



201 South Main, Suite 2300  
Salt Lake City, Utah 84111

September 10, 2013

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

**Re: Advice No. 13-12  
Regulation 12 – Line Extensions**

Enclosed for filing are an original and five copies of proposed tariff sheets associated with Tariff P.S.C.U. No. 49 of PacifiCorp, d.b.a Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405D, Rocky Mountain Power (the “Company”) states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company is requesting an effective date of October 10, 2013 for this change.

First Revision of Sheet No. 12.R.3	Regulation 12	Line Extensions
First Revision of Sheet No. 12.R.4	Regulation 12	Line Extensions
First Revision of Sheet No. 12.R.7	Regulation 12	Line Extensions
Second Revision of Sheet No. 12.R.9	Regulation 12	Line Extensions

The purpose of this filing is to propose revisions to Rocky Mountain Power’s Electric Service Regulation No. 12, Line Extensions. The proposed revisions, which apply to both residential and non-residential extensions, extend the refund period for new line extension contributions from five years to ten years and increase the number of refunds available to the original customer from three to four new customers connecting to the line extension. The proposed revisions require changes to the following paragraphs of Regulation 12:

- 1(j) Refunds
- 2(b) Additional Customers, Advances and Refunds
- 3(c)(1) Initial Customer - 1,000 kW or less
- 3(c)(2) Initial Customer - over 1,000 kW
- 4(c) Refunds

Regulation 12 provides that the initial applicant, i.e. customer or developer, who paid a refundable advance on an extension may receive refunds if additional applicants connect to the

extension. Currently the customer is eligible for refunds during the first five years following construction of an extension for up to three additional applicants. Each of these additional applicants utilizing a portion of the initial extension pays the Company, prior to connection, a portion of the cost of the shared facilities<sup>1</sup>. The Company then refunds such payments to the initial customer.

Over the last several months Rocky Mountain Power has met with members of the Utah legislature and representatives of real estate developers who feel the refund provisions of the Company's line extension policy are too restrictive. Because of the high cost to install the initial electrical infrastructure into a new development and the substantial time for full build out, five years is too short of a time period for the initial customer or developer to recoup their investment from additional customers. The representatives of the development community indicate, and Rocky Mountain Power agrees, that developers would likely be more willing to install electric facilities needed for longer term build out or additional phases of the development if they had a longer refund period to provide a higher probability of recovering the costs of the additional facilities. In addition, extending the refunds provision to more customers connecting to the system while extending the term allows more opportunity to spread the potentially high up front electrical infrastructure costs across more customers and reduces the burden on any one individual or company. However, it must be noted that if less than four additional applicants connect to the extension over the ten year period, the original developer may recover less of the investment than with having only three additional customers share the costs.

A review of other investor owned utilities in the intermountain west shows a range of refund periods with Rocky Mountain Power's five year refund period is at the short end of the range. Because the refunds are funded by the payments from new applicants, the proposed revisions to the refund provisions of the line extension policy will not impact existing customers or tariff rates.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By Regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Blvd., Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Dave Taylor, Manager of Regulatory Affairs, at (801) 220-2923.

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<sup>1</sup> For residential extension and non-residential extensions less than 1,000 kW the additional applicant payment is 25% of the cost of the shared facilities. For non-residential extension over 1,000 kW, the additional applicant payment is a proportionate share of the cost of the shared facilities.

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Sincerely,

Jeffrey K. Larsen

Vice President, Regulation & Government Affairs

Enclosures

cc: Division of Public Utilities  
Office of Consumer Services