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IDAHO PUBLIC UTILITIES COMMISSION

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June 14, 2013

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

Re: Case No. IPC-E-13-09  
Glanbia Foods, Inc.'s Petition – Idaho Power Company's Reply Comments

Dear Ms. Jewell:

Enclosed for filing in the above matter are an original and seven (7) copies of Idaho Power Company's Reply Comments.

In addition, an original and seven (7) copies of the **confidential** attachment are enclosed in a separate envelope. Please handle the confidential attachment in accordance with the Protective Agreement executed in this matter.

Sincerely,

Lisa D. Nordstrom

LDN:csb  
Enclosures

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF )	
GLANBIA FOODS, INC. FOR APPROVAL )	Case No. IPC-E-13-09
OF A LINE EXTENSION ALLOWANCE )	
PURSUANT TO IDAHO POWER )	IDAHO POWER COMPANY'S
COMPANY'S RULE H. )	REPLY COMMENTS
_____ )	

Idaho Power Company ("Idaho Power" or "Company") respectfully submits these Reply Comments pursuant to Procedural Order No. 32803 and in response to the Comments filed by the Idaho Public Utilities Commission ("Commission") Staff ("Staff") and Glanbia Foods, Inc. ("Glanbia") on June 5, 2013.

Idaho Power believes that it cannot provide Glanbia with its requested allowance under the Company's current rules and tariff. The Company treated Glanbia's request for new transmission and substation facilities in a manner consistent with its rules, tariff, and current Commission policy regarding these types of upgrades. It would be inappropriate to provide an allowance to Glanbia without making a change to a rule or tariff because the types of facilities it has requested are not eligible for allowances under

the Company's existing tariff. Because there is no identified need for near-term capacity in the area of Glanbia's expansion, the Company determined that Glanbia's request does not provide a system benefit. Further, under the terms of Idaho Power's Open Access Transmission Tariff ("OATT"), the Company would not be allowed to charge a Vested Interest payment to transmission customers attaching to a transmission line.

#### **I. RULE H IS NOT APPLICABLE IN THIS CASE.**

The Company maintains that the provisions of Rule H are not applicable to Glanbia's request for construction of a transmission line and substation. Staff and Glanbia contend that Idaho Power should treat Glanbia's request for the construction of a transmission line as a request for the construction of distribution facilities. To support their contention, Staff and Glanbia rely on the definition of a Distribution Provider as defined by the North American Electric Reliability Corporation ("NERC"). NERC defines a Distribution Provider as an entity that:

Provides and operates the "wires" between the transmission system and the end-use customer. For those end-use customers who are served at transmission voltages, the Transmission Owner also serves as the Distribution Provider. Thus, the Distribution Provider is not defined by a specific voltage, but rather as performing the Distribution function at any voltage.<sup>1</sup>

This NERC definition is not contained in the Company's tariff and more importantly does not define distribution *facilities*. The NERC document has never been used as a basis for determining allowances to be provided by the Company on behalf of customers. This complaint is not a question of whether or not Idaho Power is a

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<sup>1</sup> Glossary of terms used in Federal Energy Regulatory Commission's Reliability Standards, February 11, 2013, at 23.

Distribution Provider, but whether or not the facilities being constructed should be considered distribution facilities and appropriately considered under the definitions in Rule H.

The same NERC document referenced by Staff and Glanbia defines a Transmission Line as:

A system of structures, wires, insulators and associated hardware that carry electric energy from one point to another in an electric power system. Lines are operated at relatively high voltages varying from 69 kV up to 765 kV, and are capable of transmitting large quantities of electricity over long distances.<sup>2</sup>

By this definition and consistent with the Company's treatment of Glanbia's request, the 10-mile 138 kilovolt ("kV") line requested by Glanbia should clearly be considered a Transmission Line. While NERC may maintain a glossary of terms that it uses for establishing reliability standards, the Company abides by the provisions of its Rule B tariff as the Commission-approved authority when defining a distinction between its Secondary, Primary, and Transmission Service levels.<sup>3</sup>

**II. COMPANY BETTERMENT IS NOT APPROPRIATE BECAUSE THERE ARE NO NEAR-TERM NEEDS FOR ADDITIONAL CAPACITY IN THIS AREA.**

In its Comments, Staff admits "it is clear that Rule H does not apply to transmission or substation facilities,"<sup>4</sup> but then argues that "nowhere is it stated in either Rule H or Schedule 19 that no allowance must be provided for transmission or

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<sup>2</sup> Glossary of terms used in Federal Energy Regulatory Commission's Reliability Standards, February 11, 2013, at 66.

