

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: DAPHNE HUANG  
DEPUTY ATTORNEY GENERAL**

**DATE: SEPTEMBER 29, 2016**

**SUBJECT: AGREED MOTION TO SET COMMENT PERIOD FOR SETTLEMENT  
STIPULATION IN IDAHO POWER'S PROPOSED COMMUNITY  
SOLAR, CASE NO. IPC-E-16-14**

On September 26, 2016, Idaho Power filed a Settlement Stipulation and Agreed Motion to Approve Settlement Stipulation (attached) signed by the parties to this matter: Idaho Power, Commission Staff, Idaho Conservation League (ICL), Industrial Customers of Idaho Power (ICIP), Idaho Irrigation Pumpers Association (IIPA), Snake River Alliance (SRA), Idaho Sierra Club, and City of Boise. With the Motion, the Company filed supporting documents (also attached), including the revised proposed Schedule 63.

### SETTLEMENT STIPULATION AND AGREED MOTION

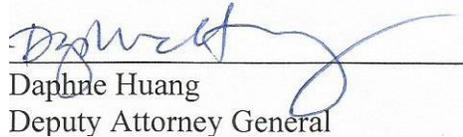
The Settlement Stipulation sets forth terms to which the parties agreed, addressing various parties' concerns about the Company's proposed Community Solar Pilot Program. Provisions in the Stipulation address calculation of the solar energy credit, the subscription fee, a Company-facilitated monthly fee option, and the Company's cost recovery, among other issues. The Agreed Motion requests that the Settlement Stipulation be processed by Modified Procedure with an expedited 14-day comment period. Motion at 11. The Agreed Motion also requests that, on expiration of the comment period, the Commission approve the Settlement Stipulation without material change or condition. *Id.*

Although the proposed 14-day comment period is shorter than the standard 21-day period, the Commission already set a 21-day comment period (which passed September 6), as to the Company's initial Application. Order No. 33569. The Commission received comments from

Staff, SRA, ICIP, and ICL, but no comments from members of the public. Further, in its Application, the Company had requested an expeditious Commission decision,<sup>1</sup> to allow it sufficient time to solicit program participants for a proposed June 2017 commercial operation date. Application at 2. The 14-day comment period on the parties' Settlement Stipulation helps to accommodate that request.

### COMMISSION DECISION

Does the Commission wish to issue a Notice of Settlement Stipulation and Notice of Modified Procedure with a 14-day comment period, as requested in the Agreed Motion?



Daphne Huang  
Deputy Attorney General

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<sup>1</sup> The Company initially requested a September 15, 2016 effective date. Application at 2. Since then, the Company has agreed to delay the proposed effective date to engage in settlement discussions with the parties. *See* Order No. 33598.

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2016 SEP 26 PM 4:55  
IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	CASE NO. IPC-E-16-14
COMPANY'S APPLICATION TO APPROVE	)	
NEW TARIFF SCHEDULE 63, A	)	SETTLEMENT STIPULATION AND
COMMUNITY SOLAR PILOT PROGRAM	)	MOTION TO APPROVE
	)	SETTLEMENT STIPULATION
	)	

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Idaho Power Company ("Idaho Power" or "Company") requests that the Idaho Public Utilities Commission ("Commission") approve the settlement ("Settlement Stipulation") related to the Company's Application for a new tariff Schedule 63, A Community Solar Pilot Program, contained in this filing. The Settlement Stipulation provides for: (1) a solar energy credit that reflects the embedded cost of energy as reflected in the Company's base rates, (2) a subscription fee that reflects the cost of the project, less a 15 percent shareholder contribution, a reduction reflecting the present value of the incremental difference between the Demand Side Management ("DSM") Alternate Costs identified in the 2015 Integrated Resource Plan and projected embedded energy costs, a reduction reflecting the present value of the projected deferral of transmission and distribution ("T&D") investments for the 25 year life of the

project, and other reductions as detailed below, and (3) a Company-facilitated monthly fee option.

The Settlement Stipulation is entered into among Idaho Power, Commission Staff (“Staff”), the Idaho Conservation League (“ICL”), the Industrial Customers of Idaho Power (“ICIP”), the Idaho Irrigation Pumpers Association, Inc. (“IIPA”), the Snake River Alliance (“SRA”), the Idaho Sierra Club (“Sierra Club”), and the City of Boise (“Boise City”), hereafter referred to individually as a “Party” or jointly as “Parties.”

### **I. MOTION**

1. The terms and conditions of this Settlement Stipulation are set forth herein. The Parties agree that this Settlement Stipulation represents a fair, just, and reasonable compromise of the dispute(s) between the Parties, and that this Settlement Stipulation is in the public interest. The Parties maintain that the Settlement Stipulation as a whole and its acceptance by the Commission represent a reasonable resolution of all issues between the Parties identified herein. Therefore, the Parties hereby respectfully move the Commission, in accordance with RP 56 and RP 274-76, for an order approving the Settlement Stipulation executed between the Parties and all of its terms and conditions without material change or condition, and closing the current proceeding.

### **II. BACKGROUND**

2. On June 22, 2016, Idaho Power filed an application requesting that the Commission approve a new tariff Schedule 63, A Community Solar Pilot Program (“Program”). The Company proposed to build a 500 kilowatt single-axis tracking community solar array in southeast Boise that will exist to allow a limited number of Idaho Power’s Idaho customers the opportunity to voluntarily subscribe to the

generation output. Idaho Power proposed that participating customers pay a one-time upfront Subscription Fee (“Subscription Fee”) and in return receive a monthly bill credit (“Solar Energy Credit”) for their designated portion of the energy produced from the array.

3. On July 7, 2016, the Commission issued a Notice of Intervention Deadline in Order No. 33552, setting forth a deadline for intervention 14 days from its issuance. Petitions to Intervene were filed by ICL, ICIP, IIPA, SRA, Sierra Club, and Boise City, all of which were granted in Order Nos. 33552, 33557, 33560, and 33562, respectively.

4. On August 16, 2016, the Commission issued a Notice of Modified Procedure in Order No. 33569. Comments were filed by ICL on August 31, 2016, and by Commission Staff, ICIP, SRA, and Sierra Club on September 1, 2016.

