

January 30, 2012

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

Public Utility Commission of Oregon  
550 Capitol Street NE, Suite 215  
Salem, OR 97301-2551

Attention: Filing Center

**Re: Advice No. 12-001 – Rule 13, Line Extensions**

PacifiCorp d.b.a. Pacific Power (the Company) hereby submits for filing in electronic format proposed tariff sheets associated with Tariff P.U.C. OR No. 36 of Pacific Power applicable to electric service in the State of Oregon. A signed original letter and five (5) copies will be provided via overnight delivery. The Company respectfully requests an effective date of March 14, 2012.

First Revision of Sheet No. R13-1	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-2	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-3	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-4	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-5	Rule 13	General Rules and Regulations Line Extensions
Second Revision of Sheet No. R13-6	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-7	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-8	Rule 13	General Rules and Regulations Line Extensions
First Revision of Sheet No. R13-9	Rule 13	General Rules and Regulations Line Extensions

The purpose of this filing is to make revisions to the Company's line extension tariff, Rule 13. Specifically, the Company proposes the following changes:

- Add definitions for Direct Assigned Facilities and Network Upgrades. The addition of these definitions will better articulate when a customer is responsible for a portion of the cost of a network upgrade and for what portion of that cost they are responsible. Historically, Rule 13 has not addressed whether or not a customer is responsible for the cost of a line extension that involves a Network Upgrade. However, the Company has used these definitions as part of the Company's cost allocation policy for line extensions. Adding these definitions to the tariffs provides greater certainty for customers.
- Add clarifying language to the definition for Routes, Easements and Rights of Way. This change ensures consistency and promotes efficient administration of easements and rights of way. Additionally, the proposed changes clarify that the Company will not indemnify applicants for easements acquired pursuant to such applicant's request for service. While the Company remains liable for its negligence, it is not appropriate for the Company to indemnify applicants from third party claims related to applicants' requests for service.
- Revise the non-residential extension allowance.
  - First, the Company adds a distinction between the line extension allowance for delivery at transmission voltage versus secondary or primary voltages.
  - Second, the proposed tariff sets the line extension allowance for nonresidential customers served at transmission voltage to be equal only to the cost of metering necessary to measure the Customer's usage. This change recognizes that transmission voltage customers do not receive service through the Company's distribution system, and it provides consistency with transmission customer line extension allowance policies in other PacifiCorp states.
  - Third, the tariff revises the line extension allowance for customers served at secondary or primary voltages to be equal to the estimated annual revenue expected in a year of normal operations, rather than the current line extension allowance equal to two times the expected annual revenue associated with Delivery Service. It will also achieve consistency between line extension allowances and Contract Minimum Billings. Under the Company's proposal, both the line extension allowance and the Contract Minimum Billing will be based on total annual revenue. This change will provide a more easily understood calculation for the customer, and it will produce consistency in the calculation of line extension allowances across all PacifiCorp states.

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Oregon Public Utility Commission  
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It is respectfully requested that all formal data requests regarding this filing 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, Suite 2000  
Portland, Oregon 97232

Informal inquiries regarding this filing may be directed to Joelle Steward at (503) 813-5542.

Sincerely,

  
Andrea L. Kelly  
Vice President, Regulation

Enclosures

**GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS**

**I. Line Extensions - Conditions and Definitions**

**A. Contracts**

Before building an Extension, the Company may require the Applicant to sign a contract. Where a tenant occupies the service location, the Company may require the property owner to sign the contract.

**B. Contract Minimum Billing**

The Contract Minimum Billing is the greater of: (1) the Consumer's monthly bill; or, (2) 80% of the Consumer's monthly bill plus the Facilities Charges. Consumers on a seasonal rate receive an annual Contract Minimum Billing of the greater of: (1) the Consumer's annual bill; or, (2) 80% of the Consumer's annual bill plus the Annual Facilities Charge. The Annual Facilities Charge is twelve (12) times the Facilities Charges. Contract Minimum Billings begin on the date service is first made available by the Company, unless a later date is mutually agreed upon.

