

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-12-27
COMPANY'S APPLICATION FOR)	
AUTHORITY TO MODIFY ITS NET)	NOTICE OF APPLICATION
METERING SERVICE AND TO INCREASE)	
THE GENERATION CAPACITY LIMIT)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 32715
)	

On November 30, 2012, Idaho Power Company applied to the Commission for authority to modify its net metering service. The Company says its proposal will impact its 350 net metering customers to varying degrees, depending on how they use and generate energy. The Company asks the Commission to issue an Order by July 1, 2013, that sets effective dates as noted below.

With this Order, the Commission provides notice of the Application, sets a 14-day intervention deadline, orders a prehearing conference, and temporarily waives the current net metering service capacity limit. After the prehearing conference occurs, another Order will be issued setting further procedure including a public hearing for customers.

THE APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power's Application asks the Commission to approve four changes to the net metering service.

First, the Company seeks to increase net metering service capacity limit from 2.9 megawatts (MW) to 5.8 MW. Application at 4. The Company says if the capacity limit is not increased, it will reach that limit within six months then have to refuse new net metering applications. *Id.* The Company asks the Commission to temporarily waive the current capacity limit if it is reached before this proceeding concludes. *Id.* at 5 and 11.

Second, the Company proposes to change the net metering service pricing structure for residential service and small general service customers. Under the current pricing structure, the Company pays net metering customers a full retail energy rate for the power they generate. But the full retail energy rate is higher than the generation-related revenue requirement embedded in rates; it includes cost recovery for all components of the Company's electrical

system, including transmission, distribution, and customer-related costs. The Company says that paying the full retail energy rate to net metering customers enables net metering customers to unduly reduce what they pay the Company for its costs associated with the non-generation-related components of revenue requirement. The Company says this is unfair to standard service customers, who must then compensate the Company for any revenue shortfall. *Id.* at 5; Larkin Direct at 18. The Company proposes to reduce the potential inequity by removing recovery of all distribution-related fixed costs from the energy charge and changing the pricing structure by implementing two new tariffs: Schedule 6 for “Residential Net Metering Service,” and Schedule 8 for “Small General Net Metering Service” customers. The proposed changes would (1) increase the monthly service charge from \$5.00 to \$20.92 for residential service and from \$4.00 to \$22.49 for small general service; (2) set up a basic load capacity charge of \$1.48 per kW for residential and \$1.37 per kW for small general service to reflect the full cost-of-service associated with their use of the distribution system; and (3) uniformly reduce the energy charges for residential and small general service to target the same level of total revenue recovery that would exist under the standard service rate design. *Id.* at 6. The Company says the proposed rate design addresses many of the same fixed-cost recovery concerns as the Fixed Cost Adjustment (FCA); thus, Schedule 6 and Schedule 8 customers would not be subject to the FCA rates contained in Schedule 54. *Id.* at 7. The Company asks that the changes to the net metering rates for residential and small general service net metering customers, and the new Schedules 6 and 8, take effect on October 1, 2013. *Id.* at 11.

Third, the Company seeks to change how it bills excess net energy under Schedule 84. The Company presently pays customers who generate excess net energy (more energy than they use). The Company proposes to stop paying the customers and instead provide them with a kilowatt-hour credit for the excess energy they generate in a billing period. This credit then can be carried forward and applied against use in future billing periods; but any kilowatt-hour credits remaining after the December billing period will expire. *Id.* at 7-8. The Company says that customers who want to continue selling generation for payment can do so as a qualifying facility by procuring a sales agreement through Schedule 86. *Id.* at 8. The Company wants the excess net energy billing changes to take effect at the start of each customer’s January 2014 billing period. *Id.* at 11.

Fourth, the Company proposes re-organizing the service provisions in Schedule 72, “Interconnections to Non-Utility Generation” to, among other things, define the net metering application process and add an unauthorized installation section. The Company also proposes changing the name of Schedule 84 from “Customer Energy Production Net Metering” to “Large Customer Net Metering,” and limiting its applicability to net metering service for customers taking services under schedules besides Schedules 6 and 8. *Id.* at 9. The Company wants Schedule 72 and Schedule 84 changes to take effect on October 1, 2013. *Id.* at 11.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power’s representatives in this matter:

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YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission’s web site at www.puc.idaho.gov by clicking on “File Room” and then “Electric Cases.”

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-502, 61-622, and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to become parties** in this matter to conduct formal discovery or present evidence or cross-examine witnesses at any hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. The Petition to Intervene must be filed **no later than fourteen (14) days from the service date of this Order**. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Staff counsel will convene an informal prehearing conference for the purpose of discussing a schedule to process this case, the service of discovery, and other issues raised by the parties.

YOU ARE FURTHER NOTIFIED that any hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-mail: secretary@puc.idaho.gov

TEMPORARY WAIVER OF NET METERING CAPACITY LIMIT

The Company proposes to increase the current cumulative nameplate generation capacity limit from 2.9 MW to 5.8 MW. The Company says it expects to soon reach the current 2.9 MW cumulative nameplate generation capacity limit and will be in a position of having to


turn away new net metering customers. The Company thus asks us to temporarily waive the capacity limit if it is reached before our final determination in this case. We find the Company's request to be reasonable. Accordingly, we waive the current capacity limit until we issue our final Order in this proceeding. Customers acquired during this waiver period will be subject to the terms of current Schedule 72, "Interconnections to Non-Utility Generation," and Schedule 84.

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the service date of this Order. The Commission Secretary will issue a Notice of Parties, and Staff will convene an informal prehearing conference as discussed above.

IT IS FURTHER ORDERED that the current, 2.9 MW cumulative nameplate generation capacity limit is waived during this proceeding, as set forth above. The Company shall promptly notify the Commission in writing if the cumulative installed net metering generation capacity reaches 2.9 MW during this proceeding.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of January 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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