streets, alleys and other public ways and places, to any other person or corporation at any other time during the period of this franchise.

Section 4. COMPLIANCE WITH APPLICABLE LAWS AND ORDINANCES.

The Grantee shall, at all times during the life of this right and privilege, be subject to all lawful exercise of the police power by the City, and to such reasonable regulation as the City shall hereafter by resolution or ordinance provide.

Section 5. SPECIFICATIONS.

All of the Grantee's electric property and facilities (including poles, wires, conductors, transformers and other appliances) shall be constructed and at all times maintained in good order and conditions and in accordance with standard engineering practices and all applicable safety codes and lawful governmental regulations. The City shall have authority at all times, in furtherance of the safety, convenience and welfare of the public, to control by appropriate

regulations the location, elevation and manner of construction and maintenance of the Grantee's electric property and facilities on the City streets, alleys, highways and other public places, subject to the provisions of any state or federal law applicable thereto, and the Grantee shall at all times and promptly conform with all such regulations.

Section 6. CONTINUOUS SERVICE; UNAVOIDABLE SHUTDOWNS.

Grantee shall maintain and operate a system for the distribution of electricity in the City so as to provide 24-hour a day service. The Grantee shall use due diligence to maintain continuous and uninterrupted service which shall at all times be up to standards common in the business. However, the Grantee does not guarantee continuous and uninterrupted service and under no circumstances is the Grantee liable to the City for any interruption or failure of service caused in whole or in part by any cause beyond the reasonable control of the Grantee, including but not limited to acts of God or the public enemy, fires, floods, earthquakes or other catastrophes, severe weather, strikes or failure or breakdown of generating, transmission or distribution facilities. The Grantee shall maintain emergency repair service available on call.

Section 7. CONDITIONS ON STREET OCCUPANCY.

(1) All transmission and distribution structures, lines and equipment erected by the Company within the City shall be so located as to cause minimum interference with the proper use of streets, alleys and other public ways and places, and to cause minimum interference with the rights or reasonable convenience of property owners who adjoin any of the said streets, alleys or other public ways and places.

(2) In the event that at any time during the period of this franchise the City shall lawfully elect to alter or change the grade of any street, alley or other public way, the Grantee, upon reasonable notice by the City shall remove, relay and relocate its poles, wires, cables and

other fixtures at its own expense, unless the facilities are to be relocated for the benefit of a third party, in which case the third party shall pay the costs of relocation.

(3) PLACEMENT OF FIXTURES. The Grantee shall not place poles or other fixtures where the same will interfere with any telephone wire or conduit, sewer line, water hydrant or water main, and all such poles or other fixtures shall, wherever practicable, be placed at the outer edge of the sidewalk and inside the curb line, and those placed in alleys shall, wherever practicable, be placed close to the line of the lot abutting on said alley, and then in such a manner as not to interfere with the usual travel on said streets, alleys and public ways.

(4) TEMPORARY REMOVAL OF WIRE FOR BUILDING MOVING. The Grantee shall, on the request of any person holding a building moving permit issued by the City, temporarily raise or lower its wires where practicable to permit the moving of buildings. The expense of such temporary removal, raising or lowering of wires shall be paid by the person requesting the same, and the Grantee shall have the authority to require such payment in advance. The Grantee shall be given reasonable advance notice to arrange for such temporary wire changes.

Section 8. COVENANT TO SAVE CITY HARMLESS FROM DAMAGES.

The Grantee hereby agrees and covenants to save the City, its officers and employees, harmless from all loss or expense sustained by the City on account of any suit, judgment, execution, claim, or demand whatsoever, and to indemnify the City against any such loss or expense arising from any casualty or accident to person or property, by reason of any negligent construction, excavation or any other negligent act done under this privilege and permit by or for the Grantee, its agents or employees, or by reason of any neglect or omission of the Grantee to

keep said poles, wires, pipes, conduits or facilities in a safe condition, or by reason of its operation of its said system.