For Consumers electing Standard Offer or Direct Access Service, the charges for Supply Service, ESS charges and the Transition Adjustment are excluded from the Consumer's bill before calculating the Contract Minimum Bill. For these Consumers the Contract Minimum Billing is the greater of: (1) the Consumer's monthly bill; or, (2) 60% of the Consumer's monthly bill plus the Facilities Charges. Consumers on a seasonal rate receive an annual Contract Minimum Billing of the greater of: (1) the Consumer's annual bill; or, (2) 60% of the Consumer's annual bill plus the Annual Facilities Charge.

**C. Direct Assigned Facilities**

Direct Assigned Facilities are those required facilities located between existing Company network facilities and the Customer's point of delivery, and used for the sole use and benefit of the Customer receiving service under the tariff and are owned and operated by the Company.

Extensions consisting of Direct Assigned Facilities are made at the Customer's expense less their applicable Extension Allowance as provided in this Rule 13.

**D. Engineering Costs**

The Company includes designing, engineering and estimating in its Extension Costs. The Company may require the Applicant to advance the Company's estimated Engineering Costs, but not less than \$200. The Company will apply this advance payment to its Extension Costs. If the Extension Allowance exceeds the Extension Costs, the Company will refund the excess up to the amount of the Applicant's or Consumer's advance.

If the Applicant or Consumer requests changes that require additional estimates, they must advance the Company's estimated Engineering Costs, but not less than \$200 for each additional estimate. The Company will not refund or credit this payment.

**E. Extension Allowance**

The Extension Allowance is the portion of the Extension that the Company may provide, or allow, without cost to the Applicant. The portion will vary with the class of service that the Applicant requests and shall not exceed the Extension Costs.

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**GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS**

**I. Line Extensions - Conditions and Definitions (continued)**

**E. Extension Allowance (continued)**

The Extension Allowance does not include additional costs resulting from: additional voltages; duplicate facilities; additional points of delivery; or any other Applicant requested facilities that add to, or substitute for, the Company's standard construction methods or preferred route. The Extension Allowance is not available to Consumers receiving electric service under special pricing contracts. Revenue used for calculating Extension Allowances will exclude charges and credits for Supply Service, ESS Charges and the Transition Adjustment.

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**F. Extension Costs**

Extension Costs are the Company's total costs for constructing an Extension using the Company's standard construction methods, including services, transformers and meters, labor, materials and overhead charges.

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**G. Extension Limits**

The provisions of this Rule apply to Line Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct Line Extensions with special requirements or limited revenues under the terms of special contracts.

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Examples of special requirements include, but are not limited to, unusual costs incurred for obtaining rights-of-way, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the Applicant's request, or non-standard construction requirements.

**H. Facilities Charges**

The Facilities Charges are those costs associated with the ownership and maintenance of facilities built to provide service. Schedule 300 specifies the Facilities Charges.

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**I. Network Upgrades**

Network Upgrades are modifications or additions to existing Company facilities required to serve load that is requested by an Applicant and are integrated with and support the Company's overall transmission and distribution network(s) for the general benefit of all users of such network(s). However requests to change the nature of an existing line, such as rebuilding from single-phase to three-phase, will be treated as Direct Assigned Facilities for cost allocation purposes.

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Network Upgrades of substations of all voltages and transmission facilities (facilities operating at 57,000 volts and greater) are made at Company expense. Network Upgrades of distribution facilities (facilities operating at less than 57,000 volts) are made at Company expense, except Customers with loads in excess of 2500 kVA will share in the Network Upgrade cost of distribution voltage facilities. The Customer's share of the required Network Upgrade cost is proportional to the amount of the new requested load divided by the sum of the total capacity of the required Network Upgrade less the existing load on the existing network facility.

If the Extension Allowance of a Customer with loads in excess of 2500 kVA does not cover their proportionate share of the Network Upgrade cost, they shall pay a nonrefundable advance of the difference.

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**GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS**

**I. Line Extensions - Conditions and Definitions (continued)**

**J. Restrictions**

An Extension of the Company's facilities is subject to these rules and other rules and restrictions. These may include, but are not limited to: laws of the United States; State law; executive and administrative proclamations; Commission orders or regulations; or, any lawful requirement of a governmental body.