5. The Parties engaged in settlement discussions on August 23, 2016, and September 9, 2016, that led to the following settlement of issues related to the Company’s application in this docket.

### **III. SETTLEMENT STIPULATION**

6. As a compromise of the respective positions of the Parties, and for other considerations as set forth below, the Parties agree to support the Company’s proposed Program as modified by the following terms:

7. Solar Energy Credit. The Program will use the on-bill Solar Energy Credit reflecting the embedded cost of energy, as well as the proposed application of each participant’s portion of monthly generation as an offset to billed kilowatt-hours subject to the Power Cost Adjustment (“PCA”). The Solar Energy Credit rate is subject to change as the average embedded energy cost reflected in retail rates changes or is otherwise

approved by Commission order. Parties agree that the Solar Energy Credit will appear on participating-customer bills as a “per kWh” line item.

The Parties agree that the initially-proposed Program will be modified to provide the present value of the incremental difference between the DSM Alternate Costs identified in the 2015 Integrated Resource Plan, Appendix C – Technical Report, pp. 75-77 and projected embedded energy costs as a reduction to the Subscription Fee as detailed in Paragraph 8. Idaho Power will provide the upfront investment necessary to facilitate the reduction to the participant Subscription Fee and should be authorized to recover the return on and return of that investment at the Company’s then-current authorized rate of return through the annual PCA until the Company’s next general rate case when such amounts will be included in base rates.

8. Subscription Fee. Originally proposed to be \$740, the Subscription Fee will be lowered to \$562 to reflect three modifications, collectively referred to as the “Rate Base Amounts”: (1) a reduction reflecting the net present value of the incremental difference between the DSM Alternate Costs and the forecasted embedded cost of energy, as applied to the projected output of the project over the 25-year life of the Program, (2) removal of the cost of the smart inverters from the total project cost, and (3) a reduction reflecting the present value of the projected deferral of T&D investments for the 25-year life of the project, as determined by the Company’s recently completed study that was presented to the Energy Efficiency Advisory Group on August 30, 2016. Although Parties agree that the resulting T&D deferral value represents a reasonable compromise of the issues addressed in this case, endorsement of this Settlement Stipulation does not necessarily indicate a Party’s endorsement of the underlying methodology or study utilized to calculate this value. The calculation of each of the

three adjustments, as well as the determination of the resulting Subscription Fee, is detailed in Attachment 1 to this Settlement Stipulation.

9. Monthly Fee Option. While customers may pay the entire Subscription Fee upfront by check as initially proposed by Idaho Power, the Company will also offer a “Bill Me” option through which customers will receive a bill for the entire Subscription Fee that must be paid within 30 days, allowing customers to utilize a credit/debit card or their bank’s bill pay option plus any nominal convenience fees. The Company will also offer a monthly fee option to Residential Service Customers (Schedule 1 and Schedule 5) that will provide for recovery of the Subscription Fee over 24 equal monthly payments of \$26.31. A determination of the monthly fee amount of \$26.31 is provided as Attachment 2 to this Settlement Stipulation. The monthly fee amount covers the revenue requirement of the subscription using an inclining depreciation schedule over 24 months and a carrying charge set at the Company’s current Allowance for Funds Used During Construction (AFUDC) rate as well as an administration charge of \$1.00 per month to reflect the costs of administering this monthly option, such as billing and other required customer service functions. Participants who choose the 24-month fee option may transfer their subscription(s) to eligible customers within the 24-month time period, subject to the same rules, fees, and restrictions included in the Company’s initial filing related to subscription transfers.

10. If eligible participants elect to utilize the 24-month fee option and fail to complete all 24 payments or request an eligible subscription transfer, Idaho Power will utilize a waitlist if customer interest has exceeded the amount of available subscriptions. The waitlist will be prioritized on a first-come, first-served basis, and will provide customers with the option to purchase any unpaid subscriptions through a one-time

payment at the amount of the unpaid balance. If the waitlist is exhausted and outstanding subscriptions still exist, an as-yet to be identified third-party institution will cover the unpaid amounts to Idaho Power in exchange for the corresponding subscription(s). Idaho Power will work to secure an agreement with the as-yet to be identified third party during the Program's enrollment period. If the Company's waitlist is exhausted and no institution agrees to indemnify Idaho Power, the Parties agree that Idaho Power should be authorized to recover 100 percent of the unpaid subscription amounts in the next year's PCA. Ownership of the associated subscriptions will remain with Idaho Power and the net power cost benefits will automatically flow through the PCA to the benefit of all customers.

11. Cost Recovery. The Parties agree that Idaho Power should be allowed to collect 100 percent of the revenue requirement associated with the Rate Base Amounts detailed in Paragraph 8 through the Company's annual PCA mechanism, beginning with the first PCA following the project in-service date. These annual revenue requirement amounts, as detailed in Attachment 3, will be included as part of the Company's PCA filing in April of each year, until the Company resets its base rates in a future general rate case proceeding. Once the rate base amounts associated with the Program have been incorporated into the Company's overall rate base through a general rate proceeding, the Company will remove associated amounts from its PCA rates and no longer include the related revenue requirement in subsequent PCA filings.

The parties agree that any Operation and Maintenance expenses in excess of those included in the determination of subscription fees or specifically identified for recovery as part of this Settlement Stipulation must be reviewed for prudence by the Commission prior to recovery through customer rates.

12. Regulatory Accounting Treatment. The Parties agree Idaho Power may collect the revenue requirement associated with the Rate Base Amounts through the PCA until Idaho Power files its next general rate case; therefore, the Company requests that the Commission approve the collection of the revenue requirements associated with the Rate Base Amounts. The revenue requirement associated with the Rate Base Amounts for each year will be recorded to Federal Energy Regulatory Commission Account 182.3 on June 1 and applied to PCA balances on a monthly basis. At the end of the first PCA year, the Rate Base Amount for year 1 will be zero, and the Rate Base Amount for year 2 will be added to the account and so on until the Company files its next general rate case.