Section 9. SERVICE STANDARDS.

The Grantee shall maintain and operate its plant and system and render efficient service in accordance with the rules and regulations as are, or may be, set forth by the Council as provided for in Section 4 of this Ordinance, subject to the authority of the Public Utility Commission of the State of Oregon (the "Commission"). During the term of this franchise, Grantee shall at all times assure that customers within the City have access to customer service from the Grantee as required by the Commission.

Section 10. STREET EXCAVATION AND RESTORATION.

(1) Subject to the provisions of this ordinance, the Grantee may make necessary excavations for the purpose of installing, maintaining and operating its facilities.

(2) When any excavation is made pursuant to the provisions of this ordinance, the Grantee shall at its own cost and expense and in a manner approved by the City, promptly replace and restore all paving, sidewalk, driveway or surface of any street, alley or other public place disturbed in as good condition as it was prior to the excavation. The restoration shall be done in strict compliance with the specifications, ordinances and regulations which may be adopted by the City from time to time during the continuance of this privilege and permit. If the Grantee fails to promptly restore said affected portion of such street, alley or other public place, the City may restore the same and charge the costs thereof to the Grantee and Grantee shall promptly pay the full cost and expense thereof on demand by the City.

(3) All excavations made by the Grantee in the streets, alleys and public highways shall be properly safeguarded for the prevention of accidents.

Section 11. PERMISSION TO CONSTRUCT. Except in emergencies, prior to the commencement of any construction or relocation of any of the Grantee's underground wires or of the Grantee's poles and lines in the streets, alleys or other public places within the City, the Grantee shall notify the City of such work and upon request shall furnish a map showing the location of such construction or relocation. The location of all such poles and lines and underground wires shall be at places approved by the City. The provisions of this paragraph shall not apply to the construction or relocation of service wires from poles to dwellings or buildings.

Section 12. RECORD KEEPING.

The Grantee shall keep an accurate record of all accounts pertaining to the sale of electricity within the City for a period not to exceed three years. For the purpose of determining the amounts due under Section 13 of this ordinance, the City may inspect the books of account and other data and records of the Grantee at any time during business hours and may audit them from time to time and may require the Grantee to make available to it all records for such purpose.

Section 13. COMPENSATION.

(1) As compensation for the rights and privileges herein granted, the Grantee shall pay to the City during the term hereof an amount equivalent to **five (5) percent** of the Grantee's "gross operating revenues" on all sales of electrical service within the City, such compensation to be due and payable quarterly, within thirty (30) days from and after the close of each quarter during the term hereof.

(2) The term "gross operating revenues" as used herein, shall mean and be construed as the amount of money actually collected by the Grantee from its customers for light, heat, power and electric energy consumed during the preceding quarter.

(3) Compensation required by Section 13 of this ordinance to be paid and rendered by the Grantee to the City shall be a credit against all license, occupation, business or other fees or taxes which the City now is or may hereafter be empowered to levy or assess against the Grantee.

(4) Nothing herein contained shall be deemed to give to the Grantee any credit against any ad valorem property tax now or hereafter levied against the real and personal property of Grantee located within the City or against any improvement assessment, permit or inspection fee.

(5) The City shall provide appropriate information to the Grantee to allow the Grantee to identify which of its customers are located within the corporate limits of the City for purposes of paying franchise fees. Grantee shall not be responsible for any failure to pay franchise fees which results from deficiencies in such information provided by the City. In the event the City annexes a new area into its corporate limits, the terms of this Section 13 regarding franchise fees shall not apply to the annexed area until sixty (60) days after the City has supplied the Grantee with appropriate information for the identification of the Grantee's customers within the annexed area.

Section 14. REMOVAL OF EQUIPMENT FOLLOWING EXPIRATION OR REVOCATION.