<sup>3</sup> I.P.U.C. No. 29, Tariff No. 101, Rule B Definitions, Original Sheet No. B-2. Rule B states that "Transmission Service is service taken at 44 kV or higher. Customers taking Transmission Service are responsible for providing the transformation of power to the voltage at which it is to be used by the Customer."

<sup>4</sup> Staff Comments at 3.

substation facilities.”<sup>5</sup> This suggests that a new allowance provision could or should be established for either or both transmission and substation construction. While no allowance provision for such construction exists today, the Company does evaluate requests for the construction of new transmission and substation facilities to determine if any existing or anticipated new customers will benefit from the construction of such facilities. Such benefit has been referred to as “Company Betterment.”<sup>6</sup> In its review of the Glanbia request, the Company identified no near-term system benefit to be derived by existing or anticipated new customers.<sup>7</sup> The Glanbia request solely benefits Glanbia. Any allowance or betterment provided by the Company for transmission or substation facilities that benefit only Glanbia would be eventually included in the rates paid by other non-benefitting customers if such an allowance or determination of betterment was established. The Company believes that such a determination in this case would be inconsistent with the Commission’s desire to have the “cost causers” pay for the costs.<sup>8</sup> The Company maintains that any Company contributions to the funding of transmission lines and substations should be addressed via a determination of Company Betterment rather than by establishing a new allowance provision.

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<sup>5</sup> Staff Comments at 4.

<sup>6</sup> I.P.U.C. No. 29, Tariff No. 101, Rule H New Service Attachments and Distribution Line Installations or Alterations, First Revised Sheet No. H-1. Rule H states “Company Betterment is that portion of the Work Order Cost of a Line Installation and/or Alteration that provides a benefit to the Company not required by the Applicant or Additional Applicant. Increases in conductor size and work necessitated by the increase in conductor size are considered a Company Betterment if the Connected Load added by the Applicant or Additional Applicant is less than 100 kilowatts. If, however, in the Company’s discretion, it is determined that the additional Connected Load added by the Applicant or Additional Applicant, even though less than 100 kilowatts, is (1) located in a remote location, or (2) a part of a development or project which will add a load greater than 100 kilowatts, the Company will not consider the work necessitated by the load increase to be a Company Betterment.”

<sup>7</sup> Attachment 1 hereto, Idaho Power Company’s response to Glanbia’s Request for Production No. 4.

<sup>8</sup> Order No. 30955 at 21.

### **III. GLANBIA AND STAFF CONFUSE THE PROVISIONS OF RULE H.**

Rule H is the only location in the Company's tariff that discusses allowances.

The Company believes the applicability of Rule H is clearly defined by the preface of the Rule, which states:

This rule applies to requests for electric service under Schedules 1, 3, 4, 5, 7, 9, 19, 24, 45, and 46 that require the installation, alteration, relocation, removal, or attachment of Company-owned **distribution facilities. New construction beyond the Point of Delivery for Schedule 9 or Schedule 19 is subject to the provisions for facilities charges under those schedules. This rule does not apply to transmission or substation facilities**, or to requests for electric service that are of a speculative nature. (Emphasis added.)