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**K. Routes, Easements and Rights-of-Way**

The Company will select the route of an Extension in cooperation with the Applicant. The Applicant will acquire and pay all costs, including renewal costs, of obtaining complete unencumbered rights-of-way, easements, or licenses to use land, and will pay all costs for any preparation or clearing of land the Company may require. All rights-of-way, easements or licenses shall be on Company-provided standard forms, subject to revisions acceptable to the Company, and shall not include indemnification of the Applicant. If requested by the Applicant, the Company will assist in obtaining rights-of-way, easements or licenses as described above at the Applicant's expense.

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**L. Rules Previously in Effect**

Rule changes do not modify existing Extension contracts. If a Consumer advanced funds for an Extension under a rule or a contract previously in effect, the Company will make refunds for additional Consumers as specified in the previous rule or contract.

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**M. Service Conductors**

The secondary-voltage conductors owned and maintained by the Company extending from the Company's facility to the Point of Delivery.

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**II. Residential Extensions**

**A. Extension Allowances**

The Extension Allowance for Residential Applications is \$1100. The Extension Allowance for Residential Applications in a Planned Development is \$500. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

**B. Additional Consumers, Advances and Refunds**

A Consumer that pays for a portion of the construction of an Extension may receive refunds if additional Consumers connect to the Extension. The Consumer is eligible for refunds during the first five (5) years following construction of an Extension for up to three (3) additional Consumers. Each of the next three (3) Consumers utilizing any portion of the initial Extension must pay the Company, prior to connection, 25% of the cost of the shared facilities. The Company will refund such payments to the initial Consumer.

**C. Remote and Seasonal Service**

**1. Contracts**

The Company will make Extensions for Remote and Seasonal Residential Service according to a written contract. The contract will require the Applicant to advance the estimated cost of facilities in excess of the Extension Allowance. The Applicant shall also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five (5) years.

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**GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS**

**II. Residential Extensions (continued)**

**C. Remote and Seasonal Service (continued)**

**2. Additional Applicants**

During the first five years after the Company completes the Extension, each of the next three Applicants must pay an allocated share of the original Consumer's contribution. The Company will determine these shares taking into account: (a) how much of the original line the new Applicant shares; (b) the load sizes of the Applicant and the existing Consumers; and (c) the advances of the existing Consumers. The Applicant must pay this allocated share before the Company will provide service. The Company will refund this share to the existing Consumers.

Additional Applicants also must share the Facilities Charges of the existing Consumers. The Company will allocate the Facilities Charges in the same manner used for allocating the original advance.

The Applicant also must pay the estimated cost of any facilities exceeding the Extension Allowance.

**D. Three Phase Residential Service**

Where three-phase residential service is requested, the Applicant shall pay the difference in cost between single phase and three-phase service.

**E. Transformation Facilities**

If an existing residential Consumer adds load, or if a new Consumer builds in a subdivision where secondary is available at the lot line, and the existing transformation facilities or service conductors are unable to serve the increased residential load, the increase will be treated as a standard line extension if the Consumer's demand exceeds the capacity of the existing facilities. Otherwise the facility upgrade shall be treated as a system improvement and not be charged to the Consumer.

**F. Underground Extensions**

The Company will construct line Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Applicant must provide all trenching and back filling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

**III. Nonresidential Extensions**

**A. Extension Allowance – Delivery at Transmission Voltage**

The Company will grant Customers taking service at 57 kV or above an Extension Allowance of the metering necessary to measure the Customer's usage.

The Customer must pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

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**III. Nonresidential Extensions (continued)**

**B. Extension Allowance – Delivery at Secondary or Primary Voltage**

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**1. 1,000 kW or less**

The Company will grant Nonresidential Applicants requiring 1,000 kW or less an Extension Allowance equal to the estimated annual revenue the Applicant is expected to pay the Company in a year of normal operations. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

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The Company may require the Consumer to pay a Contract Minimum Billing for five years.

**2. Over 1,000 kW**

The Company will grant Nonresidential Applicants requiring more than 1,000 kW an Extension Allowance equal to the estimated annual revenue which the Applicant is expected to pay the Company in a year of normal operations. The Applicant must advance the costs exceeding the Extension Allowance. Fifty percent of the advance is due when the contract is executed with the remaining balance due upon completion of the Extension.