13. Rate Impacts to All Customers. As detailed in Paragraph 11, under the terms of the Settlement Stipulation, a portion of the initial project plant investment will be funded by Idaho Power and eligible for rate base treatment. Because this Company-funded amount reflects anticipated Program net power cost savings, the deferral of T&D investment, and the customer benefits associated with the Company's ability to communicate and control the smart inverter technology, all customers will pay for these amounts through the agreed upon accounting treatment and cost recovery detailed in Paragraphs 11 and 12, respectively.

14. With respect to the monthly fee option, all Idaho customers will act as surety in the event that participants do not pay the full subscription amount and no third party or other waitlisted customer is identified to assume the obligations/benefits of that subscription. However, because this initial Program is being offered as a pilot, Parties agree that the risk exposure to all Idaho customers is sufficiently mitigated by the size of the Program and the potential for third party and/or waitlist indemnification.

15. Reporting. Idaho Power agrees to submit an annual report updating the Commission and stakeholders with regard to the following items:

- The rate and timing of acquisition of subscriptions;
- Total subscriptions by rate class;
- The number of participants choosing each payment option;
- Default rate on the monthly fee option;
- Number of participant transfers to other eligible customers;
- Number of participant move-outs without subscription transfer;
- Marketing expenditures;
- Construction costs;
- System output and allocation to subscribers;
- Participant satisfaction survey results (when available);
- Operations and maintenance expense; and
- Warranty items.

The Parties agree that the Company will report actual costs over the life of the Program; however, the Company does not intend to true-up any differences between estimated costs embedded in the Subscription Fee and actual costs incurred throughout the life of the Program. The report will be filed concurrently with the Company's annual net metering status update report, due by the end of April each year, beginning in April 2018 and ending with the final year of the Program.

16. Tariff Schedule 63. The Settlement Stipulation terms described in the foregoing paragraphs are set forth in tariff Schedule 63, Community Solar Pilot Program, in Attachment 4.

17. The Parties submit this Settlement Stipulation to the Commission and recommend approval in its entirety pursuant to RP 274-76. The Parties shall support this Settlement Stipulation before the Commission and shall not appeal a Commission order approving the Settlement Stipulation or an issue resolved by the Settlement Stipulation. If this Settlement Stipulation is challenged by anyone who is not a party, then each Party reserves the right to file testimony, cross-examine witnesses, and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Settlement Stipulation. Notwithstanding this reservation of rights, the Parties agree that they will continue to support the Commission's adoption of the terms of this Settlement Stipulation.

18. If the Commission or any reviewing body on appeal rejects any part or all of this Settlement Stipulation or imposes any additional material conditions on approval of this Settlement Stipulation, then each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding within 14 days of the date of such action by the Commission, to withdraw from this Settlement Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Settlement Stipulation and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate. In such case, the Parties immediately will request the prompt reconvening of a prehearing conference for purposes of establishing a procedural schedule for the completion of Case No. IPC-E-16-14, and the Parties agree to cooperate in development of a schedule that concludes the proceeding on the

earliest possible date, taking into account the needs of the Parties in participating in hearings and preparing briefs.

19. The Parties agree that this Settlement Stipulation is in the public interest and that all of its terms and conditions are fair, just, and reasonable.

20. No Party shall be bound, benefited, or prejudiced by any position asserted in the negotiation of this Settlement Stipulation, except to the extent expressly stated herein, nor shall this Settlement Stipulation be construed as a waiver of rights unless such rights are expressly waived herein. Except as otherwise expressly provided for herein, execution of this Settlement Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory, or principle of regulation or cost recovery employed in arriving at this Settlement Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Settlement Stipulation. This Settlement Stipulation sets forth the complete understanding of the Parties, and this Settlement Stipulation includes no other promises, understandings, representations, arrangements or agreements pertaining to the subject matter of this Settlement Stipulation, or any other subject matter, not expressly contained herein.

21. The obligations of the Parties are subject to the Commission's approval of this Settlement Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal, if any, by a court of competent jurisdiction. All terms and conditions of this Settlement Stipulation are subject to approval by the Commission,

and only after such approval, without material change or modification, has been received shall the Settlement Stipulation be valid.

22. This Settlement Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

#### **IV. PROCEDURE**

23. Pursuant to RP 274, the Commission has discretion to determine the manner with which it considers a proposed settlement. In this matter, the Parties have reached agreement on a final resolution to this case. This Settlement Stipulation is reasonable and in the public interest. Pursuant to RP 201, the Parties believe the public interest does not require a hearing to consider the issues presented by this Motion and request it be processed as expeditiously as possible by Modified Procedure with a 14-day comment deadline, without waiving the right to a hearing on the previously disputed matters in this proceeding should the Commission reject the settlement.

#### **V. REQUESTED RELIEF**

NOW, THEREFORE, the Parties respectfully request that the Commission process this Settlement Stipulation using Modified Procedure with a 14-day comment period and then enter its order approving the Settlement Stipulation without material change or condition.

DATED this 26<sup>th</sup> day of September, 2016.

Idaho Power Company

By   
Lisa D. Nordstrom  
Attorney for Idaho Power Company

Commission Staff

By \_\_\_\_\_  
Daphne Huang  
Attorney for IPUC Staff

Idaho Conservation League

By \_\_\_\_\_  
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Attorney for Idaho Conservation League

Industrial Customers of Idaho Power

By \_\_\_\_\_  
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Idaho Irrigation Pumpers Association, Inc.

By \_\_\_\_\_  
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Snake River Alliance

By \_\_\_\_\_  
Ken Miller  
Clean Energy Program Director

Idaho Sierra Club

By \_\_\_\_\_  
Zach Waterman  
Director of Idaho Sierra Club

City of Boise City

By \_\_\_\_\_  
Elizabeth A. Koeckeritz  
Attorney for City of Boise

DATED this 23<sup>rd</sup> day of September, 2016.

Idaho Power Company

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Attorney for Idaho Power Company

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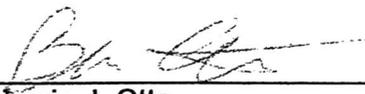
By \_\_\_\_\_  
Elizabeth A. Koeckeritz  
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DATED this 23 day of September, 2016.

