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IDAHO PUBLIC  
UTILITIES COMMISSION



DONOVAN E. WALKER  
Lead Counsel  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)

July 31, 2014

**ELECTRONICALLY FILED**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: Compliance Filing – Revised Tariff Schedule 86 for Case No. IPC-E-13-25,  
Order No. 33053

Dear Ms. Jewell:

Idaho Power Company hereby submits the enclosed compliance filing in the above-captioned proceeding pursuant to Commission Order No. 33053 which includes its revised Tariff Schedule 86 as listed below reflecting the amended definition of "Avoided Energy Cost" with an effective date of June 10, 2014.

First Revised Sheet No. 86-1	Cancelling	Original Sheet No. 86-1
First Revised Sheet No. 86-2	Cancelling	Original Sheet No. 86-2
First Revised Sheet No. 86-3	Cancelling	Original Sheet No. 86-3
First Revised Sheet No. 86-4	Cancelling	Original Sheet No. 86-4
First Revised Sheet No. 86-5	Cancelling	Original Sheet No. 86-5

If you have any questions regarding this filing, please contact Mike Youngblood at 388-2882 or [myoungblood@idahopower.com](mailto:myoungblood@idahopower.com).

Very truly yours,

A handwritten signature in blue ink, appearing to read "Donovan E. Walker", with a long horizontal flourish extending to the right.

Donovan E. Walker

DEW/kkt  
Enclosures  
cc: RA File  
Legal File

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY

AVAILABILITY

Service under this schedule is available throughout the Company's service territory within the State of Idaho.

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility with a nameplate capacity rating of less than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company on a non-firm, if, as, and when available basis;

2. Meets all applicable requirements of the Company's Schedule 72 and the Generation Interconnection Process.

DEFINITIONS

Avoided Energy Cost is 82.4% of the monthly arithmetic average of each day's Intercontinental Exchange ("ICE") daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg index prices. Each day's index prices will reflect the relative proportions of peak hours and off-peak hours in the month as follows:

Heavy Load (HL) Hours: The daily hours from hour ending 0700-2200 Mountain Time, (16 hours) *excluding* all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Light Load (LL) Hours: The daily hours from hour ending 2300-0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The actual Avoided Energy Cost calculation being:

$$.824 * \left( \sum_{x=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{HL hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{LL hours for day})\} / (n*24) \right)$$

where n = number of days in the month

If the ICE Mid-C Index prices are not reported for a particular day or days, prices derived from the respective averages of HL and LL prices for the immediately preceding and following reporting periods or days shall be substituted into the formula stated in this definition and shall therefore be multiplied by the appropriate respective numbers of HL and LL Hours for such particular day or days with the result that each hour in such month shall have a related price in such formula. If the day for which prices are not reported has in it only LL Hours (for example a Sunday), the respective averages shall use only prices reported for LL hours in the immediately preceding and following reporting periods or days. If the day for which prices are not reported is a Saturday or Monday or is adjacent on the calendar to a holiday, the prices used for HL Hours shall be those for HL hours in the nearest (forward or backward) reporting periods or days for which HL prices are reported.

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

DEFINITIONS (Continued)

Designated Dispatch Facility is the Company's Boise Bench Dispatch Center.

Energy means the non-firm electric energy, expressed in kWh, generated by the Qualifying Facility and delivered by the Seller to the Company in accordance with the conditions of this schedule. Energy is measured net of Losses and Station Use.

Generation Facility means equipment used to produce electric energy at a specific physical location, which meets the requirements to be a Qualifying Facility.

Generation Interconnection Process is the Company's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection.

Interconnection Facilities are all facilities reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and safely deliver Energy from the Qualifying Facility to the Company's system, including, but not limited to, connection, transformation, switching, metering, relaying, communications, disconnection, and safety equipment.

Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.

Point of Delivery is the location where the Company's and the Seller's electrical facilities are interconnected.

Prudent Electrical Practices are those practices, methods and equipment that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

PURPA means the Public Utility Regulatory Policies Act of 1978.

Qualifying Facility is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Schedule 72 is the Company's service schedule which provides for interconnection to non-utility generation or its successor schedule(s) as approved by the Commission.

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

DEFINITIONS (Continued)

Standby Power is electrical energy or capacity supplied by the Company during an unscheduled outage of a Qualifying Facility to replace energy consumed by the seller which is ordinarily supplied by the Seller's Qualifying Facility.

