

ITEM NO. CA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 12, 2019

REGULAR _____ CONSENT X EFFECTIVE DATE March 15, 2019

DATE: February 28, 2019

TO: Public Utility Commission

FROM: George Compton *GRC*

THROUGH: Jason Eisdorfer *JE* and John Crider

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 902/Advice No. 18-13)
Updates Charges and Credits under Rule H, New Service Attachments
and Distribution Line Installations or Alterations.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power or Company) Advice No. 18-13, which updates charges and credits provided under the Company's Rule H, New Service Attachments and Distribution Line Installations or Alterations, effective on and after March 15, 2019.

DISCUSSION:

Issue

Whether the Commission should allow Idaho Power to update certain charges and credits associated with new service attachments and distribution line installations or alterations to keep the charges and credits current with variations in actual costs.

Applicable Rule or Law

Idaho Power filed ADV 902 under ORS 757.205 on December 28, 2018. Under ORS 757.205, et seq., public utilities must file proposed changes to rates, schedules, rules, or regulations with the Commission. OAR 860-022-0025 specifies that such filings shall plainly indicate the proposed change, the number of customers affected by the proposed change and the resulting change in revenue, including a detailed statement setting forth the reasons or grounds relied upon in support of the proposed charge.

Analysis

On December 28, 2018, Idaho Power filed its proposed update to Rule H to keep all charges and credits associated with new service attachments and distribution line installations or alterations current with variations in actual costs.

Increases in materials, labor and vehicle costs are the primary drivers for the changes. For example, Idaho Power states that the cost of electric conductors has increased by as much as 15 percent due to the increasing price of commodities (aluminum and copper). Much more modest, i.e., in the two to three percent range, are the proposed labor and vehicle costs/charges. Trenching costs have actually been reduced.

The increases in connection charges are offset to a considerable extent by increases in the "allowance" amounts credited for new customers as offsets to those charges. As a result, typical commercial or residential customers subjected to Rule H should not be affected materially by the proposed change.

Staff reviewed the filing to ensure all changes to the tariffs correspond with the calculated increase in costs, as well as the calculated credit offset. The proposed changes maintain the Company's fair, just and reasonable rates.

Conclusion

Staff reviewed Idaho Power's filing and workpapers. Staff is satisfied that the Company has made the appropriate changes to Rule H and that its filing satisfies the Commission's requirements.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Advice No. 18-13 to be effective on and after March 15, 2019.