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Attorney for City of Boise

DATED this \_\_\_\_ day of September, 2016.

Idaho Power Company

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By \_\_\_\_\_  
Elizabeth A. Koeckeritz  
Attorney for City of Boise

DATED this 22 day of September, 2016.

Idaho Power Company

Commission Staff

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By \_\_\_\_\_  
Elizabeth A. Koeckeritz  
Attorney for City of Boise

DATED this 23 day of September, 2016.

Idaho Power Company

Commission Staff

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Attorney for City of Boise

DATED this 23<sup>rd</sup> day of September, 2016.

Idaho Power Company

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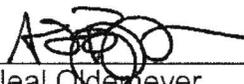
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City of Boise City

By \_\_\_\_\_  
Zach Waterman  
Director of Idaho Sierra Club

By  for \_\_\_\_\_  
Neal Oldenmeyer  
City of Boise Public Works Director

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**Idaho Power Company  
Community Solar Pilot Program - Subscription Fee Calculation  
Settlement Stipulation**

Plant	\$	835,479
Shareholder Contribution	\$	161,556
Net Plant	\$	673,923
Plant Value for Tax Basis	\$	572,834

Composite Tax Rate	39.095%
Deferred Tax Rate	35.000%
Federal Tax Rate	35.000%
State Tax Rate	6.300%
Federal Tax Rate, net of State	32.795%

Debt	
Preferred	
Common	
Total	

50.040% Debt Cost	5.728%
0.000% Preferred	0.000%
49.960% Common Equity	10.000%
100.000% Ave Cost	7.863%

30% ITC Earned	\$	202,177
50% ITC - Reduces Tax Depr basis of plant	\$	101,088
Fed Tax on Basis Reduction	\$	35,381
Net ITC Benefit	\$	166,796

Book Life	25
Tax Life	5

**RATE BASE SUMMARY**

Electric Plant in Service	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Intangible Plant	-	-	-	-	-	-	-	-	-	-	-	-
Production Plant	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923
Transmission Plant	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Plant	-	-	-	-	-	-	-	-	-	-	-	-
General Plant	-	-	-	-	-	-	-	-	-	-	-	-
Total Electric Plant in Service	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923
Less: Accumulated Depreciation	26,957	53,914	80,871	107,828	134,785	161,741	188,698	215,655	242,612	269,569	296,526	323,483
Less: Amortization of Other Plant	-	-	-	-	-	-	-	-	-	-	-	-
Net Electric Plant in Service	646,966	620,009	593,052	566,095	539,138	512,181	485,224	458,267	431,311	404,354	377,397	350,440
Less: Customer Adv for Construction	-	-	-	-	-	-	-	-	-	-	-	-
Less: Accumulated Deferred Income Taxes	56,138	124,305	141,948	149,326	152,855	153,497	148,364	140,344	132,325	124,305	116,285	108,266
Add: Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-
Add: Working Capital	-	-	-	-	-	-	-	-	-	-	-	-
Add: Conservation - Other Deferred Prog	-	-	-	-	-	-	-	-	-	-	-	-
Add: Subsidiary Rate Base	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMBINED RATE BASE</b>	<b>590,828</b>	<b>495,704</b>	<b>451,104</b>	<b>416,769</b>	<b>386,283</b>	<b>358,685</b>	<b>336,860</b>	<b>317,923</b>	<b>298,986</b>	<b>280,049</b>	<b>261,111</b>	<b>242,174</b>

**NET INCOME CALCULATION**

Total Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance Expenses	58,064	8,064	8,064	8,274	8,489	8,709	8,936	9,168	9,407	9,651	9,902	10,160
Depreciation Expenses	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957
Amortization of Limited Term Plant	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Other Than Income	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924
Regulatory Debits/Credits	112,276	24,059	11,228	3,529	3,529	(2,246)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)
Provision for Deferred Income Taxes	-	-	-	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)
Investment Tax Credit Adjustment	(7,087)	(6,088)	(5,305)	(4,863)	(4,500)	(4,174)	(3,897)	(3,669)	(3,457)	(3,245)	(3,032)	(2,820)
Current Income Taxes - Interest Sync	(150,831)	(46,378)	(30,014)	(20,278)	(20,362)	(13,085)	(5,809)	(5,900)	(5,993)	(6,089)	(6,187)	(6,288)
Current Income Taxes	45,303	12,537	16,852	10,352	10,846	12,896	14,900	15,270	15,628	15,989	16,354	16,723
Total Operating Expenses	(45,303)	(12,537)	(16,852)	(10,352)	(10,846)	(12,896)	(14,900)	(15,270)	(15,628)	(15,989)	(16,354)	(16,723)
Operating Income	(45,303)	(12,537)	(16,852)	(10,352)	(10,846)	(12,896)	(14,900)	(15,270)	(15,628)	(15,989)	(16,354)	(16,723)
Add: IERC Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Operating Income	(45,303)	(12,537)	(16,852)	(10,352)	(10,846)	(12,896)	(14,900)	(15,270)	(15,628)	(15,989)	(16,354)	(16,723)

**REVENUE DEFICIENCY CALCULATION**

Proposed Rate of Return	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
Earnings Deficiency	95,026	55,254	54,076	44,472	42,418	42,184	42,246	41,013	39,881	38,753	37,630	36,509
Net-to-Gross Tax Multiplier	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642
Revenue Deficiency	156,033	90,727	88,793	73,024	69,651	69,266	69,367	67,343	65,485	63,633	61,788	59,949

**Solar Rev Req NPV**

Interconnection Rev Req NPV	\$788,606
Total Rev Req NPV	\$90,348
Total Subscription Cost	\$562

Marketing Expense	\$	50,000
O&M Expense (\$/kW)	\$	16
O&M Escalation		2.60%
Property Tax Rate		0.55%