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

Supplementary Power is electric energy or capacity supplied by the Company which is regularly used by a Seller in addition to the Energy and capacity which the Qualifying Facility usually supplies to the Seller.

PURCHASE PRICE

The Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, an amount equal to 85 percent of the monthly Avoided Energy Cost.

CONDITIONS OF PURCHASE AND SALE

The conditions listed below shall apply to all transactions under this schedule.

1. The Company shall purchase Energy from any Seller that offers to sell Energy to the Company.
2. As a condition of interconnection with the Company, the Seller shall:
  - a. Complete and maintain all requirements of interconnection in accordance with Schedule 72.
  - b. Complete and maintain all requirements of the Company's Generation Interconnection Process.
  - c. Submit proof to the Company of all insurance required by paragraph 12.
  - d. Obtain written confirmation from the Company that all conditions to interconnection have been fulfilled prior to operation of the Generation Facility. Such confirmation shall not be unreasonably withheld by the Company.

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

3. The Seller shall never deliver or attempt to deliver energy to the Company's system when the Company's system serving the Seller's Generation Facility is de-energized for any reason.

4. The Seller and the Company shall each indemnify the other, their respective officers, agents, and employees against all loss, damage, expense, and liability to third persons for injury to or death of persons or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with purchases under this schedule. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.

5. The Company shall offer to provide Standby Power and Supplementary Power to the Seller. Charges for Supplementary and Standby Power will be in accordance with the Company's Schedule 7 as that schedule is modified from time to time by the Commission.

6. The Seller shall maintain voltage levels acceptable to the Company.

7. The Seller shall maintain at the Qualifying Facility or such other location mutually acceptable to the Company and Seller, adequate metering and related power production records, in a form and content recommended by the Company.

Either the Seller or the Company after reasonable notice to the other party, shall have the right, during normal business hours, to inspect and audit any or all such metering and related power production records pertaining to the Seller's account.

8. During a period of shortage of energy on the Company's system, the Seller shall, at the Company's request and within the limits of reasonable safety requirements as determined by the Seller, use its best efforts to provide requested Energy, and shall, if necessary, delay any scheduled shutdown of the Qualifying Facility.

9. The Company and the Seller shall maintain appropriate operating communications through the Designated Dispatch Facility.

10. The Company shall not be obligated to accept, and the Company may require the Seller to curtail, interrupt or reduce deliveries of Energy if the Company, consistent with Prudent Electrical Practices, determines that curtailment, interruption or reduction is necessary because of line construction or maintenance requirements, emergencies, or other critical operating conditions on its system.

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

11. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its Customers, the Company may require the Seller to curtail its consumption of electricity in the same manner and to the same degree as other Customers within the same Customer class who do not own Generation Facilities.

12. The Seller shall secure and continuously carry liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit.

Such insurance shall include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies shall not be canceled or their limits of liability reduced without 30 days' written notice to the Company. The Seller shall furnish the Company with certificates of insurance together with the endorsements required herein. The Company shall have the right to inspect the original policies of such insurance.

13. The Seller shall grant to the Company all necessary rights of way and easements to install, operate, maintain, replace, and remove the Company's metering and other Interconnection Facilities including adequate and continuing access rights to the property of the Seller. The Seller warrants that it has procured sufficient easements and rights of way from third parties as are necessary to provide the Company with the access described above. The Seller shall execute such other grants, deeds, or documents as the Company may require to enable it to record such rights of way and easements.

14. Depending on the size and location of the Seller's Qualifying Facility, it may be necessary for the Company to establish additional requirements for operation of the Qualifying Facility. These requirements may include, but are not limited to, voltage, reactive, or operating requirements.

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY

AVAILABILITY

Service under this schedule is available throughout the Company's service territory within the State of Idaho.

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility with a nameplate capacity rating of less than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company on a non-firm, if, as, and when available basis;
2. Meets all applicable requirements of the Company's Schedule 72 and the Generation Interconnection Process.

