

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE PETITION OF )</b>	
<b>GLANBIA FOODS, INC. FOR APPROVAL )</b>	<b>CASE NO. IPC-E-13-09</b>
<b>OF A LINE EXTENSION ALLOWANCE )</b>	
<b>PURSUANT TO IDAHO POWER )</b>	<b>ORDER NO. 32914</b>
<b>COMPANY'S RULE H. )</b>	

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On September 19, 2013, the Commission issued final Order No. 32893 approving a request by Glanbia Foods, Inc. (Glanbia) for an allowance against construction costs under Idaho Power Company's Rule H tariff. The Commission determined that Schedule 19 customers that pay for upgrades to Idaho Power's facilities should be provided an allowance under the Company's tariff. The Commission concluded that Glanbia is entitled to an allowance of \$65,734 per megawatt (MW) times the 19 MW the Company intends to obtain through the new facilities it is constructing, resulting in an allowance to Glanbia in the amount of \$1,248,946. The Commission also ordered that Idaho Power grant to Glanbia a Vested Interest in the transmission facilities it is constructing for five years and, in addition, that Idaho Power ensure that Glanbia has access to excess capacity in the facilities for the same period. Order No. 32893, p. 11.

On October 10, 2013, Idaho Power filed a Petition for Clarification and/or Reconsideration of Order No. 32893. The Company requests clarification of three issues: (1) calculation of the allowance, (2) reservation of excess capacity and requirements of Glanbia to provide forecasted load information, and (3) collecting Vested Interest payments from customers subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). Idaho Power Petition, p. 1. Regarding the calculation of the allowance, Idaho Power notes the Commission's statement that the total allowance will be "\$65,734 per MW times the number of megawatt capacity being added by the customer, resulting in an allowance to Glanbia in the amount of \$1,248,946." Order No. 32893, p. 11. Glanbia is currently using 12 MW of capacity from existing facilities, and is only adding 7 MW of load to the system. Idaho Power contends the allowance calculation should be based upon the megawatts added by Glanbia above what it currently uses, making the allowance \$65,734 times the 7 MW added to Glanbia's consumption. Idaho Power Petition for Clarification, pp. 4-5.

Glanbia filed a response to Idaho Power's Petition on October 17, 2013. Glanbia argues that Idaho Power's concern is misplaced because Glanbia is paying for an entirely new connection and substation, and is freeing up capacity at a substation that it will no longer use. Glanbia asserts the allowance should be applied to the load associated with the new construction and new facilities and "should not be based on the load associated with unused, idle facilities that are returned to the Company's store for service to other customers." Glanbia Answer, p. 2.

The Commission clarifies Order No. 32893 regarding calculation of the allowance for Glanbia. The Commission intended Glanbia's allowance to be calculated on the entire 19 MW the customer plans to consume through the new facilities. Idaho Power's calculation of the allowance would be appropriate were Glanbia paying only for facilities required to increase Glanbia's load by 7 MW. In this case, Glanbia is paying the entire cost of the new facilities that will provide its anticipated capacity of 19 MW, and is freeing up the old facilities it has been using. Those facilities existed before Glanbia took service and will once again become available to other customers.

The Commission also clarifies Order No. 32893 as requested by Idaho Power regarding Vested Interest and excess capacity. Idaho Power pointed out that if the Company reserves the entire capacity of the new transmission facilities for Glanbia there could be no opportunity for Glanbia to receive Vested Interest payments. Idaho Power would be precluded from allowing other customers to attach to those facilities. Idaho Power Petition, p. 7. To clarify Order No. 32893, Idaho Power must assure that Glanbia will have access to capacity in excess of 19 MW for a period of five years. Consequently, Glanbia must provide load projections for reserve capacity each year of the five year period. Glanbia is entitled to receive Vested Interest refunds should customers use the facilities in excess of the capacity reserved for Glanbia.

Finally, the Commission confirms for Idaho Power that the Company is not required to collect Vested Interest payment from a FERC jurisdictional customer. Vested Interest payments are applicable to retail customers connecting to Idaho Power's system, not wholesale transmission customers subject to FERC's jurisdiction.

### **ORDER**

IT IS HEREBY ORDERED that Order No. 32893 is clarified to confirm that Glanbia's allowance is based on the 19 MW it plans to use through the new facilities it is constructing, resulting in an allowance of \$1,248,946. Order No. 32893 is further clarified by

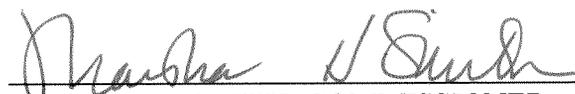
directing Idaho Power to assure that Glanbia will have access to capacity in excess of 19 MW for five years, based on Glanbia's projections provided to Idaho Power each year. Vested Interest refunds will be provided to Glanbia when customers use the facilities in excess of the capacity reserved for Glanbia.

THIS IS AN ORDER ISSUED TO CLARIFY COMMISSION FINAL ORDER NO. 32893. Pursuant to Rule 325 of the Commission's Rules of Procedure, IDAPA 31.01.01.325, Idaho Power's petition for clarification did not suspend or toll the time to petition for reconsideration or appeal a final order. See *Idaho Code* §§ 61-626 and 61-627.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup> day of October 2013.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
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MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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