	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923
673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923	673,923
350,440	377,397	404,354	431,311	458,267	485,224	512,181	539,138	566,095	593,052	620,009	646,966	673,923	673,923
323,483	296,526	269,569	242,612	215,655	188,698	161,741	134,785	107,828	80,871	53,914	26,957	(0)	(0)
100,246	92,226	84,207	76,187	68,167	60,148	52,128	44,108	36,089	28,069	20,049	12,030	4,010	4,010
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
223,237	204,300	185,362	166,425	147,488	128,551	109,614	90,676	71,739	52,802	33,865	14,927	(4,010)	(4,010)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
10,424	10,695	10,973	11,258	11,551	11,851	12,159	12,475	12,800	13,133	13,474	13,824	14,184	14,184
26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957
5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924	5,924
(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)	(8,020)
(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)	(9,190)
(2,608)	(2,396)	(2,183)	(1,971)	(1,759)	(1,547)	(1,335)	(1,122)	(910)	(698)	(486)	(273)	(61)	(61)
(6,391)	(6,497)	(6,606)	(6,717)	(6,832)	(6,949)	(7,070)	(7,193)	(7,320)	(7,450)	(7,584)	(7,721)	(7,861)	(7,861)
17,096	17,473	17,855	18,241	18,631	19,026	19,426	19,831	20,241	20,656	21,076	21,502	21,933	21,933
(17,096)	(17,473)	(17,855)	(18,241)	(18,631)	(19,026)	(19,426)	(19,831)	(20,241)	(20,656)	(21,076)	(21,502)	(21,933)	(21,933)
(17,096)	(17,473)	(17,855)	(18,241)	(18,631)	(19,026)	(19,426)	(19,831)	(20,241)	(20,656)	(21,076)	(21,502)	(21,933)	(21,933)
7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
35,394	34,282	33,174	32,071	30,973	29,879	28,790	27,705	26,626	25,552	24,483	23,420	22,362	22,362
1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642
58,116	56,291	54,472	52,661	50,857	49,061	47,273	45,492	43,720	41,957	40,201	38,455	36,718	36,718

## Quantification of the Rate Base Amounts:

NPV of the incremental difference between DSM Alternate Costs and Embedded Cost of Energy

NPV of projected deferral of T&D Investment

Cost of the Smart Inverters

NPV of DSM Alternate Cost Annual Cash Flows - Shaped based on Solar Generation

A \$ 592,468.70

NPV of Embedded Energy Annual Cash Flows

B \$ 355,530.29

Difference (A - B)

C \$ 236,938.41

NPV of T&D Deferral Annual Cash Flows

D \$ 4,622

Cost of Smart Inverters

E \$ 81,730

Amount to Offset Upfront Payment (C + D + E)

\$ 323,290

**Idaho Power Company  
Embedded Energy Rate  
All Rate Classes**

Class COS Results per Stipulation Case No. IPC-E-11-08	(1)	2011 GRC \$/kWh	(2)	Depreciation Study per Stipulation Case No. IPC-E-12-08	(3)	Depr Study \$/kWh	(4)	Boardman Approved Case No. IPC-E-12-09	(5)	Boardman \$/kWh	(6)	Langley Gulch per Stipulation Case No. IPC-E-12-14	(7)	Langley \$/kWh	(8)	NPSE as Approved Case No. IPC-E-13-20	(9)	NPSE \$/kWh	(10)
Production Demand Energy	\$	212,592,816	\$0.02122	\$	(472,919)	(\$0.00003)	\$	905,041	\$0.00006	\$	36,471,727	\$0.00250	\$	60,678,023	\$0.00415				
Other Energy	\$	1,942,391	\$0.00013	(\$2,962)	(\$0.00000)														
<b>Total</b>	\$	870,005,051		\$	(1,326,799)		\$	1,525,501		\$	58,329,606		\$	99,309,367					

2011 GRC \$/kWh	0.0280273
2015 IRP Electricity Price Escalation	1.90%
Annual Generation (kWh)	996,977
Discount Rate	7.86%
<b>NPV of Embedded Energy Cash Flows</b>	<b>\$385,530</b>

Year	\$/kWh	Annual Cash Flows
1	0.02803	\$ 27,943
2	0.02856	\$ 28,473
3	0.02910	\$ 29,014
4	0.02966	\$ 29,566
5	0.03022	\$ 30,128
6	0.03079	\$ 30,700
7	0.03138	\$ 31,283
8	0.03197	\$ 31,878
9	0.03258	\$ 32,483
10	0.03320	\$ 33,100
11	0.03383	\$ 33,729
12	0.03447	\$ 34,370
13	0.03513	\$ 35,023
14	0.03580	\$ 35,689
15	0.03648	\$ 36,367
16	0.03717	\$ 37,058
17	0.03788	\$ 37,762
18	0.03860	\$ 38,479
19	0.03933	\$ 39,210
20	0.04008	\$ 39,955
21	0.04084	\$ 40,715
22	0.04161	\$ 41,488
23	0.04240	\$ 42,276
24	0.04321	\$ 43,080
25	0.04403	\$ 43,898

**Summation of Average Embedded Energy Rate**

2011 GRC	0.0280273
Boardman	\$0.00006
Langley	\$0.00250
NPSE	\$0.00415
<b>Total Embedded Energy Rate</b>	<b>0.0280273</b>

2011 GRC	14,615,108,349
<b>Generation Level kWh Forecast</b>	<b>kWh</b>

Energy - Production  
Energy - Other



**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**ATTACHMENT 2**

Idaho Power Company  
Community Solar Pilot Program  
24-Month Fee Option

1 Depreciable # of Subscriptions

CARRYING CHARGE %	LIFE	SUBSCRIPTION AMOUNT	SUBSCRIPTION FEE	MONTHLY ADMIN FEE	TOTAL FEE AUTHORIZED	TOTAL ADMIN FEES	CARRYING CHARGES	TOTAL FEES	ENDING PLANT BALANCE
7.59%	24	\$ 562.00	\$25.31	\$1.00	\$26.31	\$24.00	\$45.51	\$631.51	\$ (0.00)

