

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 21, 2023**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** March 15, 2023

**DATE:** February 9, 2023

**TO:** Public Utility Commission

**FROM:** Russ Beitzel

**THROUGH:** Bryan Conway and Marc Hellman **SIGNED**

**SUBJECT:** IDAHO POWER COMPANY:  
(Docket No. ADV 1477/Advice No. 22-08)  
Update to Charges and Credits under Rule H, New Service Attachments  
and Distribution Line Installations or Alterations.

**STAFF RECOMMENDATION:**

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Idaho Power Company's (Idaho Power or Company) Advice No. 22-08, which updates its Rule H, New Service Attachments and Distribution Line Installations or Alterations, effective with service rendered on and after March 15, 2023.

**DISCUSSION:**

Issue

Whether the Commission should approve Idaho Power's Advice No. 22-08, which updates its Rule H, by modifying charges and allowances related to new service attachments and distribution line installations or alterations.

Applicable Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

## Analysis

### *Background*

Connection of a new customer to an electric utility typically requires a transformer (which may be shared with other customers) and an overhead or underground conductor that connects to the meter base. Idaho Power's term for those collective items is "Standard Terminal Facilities" (STF). A portion of STF costs are recovered through every customer's basic rates. As the STF's costs are recovered through the general revenue requirement, it would be inappropriate for a new customer to also be charged up front for those same basic facilities. On the other hand, up-front charges to the new customer are appropriate to the degree that the connection costs exceed basic STF costs.

Idaho Power's Rule H, New Service Attachments and Distribution Line Installations and Alterations, plays a dual role at the time of a new service installation. First, it establishes the costs and charges of all elements that may be involved with a new installation, such as the cost per foot of a conductor. Second, Rule H establishes the basic STF cost, or allowance, above which the installation costs must be borne by the new customer. Idaho Power annually updates costs of the various individual elements and the allowances to maintain their currency.

Idaho Power filed Advice No. 22-08 on December 28, 2022, requesting updates to its Rule H, New Service Attachments and Distributions Line Installations or Alterations. Idaho Power seeks to update all Rule H charges and credits associated with new service attachments and distribution line installations or alterations to keep tariff rates current with actual costs. The last time the rates were revised was March 15, 2022.

As with most other goods and services in today's economy, these costs have increased. Idaho Power notes that increases in materials, labor, Company vehicles/equipment, and trench costs are the primary drivers for the changes. The decrease in general overhead labor does partially offset the above increases. As one example, Idaho Power notes in its application that the material costs for 2- and 3-inch risers increased by approximately 43 and 33 percent, respectively, and the labor rate for Rule H work increased from \$75.00 to \$81.00 per hour. Staff notes that the blended distance charge per foot

increased 44 percent, 35 percent, and 41 percent for Company-installed 1/0, 4/0, and 350 underground cable, respectively.

Additionally, Idaho Power proposes to increase the Single and Three Phase allowances from \$2,455 to \$3,164 and from \$6,109 to \$6,513, respectively. The Company states that these increases were largely driven by the increased costs of transformers and No. 2 aluminum triplex service conductors, which are partially offset by a decrease in the general overhead rate from 13.75 percent to 8.25 percent.

Staff notes that the Company is not proposing any change in the methodology used to calculate either the customer charges or customer allowances, and this filing merely updates those values to maintain alignment with input costs.

#### *Review*

Staff issued two IRs, analyzed the provided IR responses, and has reviewed the filing to ensure that all changes to the tariff correspond with the calculated change in costs, as well as the calculated allowance offset. Staff finds that the proposed updates have been correctly calculated and that the corresponding tariff updates are correct.

#### Conclusion

Based on Staff's review of Idaho Power's filing, Staff concludes that the proposed revisions are correct and consistent with applicable law. Staff additionally finds that the proposed changes result in rates that are fair, just, and reasonable. Staff recommends Idaho Power's updated Rule H go into effect.

#### **PROPOSED COMMISSION MOTION:**

Approve Idaho Power's Advice No. 22-08, updating its Rule H, New Service Attachments and Distribution Line Installations or Alterations, effective with service rendered on and after March 15, 2023.