The Company does not believe it should be necessary to again state within Section 7, *Line Installation and Service Attachment Allowance*, of Rule H that the allowances cannot be applied to offset the cost of transmission or substation facilities. Further, the definitions of Line Installation and Line Installation Allowance limit the scope to distribution facilities, as those definitions state a Line Installation is "any installation of new distribution facilities owned by the Company" and a Line Installation Allowance is "the portion of the estimated cost of a Line Installation funded by the Company."<sup>9</sup> There is no tariff provision suggesting that it is appropriate to provide any allowance to offset the cost of constructing transmission or substation facilities. Nonetheless, "Staff believes it is fair and reasonable that the allowable investment be applied to whatever facilities are needed to provide service whether they are terminal facilities, distribution

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<sup>9</sup> I.P.U.C. No. 29, Tariff No. 101, Rule H New Service Attachments and Distribution Line Installations or Alterations, Original Sheet No. H-2.

facilities or transmission facilities.”<sup>10</sup> As previously discussed, Rule H indicates allowances are only to be used to offset the costs associated with distribution facilities.

#### **IV. STAFF’S PROPOSED METHODOLOGY IS INAPPROPRIATE AND CONTAINS COMPUTATIONAL ERRORS.**

While the Company believes it is clear that Rule H is not applicable to Glanbia’s request for the construction of a transmission line and substation and thus no allowance is appropriate, it is important for the Company to comment on the inaccuracies presented in Staff’s Comments regarding what allowances reflect and what they are intended to recover.

Allowances provided for the construction of new distribution facilities under Rule H are based on the cost of providing Standard Terminal Facilities.<sup>11</sup> There is no standard for terminal facilities that are typically required by Schedule 19 customers. Industrial customers have a high degree of variability in the types of facilities required to service their loads. Typically, it is necessary for these industrial/large load customers to provide distribution facilities located beyond the primary point of delivery, a provision

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<sup>10</sup> Staff Comments at 6.

<sup>11</sup> I.P.U.C. No. 29, Tariff No. 101, Rule H New Service Attachments and Distribution Line Installations or Alterations, First Revised Sheet No. H-3. Rule H states, “Standard Terminal Facilities are the overhead Terminal Facilities the Company considers to be most commonly installed for overhead single phase and three phase services. Single phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and one 25 kVA transformer to serve a 200 amperage meter base. Three phase Standard Terminal Facilities include the cost of providing and installing one overhead service conductor and three 15 kVA transformers to serve a 200 amperage meter base.”

that is clearly outlined in Rule M<sup>12</sup> and Rule B.<sup>13</sup> Under the provisions of Rule M, if the Company did install the distribution facilities beyond the primary point of delivery, the customer would not be required to fund an upfront contribution in aid of construction (“CIAC”) for those facilities but would instead pay the Company by means of a monthly facilities charge. No allowances are provided under this alternative.

The “Case-by-Case” provision in Section 7 of Rule H<sup>14</sup> is only appropriately applied when a Schedule 19 customer requests terminal facilities that **are not** located beyond the point of delivery. These Schedule 19 customers are typically Secondary Service<sup>15</sup> level customers. The terminal facilities for Schedule 19 Primary Service<sup>16</sup> level customers, like Glanbia, **are** located beyond the point of delivery, and are not covered under Rule H.

The Comments filed by Staff and Glanbia imply that Idaho Power has not treated Glanbia in accordance with tariff provisions for Schedule 19 requests. Staff and Glanbia

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<sup>12</sup> I.P.U.C. No. 29, Tariff No. 101, Rule M Facilities Charge Service, Original Sheet No. M-1 states, “Primary and Transmission Service level Customers not taking facilities charge services are responsible for providing the transmission of power beyond the Point of Delivery needed to meet the Customer’s service requirements. See Rule B.”

<sup>13</sup> I.P.U.C. No. 29, Tariff No. 101, Rule B Definitions, Original Sheet No. B-2. Rule B states that “**Primary Service** is service taken at 12.5 kilovolts (kV) to 34.5 kV. Customers taking Primary Service are responsible for the transformation of power to the voltage at which it is to be used by the Customer. **Transmission Service** is service taken at 44 kV or higher. Customers taking Transmission Service are responsible for providing the transformation of power to the voltage at which it is to be used by the Customer.” (Emphasis added.)

<sup>14</sup> I.P.U.C. No. 29, Tariff No. 101, Rule H New Service Attachments and Distribution Line Installations or Alterations, Fourth Revised Sheet No. H-11, 7a.