MONTH NO	SUBSCRIPTION FEE	MONTHLY ADMIN FEE	TOTAL FEE AUTHORIZED	CARRYING CHARGE	DEPRECIATION	REMAINING PLANT BALANCE
0					\$0.00	\$562.00
1	\$25.31	\$1.00	\$26.31	\$3.55	\$21.76	\$540.24
2	\$25.31	\$1.00	\$26.31	\$3.42	\$21.90	\$518.35
3	\$25.31	\$1.00	\$26.31	\$3.28	\$22.03	\$496.31
4	\$25.31	\$1.00	\$26.31	\$3.14	\$22.17	\$474.14
5	\$25.31	\$1.00	\$26.31	\$3.00	\$22.31	\$451.82
6	\$25.31	\$1.00	\$26.31	\$2.86	\$22.45	\$429.37
7	\$25.31	\$1.00	\$26.31	\$2.72	\$22.60	\$406.77
8	\$25.31	\$1.00	\$26.31	\$2.57	\$22.74	\$384.03
9	\$25.31	\$1.00	\$26.31	\$2.43	\$22.88	\$361.15
10	\$25.31	\$1.00	\$26.31	\$2.28	\$23.03	\$338.12
11	\$25.31	\$1.00	\$26.31	\$2.14	\$23.17	\$314.95
12	\$25.31	\$1.00	\$26.31	\$1.99	\$23.32	\$291.63
13	\$25.31	\$1.00	\$26.31	\$1.84	\$23.47	\$268.16
14	\$25.31	\$1.00	\$26.31	\$1.70	\$23.62	\$244.54
15	\$25.31	\$1.00	\$26.31	\$1.55	\$23.77	\$220.77
16	\$25.31	\$1.00	\$26.31	\$1.40	\$23.92	\$196.86
17	\$25.31	\$1.00	\$26.31	\$1.25	\$24.07	\$172.79
18	\$25.31	\$1.00	\$26.31	\$1.09	\$24.22	\$148.57
19	\$25.31	\$1.00	\$26.31	\$0.94	\$24.37	\$124.20
20	\$25.31	\$1.00	\$26.31	\$0.79	\$24.53	\$99.67
21	\$25.31	\$1.00	\$26.31	\$0.63	\$24.68	\$74.99
22	\$25.31	\$1.00	\$26.31	\$0.47	\$24.84	\$50.15
23	\$25.31	\$1.00	\$26.31	\$0.32	\$25.00	\$25.15
24	\$607.51	\$24.00	\$631.51	\$45.51	\$25.15	(\$0.00)

\* The AFUDC Rate is calculated monthly, the rate of 7.59% is for August 2016. The monthly fee will be locked in at the current AFUDC rate at the time of enrollment.

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**ATTACHMENT 3**

**Idaho Power Company  
Community Solar Program  
Revenue Requirement Calculation of the Rate Base Amounts**

Plant	\$	323,290
Shareholder Contribution	\$	12,260
Net Plant	\$	311,031
Plant Value for Tax Basis	\$	264,376

Composite Tax Rate	39.095%
Deferred Tax Rate	35.000%
Federal Tax Rate	35.000%
State Tax Rate	6.300%
Federal Tax Rate, net of State	32.795%

Debt Preferred	50.040%	Debt Cost	5.728%
Common	0.000%	Preferred	0.000%
Total	49.960%	Common Equi	10.000%
	100.000%	Ave Cost	7.863%

30% ITC Earned	\$	93,309
50% ITC - Reduces Tax Depr basis of plant	\$	46,655
Fed Tax on Basis Reduction	\$	16,329
Net ITC Benefit	\$	76,980

3% Idaho ITC \$ -

**RATE BASE SUMMARY**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Electric Plant in Service	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031
Intangible Plant	-	-	-	-	-	-	-	-	-	-	-	-
Production Plant	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Plant	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Plant	-	-	-	-	-	-	-	-	-	-	-	-
General Plant	-	-	-	-	-	-	-	-	-	-	-	-
Total Electric Plant in Service	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031
Less: Accumulated Depreciation	12,441	24,882	37,324	49,765	62,206	74,647	87,089	99,530	111,971	124,412	136,854	149,295
Less: Amortization of Other Plant	-	-	-	-	-	-	-	-	-	-	-	-
Net Electric Plant in Service	298,590	286,148	273,707	261,266	248,825	236,383	223,942	211,501	199,060	186,619	174,177	161,736
Less: Customer Adv for Construction	-	-	-	-	-	-	-	-	-	-	-	-
Less: Accumulated Deferred Income Taxes	25,909	57,370	65,512	68,918	70,546	70,842	68,473	64,772	61,071	57,370	53,668	49,967
Add: Plant Held for Future Use	-	-	-	-	-	-	-	-	-	-	-	-
Add: Working Capital	-	-	-	-	-	-	-	-	-	-	-	-
Add: Conservation - Other Deferred Prog	-	-	-	-	-	-	-	-	-	-	-	-
Add: Subsidiary Rate Base	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMBINED RATE BASE</b>	<b>272,681</b>	<b>228,779</b>	<b>208,195</b>	<b>192,348</b>	<b>178,279</b>	<b>165,541</b>	<b>155,469</b>	<b>146,729</b>	<b>137,989</b>	<b>129,249</b>	<b>120,509</b>	<b>111,769</b>

**NET INCOME CALCULATION**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Total Operating Revenues	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Expenses	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441
Amortization of Limited Term Plant	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Other Than Income	450	450	450	450	450	450	450	450	450	450	450	450
Regulatory Debits/Credits	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Deferred Income Taxes	51,818	11,104	5,182	1,629	1,629	(1,036)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)
Investment Tax Credit Adjustment	(3,271)	(2,810)	(2,449)	(2,244)	(2,077)	(1,927)	(1,798)	(1,693)	(1,595)	(1,497)	(1,399)	(1,302)
Current Income Taxes - Interest Sync	(58,242)	(19,057)	(11,504)	(6,973)	(6,973)	(3,574)	(1,76)	(1,76)	(1,76)	(1,76)	(1,76)	(1,76)
Current Income Taxes	3,196	2,128	4,120	1,061	1,228	2,112	2,974	3,079	3,177	3,275	3,373	3,471
Total Operating Expenses	(3,196)	(2,128)	(4,120)	(1,061)	(1,228)	(2,112)	(2,974)	(3,079)	(3,177)	(3,275)	(3,373)	(3,471)
Operating Income	(3,196)	(2,128)	(4,120)	(1,061)	(1,228)	(2,112)	(2,974)	(3,079)	(3,177)	(3,275)	(3,373)	(3,471)
Add: IERC Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Operating Income	(3,196)	(2,128)	(4,120)	(1,061)	(1,228)	(2,112)	(2,974)	(3,079)	(3,177)	(3,275)	(3,373)	(3,471)