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The Consumer must pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

If service is terminated within the first ten (10) years, the Consumer must pay a termination charge equal to the Extension Allowance less 1/10th of the allowance for each year service was taken.

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**3. Remote Service**

The Company will grant Applicants for Remote Nonresidential Service an Extension Allowance equal to the estimated annual revenue the Applicant is expected to pay the Company in a year of normal operations. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

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**C. Additional Consumers, Advances and Refunds – All Voltages**

(C)

**1. Initial Consumer - 1,000 kW or less**

A Consumer that pays for a portion of the construction of an Extension may receive refunds if additional Consumers connect to the Extension. The Consumer is eligible for refunds during the first five (5) years following construction of an Extension for up to three (3) additional Consumers. Each of the next three Consumers utilizing any portion of the initial Extension must pay the Company, prior to connection, 25% of the cost of the shared facilities. The Company will refund such payments to the initial Consumer.

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**III. Nonresidential Extensions (continued)**

**C. Additional Consumers, Advances and Refunds – All Voltages (continued)**

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**2. Initial Consumer - over 1,000 kW**

A Consumer that pays for a portion of the construction of an Extension may receive refunds if additional Consumers connect to the Extension. The Consumer is eligible for refunds during the first five (5) years following construction of an Extension for up to three (3) additional Consumers. Each of the next three Consumers utilizing any portion of the initial Extension must pay the Company, prior to connection, a proportionate share of the cost of the shared facilities. The Company will refund such payments to the initial Consumer.

$$\text{Proportionate Share} = (A + B) \times C$$

Where:

$$A = [\text{Shared footage of line}] \times [\text{Average cost per foot of the line}]$$

$$B = \text{Cost of the other shared distribution equipment, if applicable}$$

$$C = [\text{New additional connected load}] / [\text{Total connected load}]$$

**3. Adjustment of Contract Minimum Billing**

Additional Consumers also must share the Facilities Charges of the existing Consumers. The Company will allocate the Facilities Charges in the same manner used for allocating the original advance.

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**D. Underground Extensions**

The Company will construct line Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Applicant must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

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**E. Street Lighting**

The Extension Allowance to streetlights taking service under Rate Schedules 51/751 or 53/753 or 54/754 or 55 is equal to five times the annual revenue from the lights to be added. The Applicant must advance costs exceeding the Extension Allowance prior to the lights being added.

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**IV. Extensions to Planned Developments**

**A. General**

Planned developments, including subdivisions and mobile home parks, are areas where groups of buildings or dwellings may be constructed at or about the same time. The Company will install facilities in developments before there are actual Applicants for service under the terms of a written contract.

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GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS

**IV. Extensions to Planned Developments (continued)**

**B. Allowances and Advances**

For nonresidential developments the Developer must pay a non-refundable advance equal to the Company's estimated installed costs to make primary service available to each lot. For residential developments the Company will provide the Developer an Extension Allowance of \$600 for each lot. The Developer must pay a non-refundable advance for all other costs to make secondary voltage service available to each lot. For both nonresidential and residential developments the Company may require the Developer to pay for facilities to provide additional service reliability or future development.

**C. Refunds**

The Company will make no refunds for facilities installed within a development. A Developer that pays for a portion of the construction of an Extension to reach a development may receive refunds if additional Consumers connect to the Extension outside the development. The Developer is eligible for refunds during the first five (5) years following construction of an Extension to reach the development for up to three (3) additional Consumers. Each of the next three Consumers using any portion of the Extension to reach a development must pay the Company, prior to connection, 25% of the cost of the shared facilities. The Company will refund such payments to the Developer.

**D. Underground Extensions**

The Company will construct line Extensions underground when requested by the Developer or required by local ordinances or conditions. The Developer must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Developer must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the development. If the Developer requests, the Company will provide these items at the Developer's expense.

**V. Extension Exceptions**

**A. Applicant Built Line Extensions**

**1. General**

An Applicant may contract with someone other than the Company to build a Line Extension. The Applicant must contract with the Company before starting construction of a Line Extension. When the Applicant has completed construction of the Line Extension and the Company approves it, the Company will connect it to the Company's facilities and assume ownership.