<sup>15</sup> I.P.U.C. No. 29, Tariff No. 101, Rule B Definitions, Original Sheet No. B-2. Rule B states that “Secondary Service is service taken at 480 volts or less, or where the definitions of Primary Service and Transmission Service do not apply. The Company is responsible for providing the transformation of power to the voltage at which it is to be used by the Customer taking Secondary Service.”

<sup>16</sup> The definition of Primary Service is included in footnote 13.

indicate there is a prescribed methodology for reducing a CIAC by means of an allowance, and the Company has erred in not providing an allowance for Glanbia.

The Company's methodology, proposed in Case No. IPC-E-08-22 ("the 2008 Rule H case") was approved by the Commission in Order No. 30853 and further confirmed in Reconsideration Order No. 30955. Staff's proposed methodology in that case was not adopted by the Commission. Nonetheless, Staff has used its unapproved methodology as the basis for its comments in this case. The Company has reviewed Staff's analysis and concludes it is inappropriate for use in this case.

First, the Company does not agree with what it perceives as a blending of two defined tariff terms, allowances and Company Betterment, into an undefined concept referred to by Staff as an acceptable "allowable investment." Nonetheless, the Company has taken this opportunity to review the components that Staff has used to determine an "allowable investment." The Company believes Staff overlooked some offsets to Company investments that would reduce Staff's computation of the "allowable investment" from \$122 per kilowatt ("kW") to \$96 per kW.

Staff used an analysis consistent with that which it presented during the 2008 Rule H case to indicate that Glanbia is entitled to a \$122 per kW allowance, stating that "these amounts represent the level of investment for these facilities that is built into rates."<sup>17</sup> After reviewing Staff's calculation, the Company determined Staff had failed to account for the substation CIACs that have offset plant investments in the past. That is, the CIACs provided by Schedule 19 customers in the past have effectively reduced the investment or rate base of the Company. Correcting for this omission reduces Staff's calculation by roughly \$22/kW. Staff also included plant associated with providing

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<sup>17</sup> Staff Comments at 6.

meters, which is incorrect because these facilities are not included in the upfront cost a customer pays. If the Company provided an allowance for meters, when the associated cost is not included in the upfront customer charge, it would provide an offset twice. Reducing the plant by the cost of the meters resulted in an additional \$4/kW reduction. Replicating Staff's methodology to calculate a per kW cost of distribution plant embedded in Schedule 19 rates, the Company calculated an amount of approximately \$96/kW.

The Company also disagrees with Staff's statement that an allowance should be able to offset any facilities needed to receive service, even if they are transmission facilities. The Company believes it is inappropriate to calculate an allowance based on distribution facilities and then use that allowance to offset investment in transmission facilities. Glanbia's request for service does not include any distribution facilities that would be covered under Rule H, or eligible for an allowance. Furthermore, none of the Company's allowances that are approved under Rule H are based on a per kW basis, and the Company supports this because it believes it is inappropriate to base an allowance on an anticipated load that may or may not materialize.

Staff's Comments state, "Idaho Power's proposed allowances were not based on an analysis of embedded costs, but seemed instead to be based simply on policy."<sup>18</sup> Idaho Power agrees with Staff; the Company's allowances were not based on an embedded rate methodology, but were primarily based on a shift in policy and more specifically a change to the cost of Standard Terminal Facilities. The Company's allowances were approved in Order Nos. 30853 and 30955, which authorized the policy shift from an embedded rate methodology to one based on the cost of Standard

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<sup>18</sup> Staff Comments at 5.

Terminal Facilities. In the current case, Staff implies that because the Idaho Power proposed and Commission-approved allowances were close to what Staff's own calculations were, that effectively meant the Commission approved Staff's analysis in Case No. IPC-E-08-22.<sup>19</sup> The Company disagrees. The Building Contractors Association filed for reconsideration on the grounds that the Commission did not uphold the "embedded-rate" methodology that was established during the 1995 Rule H case, and in its Order No. 30955, the Commission stated:

The Contractors first assert that our recently approved changes to Rule H are inconsistent with the methodology that the Commission adopted in the 1995 Rule H case. BCA implied that the Commission cannot change its methodology from the 1995 case. We reject this argument.<sup>20</sup>

It appears that Staff has attempted to reintroduce an embedded cost methodology that was not approved by the Commission.