**REVENUE DEFICIENCY CALCULATION**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Proposed Rate of Return	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
Earnings Deficiency	27,652	21,843	21,299	16,808	15,800	15,630	15,594	14,960	14,371	13,781	13,192	12,603
Net-to-Gross Tax Multiplier	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642	1.642
Revenue Deficiency	45,405	35,866	34,974	27,599	25,943	25,664	25,606	24,564	23,597	22,629	21,662	20,694

Marketing Expense	\$	-
O&M Expense (\$/kW)	\$	-
O&M Escalation		0.00%
Property Tax Rate		0.55%

	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031	311,031
161,736	174,177	186,619	199,060	211,501	223,942	236,383	248,825	261,266	273,707	286,148	298,590	311,031	311,031
149,295	136,854	124,412	111,971	99,530	87,089	74,647	62,206	49,765	37,324	24,882	12,441	(0)	(0)
46,266	42,565	38,863	35,162	31,461	27,760	24,058	20,357	16,656	12,954	9,253	5,552	1,851	1,851
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
103,029	94,289	85,549	76,809	68,069	59,329	50,589	41,849	33,109	24,369	15,629	6,889	(1,851)	(1,851)
-	-	-	-	-	-	-	-	-	-	-	-	-	-
12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441	12,441
450	450	450	450	450	450	450	450	450	450	450	450	450	450
(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)	(3,701)
(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)	(4,241)
(1,204)	(1,106)	(1,008)	(910)	(812)	(714)	(616)	(518)	(420)	(322)	(224)	(126)	(28)	(28)
(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)	(176)
3,569	3,667	3,765	3,863	3,961	4,059	4,157	4,254	4,352	4,450	4,548	4,646	4,744	4,744
(3,569)	(3,667)	(3,765)	(3,863)	(3,961)	(4,059)	(4,157)	(4,254)	(4,352)	(4,450)	(4,548)	(4,646)	(4,744)	(4,744)
7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%	7.86%
12,014	11,424	10,835	10,246	9,656	9,067	8,478	7,889	7,299	6,710	6,121	5,532	4,942	4,942
1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642
19,726	18,759	17,791	16,824	15,856	14,888	13,921	12,953	11,986	11,018	10,050	9,083	8,115	8,115

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-16-14**

**IDAHO POWER COMPANY**

**ATTACHMENT 4**

SCHEDULE 63  
COMMUNITY SOLAR PILOT PROGRAM  
(OPTIONAL)

PROGRAM DESCRIPTION

The Community Solar Pilot Program ("Program") is an optional program that will provide a limited number of Idaho Power's Idaho Customers the opportunity to voluntarily subscribe to the generation output of a 500 kW single-axis tracking community solar array.

AVAILABILITY

The Program is available to Eligible Customers that hold evidence of a Subscription or an entitlement to the electric generation output of a portion of the community solar array. Participation in the Program is available on a first-come, first-served basis to all Eligible Customers who complete a Participant Agreement. Approximately 1,563 Subscriptions will be available. If Idaho Power does not receive what it deems to be a sufficient number of Subscriptions for the Program, Idaho Power may terminate the Program and refund the Subscription Fees as set forth under "Refund of Subscription Fee" in the Participant Agreement.

DEFINITIONS

Eligible Customers. Residential Service (Schedules 1 and 5), Small General Service (Schedule 7), Large General Service (Schedule 9), Large Power Service (Schedule 19), Agricultural Irrigation Service (Schedule 24), Micron Special Contract (Schedule 26), Simplot Special Contract (Schedule 29), and the Department of Energy Special Contract (Schedule 30) Customers. Non-metered and lighting accounts may not participate in the Program. Customers must be in Good Standing with metered electric service accounts with service addresses located in Idaho within Idaho Power's service area. Participants must be 18 years of age or older and have full power and authority to execute the Participation Agreement. Participant must be the customer of record on the Idaho Power account for the service agreement to which the Subscriptions apply.

Good Standing. At the time of Subscription a Customer is in "Good Standing" if the Customer does not have a past-due balance of \$100 or more that is 60 days or more past due.

Participant. The Customer specified as the Participant in the Participant Agreement is the Eligible Customer that has received notification of acceptance into the Program, or a successor Participant designated in accordance with the Participant Agreement.

Participant Agreement. Eligible Customers will be required to sign the Participant Agreement prior to participating in the Program. Participants will be subject to the terms and conditions of the Participant Agreement.

Subscription. A "Subscription" is the Participant's applicable portion of the electricity output generated by the community solar array developed in connection with the 500 kW project.

SCHEDULE 63  
COMMUNITY SOLAR PILOT PROGRAM  
(OPTIONAL)  
(Continued)

TERM

The Program term will extend 25 years after the date of first production of solar energy on a non-test basis (Operation Date).

Service on this rate schedule ("Enrollment") will commence with the first billing cycle following the later of (i) the approval of the Eligible Customer's Participant Agreement by the Company, and (ii) the Operation Date.

SUBSCRIPTION FEE

\$562.00 per Subscription.