Upon expiration or revocation (pursuant to Section 18) of this privilege and permit, the Grantee shall, within one year or such further time as may be allowed by the City, remove from the streets, alleys and other public places all its property and equipment, and forthwith replace and restore the streets, alleys and other public places to their former condition. If the Grantee fails to remove its property and equipment within such time, the City may take such steps as may be necessary to forcibly remove the same at the expense of the Grantee and the Grantee shall promptly pay the full cost and expense thereof on demand by the City.

Section 15. TREE TRIMMING.

The Grantee shall have the right and privilege, insofar as the City is able to grant the same, in accordance with National Arborist Association standards, of the pruning of all trees which overhang the present and future streets, alleys, highways and other public places within the corporate limits of the City, in such a manner and to such extent as will prevent the branches or limbs or other parts of such trees from touching or interfering with its wires, poles and other fixtures and equipment. However, except in an emergency, no pruning shall be undertaken without giving the occupant of the adjacent property written or oral notice that such pruning will be performed.

Section 16. EMINENT DOMAIN; OTHER FRANCHISES.

In consideration of Grantee's undertaking hereunder as evidenced by its acceptance hereof, the City agrees not to engage in the business of providing electric service during the life of this franchise or any extension thereof in competition with the Grantee, its successors and assigns; but nothing herein contained shall be construed or deemed to prevent the City from exercising at any time any power of eminent domain granted to it under the laws of the State of Oregon. The City shall not grant a franchise to another electric service provider during the term of this franchise agreement unless the electric service provider has received approval to provide electrical service within the City from the Commission, and the City has imposed the same franchise fee on the electric service provider as paid by the Grantee.

Section 17. ACCEPTANCE.

The Grantee shall within thirty days from the effective date of this ordinance file with the City its written unconditional acceptance of this privilege; and if the Grantee fails so to do, this ordinance shall be void.

Section 18. REVOCATION AND MUTUAL MODIFICATION.

The franchise hereby granted may be revoked and forfeited by the City, by duly enacted ordinance therefor, and following a hearing at which the Grantee has an opportunity to be present and to be heard, in the event that the Grantee shall fail after reasonable notice or demand to comply with any of the terms, conditions, and obligations imposed upon the Grantee hereunder.

The terms of this franchise and the rights and privileges hereby conferred may be changed, altered, amended or modified at any time upon mutual agreement between the City and the Grantee, and this franchise will be subject to renegotiation at any time by service by either the City or the Grantee upon the other of notice in writing for a period of sixty (60) days and following such renegotiations and mutual agreement, this ordinance may be amended by majority vote of the City Council and execution by the Grantee and the terms of such amended ordinance will in all respects supersede any terms hereof with which said amended ordinance is in conflict.

Section 19. RESERVATION OF STATUTORY AND CHARTER AUTHORITY.

The city reserves the right to exercise, with regard to this privilege and permit and the Grantee, all authority now or hereafter granted to the City by state statute or City Charter.

Section 20. EFFECTIVE DATE.

This ordinance shall take effect and be in force on the 13th day of December, 2016

Read for the first time this 8th day of November, 2016

Read for the second time this 13th day of December, 2016

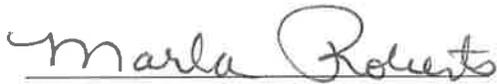
Passed by the City Council of Nyssa, Oregon, this 13th day of December 2016.

Approved by the Mayor of Nyssa, Oregon, and this 13th day of December 2016

CITY OF NYSSA, OREGON

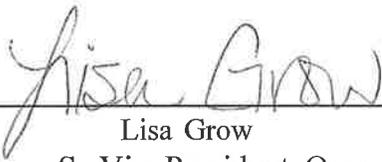
By: 
Mayor

ATTEST:


City Recorder

Franchise Ordinance No. 653-16 accepted this 10th day of January 2017

IDAHO POWER COMPANY

By: 
Lisa Grow
Sr. Vice President-Operations

ATTEST:


Secretary