**V. THE OATT DOES NOT ALLOW FOR VESTED INTEREST PAYMENTS FOR TRANSMISSION CUSTOMERS.**

The Company's OATT approved by the Federal Energy Regulatory Commission ("FERC") does not provide for or allow the Company to impose a vested interest charge on any transmission customer or generator<sup>21</sup> that is interconnecting to Idaho Power's transmission system under the provisions of the OATT. The Company's generator interconnection process is governed by the FERC-approved large and small generator interconnection procedures set forth in Attachment M and N of the OATT ("OATT Interconnection Procedures"). The OATT Interconnection Procedures include, *inter alia*,

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<sup>19</sup> Staff Comments at 5.

<sup>20</sup> Order No. 30955 at 21.

<sup>21</sup> Public Utility Regulatory Policies Act of 1978 Qualified Facility interconnections are state jurisdictional and are controlled by the I.P.U.C. No. 29, Tariff No. 101, Schedule 72 Interconnections to Non-Utility Generation.

provisions that allocate costs and charges associated with interconnection with Idaho Power's transmission system.

Idaho Power's OATT Interconnection Procedures do not include a vesting interest component. As a consequence, Idaho Power cannot apply the vested interest component proposed by Glanbia without a FERC-approved amendment to the OATT Interconnection Procedures. To obtain FERC approval, Idaho Power would be required to satisfy FERC regulation and policy. In particular, Idaho Power would be required to demonstrate that the vested interest component was just and reasonable, non-discriminatory, and not a barrier to access to the transmission system, or otherwise result in adverse impacts to FERC customers or the Company. The OATT Interconnection Procedures, including the cost allocations included therein, were developed at FERC through a significant process where cost issues were considered and debated at length. The introduction of a new concept related to cost allocation outside the established OATT Interconnection Procedures that would potentially impact a number of existing or potential customers would likely involve significant stakeholder intervention and increased FERC scrutiny.

Glanbia requests "access to the full nameplate capacity of the expansion it pays for."<sup>22</sup> While the transmission line and substation that would be built to serve the Glanbia load is owned, operated, and maintained by the Idaho Power, the Company understands the concern Glanbia may have regarding the availability of capacity at the time its load comes to fruition. As stated before, the Company does not anticipate any additional load in that area in the near future and, consequently, more than adequate capacity should be available when needed. However, it is not an optimal use of the

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<sup>22</sup> Glanbia Comments at 4.

Company's system to maintain capacity indefinitely, potentially causing other customers to pay for system capacity when capacity already exists. As a general rule, the Company's practice is to maintain capacity for a project that has been funded by an offsetting CIAC for a reasonable period of time, even if additional claims on that capacity are requested. The typical amount of time that has been considered a reasonable amount of time is a five-year period. This assurance should alleviate Glanbia's concerns.

**VI. THE COMPANY HAS BEEN CONSISTENT IN TREATMENT  
OF SCHEDULE 19 CUSTOMERS.**

The requirement that Glanbia fund a CIAC for the cost of the transmission and substation facilities requested to service its load is consistent with the Company's treatment of all Schedule 19 Large Power Service customers. Requiring customers to fund these types of facilities upfront protects the entire customer class from uncertainty or speculation associated with the requested load of a single customer not coming on-line. Other Schedule 19 customers should not have to pay for facilities required to provide service for a single customer, in this case, Glanbia's expansion.