PAYMENT OF SUBSCRIPTION FEE

Customers have the following payment options:

1. A single upfront payment by check.
2. A single upfront payment made by debit/credit card, mail-in check or money order, paystation check or money order, or personal on-line bank transfer ("Bill Me"). A Customer who requests the "Bill Me" option on the Participant Agreement will receive an Idaho Power Company generated bill, separate from their monthly electric service bill, which must be paid within 30 days. A convenience fee will be applied to debit/credit card payments.
3. Monthly fee for 2 years (24 months). Residential Service Customers (Schedules 1 and 5) may choose the monthly fee option and will receive 24 monthly bills, separate from their monthly electric service bill, which must be paid within 30 days of the monthly invoice date. Payments may be made by debit/credit card, mail-in check or money order, paystation check or money order, or personal on-line bank transfer. A convenience fee will be applied to debit/credit card payments. The monthly Subscription Fee of \$26.31 will cover the cost of the Subscription Fee, carrying charges, and an administration charge of \$1.00 per month to reflect the costs of administering this monthly option. Invoicing of the monthly Subscription Fee will begin with Enrollment.

If the monthly Subscription Fee is not paid within 60 days from the monthly invoice date, the Customer will be considered in default and the entire Subscription will be transferred to Idaho Power.

PARTICIPATION

To participate in the Program, a Customer must sign and return the Participant Agreement and elect its method of payment for the Subscription Fee.

SCHEDULE 63  
COMMUNITY SOLAR PILOT PROGRAM  
(OPTIONAL)  
(Continued)

PARTICIPATION (Continued)

Should a prospective participant have more than one service agreement, the participant must designate which service agreement and account the Subscription should apply to.

Customers may apply for multiple Subscriptions; however, the estimated total energy output of the Subscriptions may not exceed 100 percent of the customer's usage for the prior 12-month period (on a kWh basis) per service agreement.

If 12 months of usage data is not available, a prospective Participant may estimate its annual usage, using a method that includes, but is not limited to, usage by similarly sized properties or builder or architect estimates. All estimates are subject to review and approval by Idaho Power at its sole discretion.

Customers that Idaho Power at its sole discretion determines are ineligible will be notified promptly, which Idaho Power expects to occur within 10 business days after such Participant Agreement is deemed ineligible. In the event a Customer is ineligible to participate, the Subscription Fee payments received by Idaho Power from ineligible Customers will be returned without interest.

For 60 days following the receipt of a Commission order, nonresidential Customers are limited to 50 Subscriptions each and 30 percent of total capacity in aggregate. After 60 days following the receipt of a Commission order, all available capacity may be made available to all eligible customer classes at the Company's sole discretion.

SOLAR ENERGY CREDIT

Participants will receive a credit on their monthly bill for retail electric service. The amount of the Solar Energy Credit will depend on the type of retail metered electric service of the designated service agreement. The Solar Energy Credit will commence on the first billing cycle after the Operation Date, and will appear as a "per kWh" line item on each Participant's bill. The monthly bill credit will be limited to the Participant's monthly billed kWh. Any excess production will be carried forward on a kWh basis. Under no circumstances will any excess production that is unused be converted to monetary compensation or have value beyond the term of the Program, and upon termination of the Program, any unused excess production will be forfeited.

The monthly Solar Energy Credit will be equal to the product of (a) the Solar Energy Credit rate as set forth below and (b) the proportional share measured in kWh of the monthly generation from the array for that month (as determined by the number of Subscriptions and monthly generation). The month to which the Solar Energy Credit is applicable may not match the billing period for the retail electric service billing to which the Solar Energy Credit is applied.

SCHEDULE 63  
COMMUNITY SOLAR PILOT PROGRAM  
(OPTIONAL)  
(Continued)

SOLAR ENERGY CREDIT (Continued)

<u>Schedule</u>	<u>Description</u>	<u>Solar Energy Credit</u> <u>¢ per kWh</u>
1 and 5	Residential Service	3.0246
7	Small General Service	3.0209
9S	Large General Service	2.9936
9P and 9T	Large General Service	2.7352
19	Large Power Service	2.7735
24	Irrigation Service	2.6559
26	Micron Special Contract	2.5167
29	Simplot Special Contract	2.5371
30	DOE Special Contract	2.4915

The Power Cost Adjustment rate set forth in Schedule 55 will be applied to the net of the Participant's total energy use measured as the Participant's monthly billed kWh less their proportional share of the monthly generation measured in kWh from the array for that month.

The Solar Energy Credit rate is subject to change as the average embedded energy cost reflected in retail rates changes or as otherwise approved by Commission order.

CANCELLATION

The Participant is not eligible to receive a refund of any portion of the Subscription Fee upon cancellation of the Subscription. The Participant may elect to transfer the Subscription within 60 days of the Participant terminating service with Idaho Power. If no transfer is requested within such 60-day period, the Subscription and all benefits of the Subscription will revert to Idaho Power. The Subscription transfer terms are discussed below.

SUBSCRIPTION TRANSFER

A Participant may elect to transfer the remaining life of the Participant's Subscription to a new service agreement or service location for the same Participant that meets the eligibility requirements. Such transfers are not subject to additional fees.

Upon termination of a Participant's service, Participants may transfer the remaining life of their entire Subscription to another Eligible Customer's service agreement, including an eligible non-profit, for a \$25 fee. Participants with more than one Subscription may transfer their Subscriptions in whole subscription increments to one or more Eligible Customers for a \$25 fee per transfer. A single Subscription cannot be split for multiple transfers.

SCHEDULE 63  
COMMUNITY SOLAR PILOT PROGRAM  
(OPTIONAL)  
(Continued)

SUBSCRIPTION TRANSFER (Continued)

Participants that have requested to pay for their Subscription over 24 months, and have remaining monthly fees at the time of termination of Service, may request to transfer the remaining life of their Subscription to another Eligible Customer's service agreement, for the remaining plant balance (the remaining balance of which is to be assumed in full by the transferee) and a \$25 fee.

Participants must notify Idaho Power in writing of their intent to transfer any Subscription(s). Transfers will only be effective if the recipient satisfies the terms and conditions applicable to the Subscription and signs the Participant Agreement and assumes all responsibilities associated therewith.

ENVIRONMENTAL ATTRIBUTES

Idaho Power will retain ownership of the Renewable Energy Certificates and all other environmental attributes including but not limited to carbon emission reduction credits. The Renewable Energy Certificates will be retired by Idaho Power on behalf of Participants.

RULES AND REGULATIONS

Service under this Schedule will be in accordance with the standard Rules and Regulations of the Company as on file with the Idaho Public Utilities Commission.