**2. Liability and Insurance**

The Applicant assumes all risks for the construction of an Applicant Built Line Extension. Before starting construction, the Applicant must furnish a certificate naming the Company as an additional insured for a minimum of \$1,000,000. The Applicant may cancel the policy after the Company accepts ownership of the Line Extension.

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**V. Extension Exceptions (continued)**

**A. Applicant Built Line Extensions (continued)**

**3. Advance for Design, Specifications, Material Standards and Inspections**

The Applicant must advance the Company's estimated costs for design, specifications, material standards and inspections. When the Applicant has completed construction, the Company will determine its actual costs and may adjust that portion of the Applicant's advance. If the actual costs exceed the Applicant's advance, the Applicant must pay the difference before the Company will accept and energize the Line Extension. If the actual costs are less than the Applicant's advance, the Company will refund the difference.

The Company will estimate the frequency of inspections and convey this to the Applicant prior to the signing of the contract. For underground Line Extensions, the Company may require that an inspector be present whenever installation work is done.

**4. Construction Standards**

The Applicant must construct the Line Extension in accordance with the Company's design, specifications, and material standards and along the Company's selected route. Otherwise, the Company will not accept or energize the Line Extension.

**5. Transfer of Ownership**

Upon approval of the construction, the Company will assume ownership of the Line Extension. The Applicant must provide the Company unencumbered title to the Line Extension.

**6. Rights-of-Way**

The Applicant must provide to the Company all required rights-of-way, easements and permits in accordance with paragraph 1. I. of this Rule.

**7. Contract Minimum Billing**

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph 1. B. of this Rule.

**8. Deficiencies in Construction**

If, within 24 months of the time the Company energized the Line Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency.

**9. Line Extension Value**

The Company will calculate the value of a Line Extension using its standard estimating methods. The Company will use the Line Extension Value to calculate Contract Minimum Billings, reimbursements, and refunds.

**10. Line Extension Allowance**

After assuming ownership, the Company will calculate the appropriate Extension Allowance. The Company will then reimburse the Applicant for the construction costs covered by the Extension Allowance, less the cost of any Company provided equipment or services, but in no case more than the Line Extension Value.

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**GENERAL RULES AND REGULATIONS  
LINE EXTENSIONS**

**V. Extension Exceptions (continued)**

**B. Duplicate Service Facilities**

The Company will furnish Duplicate Service Facilities if the Consumer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Consumer also must pay Facilities Charges for the Duplicate Facilities for as long as service is taken, but in no case less than five years.

**C. Emergency Service**

The Company will grant Applicants requesting Emergency Service an Extension Allowance equal to the estimated increase in annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

**D. Intermittent Service Facilities**

The Company will serve Intermittent loads provided the Consumer advances the estimated cost of facilities above the cost of facilities which the Company would otherwise install. The Consumer also must pay a Contract Minimum Billing for as long as service is taken. If load fluctuations become a detriment to other Consumers, the Company may modify the facilities and adjust the Contract Minimum Billing.

**E. Temporary Service**

The Company will provide Temporary Service by written agreement under the following provisions:

1. The Consumer pays a Temporary Service Charge. This charge equals
  - a) the estimated installation cost, plus
  - b) the estimated removal cost, plus
  - c) the estimated cost for rearranging any existing facilities, less
  - d) the estimated salvage value of the facilities required to provide Temporary Service.
2. The Consumer pays a Contract Minimum Billing; and
3. The Consumer pays any advances required for sharing previous Extensions.

If a temporary Consumer takes service continuously for 60 consecutive months from the date the Company first delivered service, the Company will classify them as permanent and refund any payment the Consumer made over that required of a permanent Consumer. The Company will not refund the Facilities Charges.

Schedule 300 specifies the charges for Temporary Service that requires only service conductors and a self-contained meter.

**VI. Relocation or Replacement of Facilities**

**A. Relocation of Facilities**

If requested by an Applicant or Consumer the Company will: relocate distribution facilities on to, or adjacent to, the Consumer's premises; and/or, replace existing overhead distribution facilities with comparable underground. For overhead to underground relocations, the new underground system must not impair the use of the remaining overhead system. The Applicant or Consumer must elect either: to provide all trenching and back filling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension; or, to pay the Company to provide these items.

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