While the record is voluminous, the Company feels that direct testimony in Case No. IPC-E-00-12<sup>23</sup> submitted by Commission Staff witness Rick Sterling and direct and rebuttal testimony submitted by Company witness Greg Said is relevant in considering the current Petition. During that case, Mr. Sterling maintained that "Rule H very clearly states that it does not apply to transmission or substation facilities. Therefore, Rule H does not apply since this complaint concerns costs associated with the Bethel Court

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<sup>23</sup> Case No. IPC-E-00-12, *Kimball Properties Limited Partnership, and Hewlett-Packard Company, Complainants vs. Idaho Power Company, an Idaho Corporation, Respondent.*

substation.”<sup>24</sup> Mr. Sterling testified that Idaho Power had not violated any of its rules or its tariff when it required the proposed Schedule 19 customer to fund a portion of the substation and, in fact, Mr. Sterling noted:

Customers could request service and possibly trigger construction of new facilities to serve the ultimate maximum load expected, and face no consequences if only a part of the load (and revenue that goes along with it) materialized . . . . I believe that the risk of speculative development should be on the customer requesting service, not on Idaho Power.<sup>25</sup>

In his testimony, Mr. Sterling also stated that the treatment of Schedule 19 customers was “inconsistent and discriminatory,”<sup>26</sup> because “it is discriminatory whenever one customer has to pay for substation facilities and another customer, who may require the same or even larger substation capacity, does not have to pay just because extra substation capacity is already available.”<sup>27</sup> On Rebuttal, Company witness Mr. Said responded to Mr. Sterling’s statement by pointing out that:

A new customer who requires no additional facilities provides a benefit to other Idaho Power customers in that no additional costs are added to the system, but the existing costs can be spread across a greater load, thereby effectively reducing the cost responsibility of other customers . . . . Conversely, a new customer who requires additional facilities, but is not required to make a CIAC, adds total costs to be recovered by the Company. Those additional costs adversely impact existing customers, since those customers must absorb those additional costs.<sup>28</sup>

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<sup>24</sup> Case No. IPC-E-00-12, Sterling Direct Testimony, Tr. at 131.

<sup>25</sup> Case No. IPC-E-00-12, Sterling Direct Testimony, Tr. at 137.

<sup>26</sup> Case No. IPC-E-00-12, Sterling Direct Testimony, Tr. at 143.

<sup>27</sup> *Id.*

<sup>28</sup> Case No. IPC-E-00-12, Said Rebuttal Testimony, Tr. at 277.

The Company continues to agree this is good regulatory policy, and it has treated Glanbia according to the principles outlined during Case No. IPC-E-00-12 and subsequently approved in Order No. 29529. It is noteworthy that when Glanbia first came on-line, Glanbia was served out of a substation with existing capacity and was not required to fund a CIAC. The requested facilities in this case are only being built because of Glanbia's increased load; the Company would not be building a new transmission line or substation were it not for Glanbia's request.

The Commission had an opportunity to review the record from Case No. IPC-E-00-12 in its entirety and in its Final Order stated, "The Commission supports the payment of contributions in aid of construction as such payments directly offset Company investment and additions to rate base."<sup>29</sup> The Company believes this policy is consistent with and supported by more recent Commission rulings, where the Commission stated, "To the extent practicable, utility costs should be paid by those that cause the utility to incur the costs. If the "cost-causers" do not pay, the electric rates for other customers will be higher."<sup>30</sup>

## **VII. CONCLUSION**

Idaho Power's existing rules and tariff do not provide for the allowance as requested by Glanbia. The Company believes that a change as proposed by Glanbia and Staff would require tariff changes, the full impacts of which have not been completely addressed in this complaint case. The Company acted in accordance with its tariff and rules regarding its treatment of Glanbia. The Company's tariff does not contain provisions for determination of an "allowable investment" by the Company. In

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<sup>29</sup> Order No. 29529 at 6.

<sup>30</sup> Order No. 30955 at 21.

addition, the Company's tariff does not contain any provision for allowances to be provided for the construction of either transmission or substation facilities. Moreover, The Company's tariff only envisions allowances to be provided for the construction of new distribution facilities. Glanbia has requested construction of transmission and substation facilities. No existing or anticipated new customer will directly benefit as a result of Glanbia's request for the construction of transmission and substation facilities. Due to the reasons described in more detail above, Glanbia's Petition for Approval of a Line Extension Allowance Pursuant to Idaho Power's Rule H Tariff should be denied.

Dated at Boise, Idaho, this 14<sup>th</sup> day of June 2013.

  
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JULIA A. HILTON  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 14<sup>th</sup> day of June 2013 I served a true and correct copy of IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

**Commission Staff**

Weldon Stutzman  
Deputy Attorney General  
Idaho Public Utilities Commission  
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**Glanbia Foods, Inc.**

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Christa Beary, Legal Assistant

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-13-09**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**REQUEST NO. 4:** At page 10, Idaho Power's Petition provides:

The Company considered whether granting Glanbia some Company Betterment amount would be appropriate in this instance, but after reviewing its load forecast for the area, the Company concluded that there is no indication for additional capacity needs in that substation in the near term.

Please provide a copy of the "load forecast for the area" relied on to support the conclusion reached in that sentence along with all workpapers and supporting documents used to prepare the same.

**RESPONSE TO REQUEST NO. 4:** The "load forecast for the area" that was relied on to support the conclusion is provided in the confidential Excel file, provided on the confidential CD, with the tab labeled "Toponis T131 Forecast." This forecast identified that a system improvement would not be required until 2022, at the earliest, which is beyond the five-year near-term planning horizon. The confidential CD will be provided to those parties that have executed the Protective Agreement in this proceeding.

Upon further consideration of the request for Company Betterment, a second forecast, provided in the "Toponis T131 less Glanbia Fcast" tab, was developed based on the assumption that the Glanbia facility would be served from a new substation. In this forecast, the Glanbia load was removed from the forecast starting year and from the growth rate calculation. This forecast results in a maximum loading of 72 percent in year 2026 and demonstrates the anticipated low utilization of the existing Toponis facilities following the transfer of Glanbia from this station.

**Background** - The confidential Excel file is a load forecasting tool that is used by Idaho Power regional planners. Row 4 of the spreadsheet "Toponis T131 Forecast" tab

lists the substation transformer peak demand measurements, in kilowatts ("kW"), over the last ten years. The annual number of customers served from the transformer is provided in Row 5 of the spreadsheet "Toponis T131 Forecast" tab. Growth rates based on the past five and ten year periods are calculated using embedded formulas in cell B8 through C9 of the spreadsheet "Toponis T131 Forecast" tab. Load may vary greatly from year to year as it is dependent on many factors including but not limited to: weather, load diversity, crop rotations, irrigation patterns, and economic development. All of these factors can impact the peak loading and are taken into consideration when forecasting future demand. Therefore, the planner uses the historical load and customer growth as well as local knowledge of the area and its growth possibilities to determine a growth rate that best fits the area and is entered into B10 of the spreadsheet "Toponis T131 Forecast" tab.

Generation located on the distribution feeders served by the substation transformer must also be accounted for when forecasting the loading. This particular area has seven generators connected to the distribution feeders. The power output of these generators at the time of the transformer peak demand may also vary. The planner includes the outage of the largest generator in the forecast to reduce the possibility of under-forecasting the peak demand. The peak output of the largest generator is added to the demand as shown in the spreadsheet cell H30 of the spreadsheet "Toponis T131 Forecast" tab.

Based on the existing transformer loading, Idaho Power has identified a project to transfer 1200kW of peak load from one of the Toponis feeders to a Gooding Rural Substation feeder. This forecasted transformer loading reduction is included in cell H33

of the spreadsheet "Toponis T131 Forecast" tab. The project will be implemented when the Toponis transformer is forecasted to exceed the substation transformer replacement criteria. Idaho Power replaces substation transformers before they reach 98 percent of their nameplate capacity rating. The forecasted implementation year for this project is 2020 based on the present Glanbia peak loading.

The response to this Request was prepared by Dave Angell, Delivery Planning Manager, Idaho Power Company, in consultation with Lisa D. Nordstrom, Lead Counsel, Idaho Power Company.

**THE REMAINDER OF THIS  
ATTACHMENT IS  
CONFIDENTIAL  
AND WILL BE PROVIDED  
TO THOSE PARTIES THAT  
HAVE SIGNED THE  
PROTECTIVE  
AGREEMENT**