DEFINITIONS

Avoided Energy Cost is the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Electricity Price Index (Dow Jones Mid-C Index) prices for nonfirm energy published in the Wall Street Journal. If the Dow Jones Mid-C Index prices are not reported for a particular day or days, the average of the immediately preceding and following reporting periods or days will be used. 82.4% of the monthly arithmetic average of each day's Intercontinental Exchange ("ICE") daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg index prices. Each day's index prices will reflect the relative proportions of peak hours and off-peak hours in the month as follows:

Heavy Load (HL) Hours: The daily hours from hour ending 0700-2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Light Load (LL) Hours: The daily hours from hour ending 2300-0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The actual Avoided Energy Cost calculation being:

$$\frac{.824 * \left( \sum_{x=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{HL hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{LL hours for day})\}}{(n*24)} \right)}{\text{where } n = \text{number of days in the month}}$$

If the ICE Mid-C Index prices are not reported for a particular day or days, prices derived from the respective averages of HL and LL prices for the immediately preceding and following reporting periods or days shall be substituted into the formula stated in this definition and shall therefore be multiplied by the appropriate respective numbers of HL and LL Hours for such particular day or days with the result that each hour in such month shall have a related price in such formula. If the day for which prices are not reported has in it only LL Hours (for example a Sunday), the respective averages shall use only prices reported for LL hours in the immediately preceding and following reporting periods or days. If the day for

which prices are not reported is a Saturday or Monday or is adjacent on the calendar to a holiday, the prices used for HL Hours shall be those for HL hours in the nearest (forward or backward) reporting periods or days for which HL prices are reported. ~~Designated Dispatch Facility is the Company's Boise Bench Dispatch Center.~~

~~Energy means the non-firm electric energy, expressed in kWh, generated by the Qualifying Facility and delivered by the Seller to the Company in accordance with the conditions of this schedule. Energy is measured net of Losses and Station Use.~~

~~Generation Facility means equipment used to produce electric energy at a specific physical location, which meets the requirements to be a Qualifying Facility.~~

~~Generation Interconnection Process is the Company's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection.~~

~~Interconnection Facilities are all facilities reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and safely deliver Energy from the Qualifying Facility to the Company's system, including, but not limited to, connection, transformation, switching, metering, relaying, communications, disconnection, and safety equipment.~~

~~Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.~~

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

DEFINITIONS (Continued)

Designated Dispatch Facility is the Company's Boise Bench Dispatch Center.

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Schedule 72 is the Company's service schedule which provides for interconnection to non-utility generation or its successor schedule(s) as approved by the Commission.

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

~~Standby Power is electrical energy or capacity supplied by the Company during an unscheduled outage of a Qualifying Facility to replace energy consumed by the seller which is ordinarily supplied by the Seller's Qualifying Facility.~~

~~Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.~~

~~Supplementary Power is electric energy or capacity supplied by the Company which is regularly used by a Seller in addition to the Energy and capacity which the Qualifying Facility usually supplies to the Seller.~~

#### PURCHASE PRICE

~~The Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, an amount equal to 85 percent of the monthly Avoided Energy Cost.~~

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

DEFINITIONS (Continued)

Standby Power is electrical energy or capacity supplied by the Company during an unscheduled outage of a Qualifying Facility to replace energy consumed by the seller which is ordinarily supplied by the Seller's Qualifying Facility.

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

Supplementary Power is electric energy or capacity supplied by the Company which is regularly used by a Seller in addition to the Energy and capacity which the Qualifying Facility usually supplies to the Seller.

PURCHASE PRICE

The Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, an amount equal to 85 percent of the monthly Avoided Energy Cost.

CONDITIONS OF PURCHASE AND SALE

The conditions listed below shall apply to all transactions under this schedule.

1. The Company shall purchase Energy from any Seller that offers to sell Energy to the Company.
2. As a condition of interconnection with the Company, the Seller shall:
  - a. Complete and maintain all requirements of interconnection in accordance with Schedule 72.
  - b. Complete and maintain all requirements of the Company's Generation Interconnection Process.
  - c. Submit proof to the Company of all insurance required by paragraph 12.
  - d. Obtain written confirmation from the Company that all conditions to interconnection have been fulfilled prior to operation of the Generation Facility. Such confirmation shall not be unreasonably withheld by the Company.

~~3. The Seller shall never deliver or attempt to deliver energy to the Company's system when the Company's system serving the Seller's Generation Facility is de-energized for any reason.~~

~~4. The Seller and the Company shall each indemnify the other, their respective officers, agents, and employees against all loss, damage, expense, and liability to third persons for injury to or death of persons or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with purchases under this schedule. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.~~

~~5. The Company shall offer to provide Standby Power and Supplementary Power to the Seller. Charges for Supplementary and Standby Power will be in accordance with the Company's Schedule 7 as that schedule is modified from time to time by the Commission.~~

~~6. The Seller shall maintain voltage levels acceptable to the Company.~~

~~7. The Seller shall maintain at the Qualifying Facility or such other location mutually acceptable to the Company and Seller, adequate metering and related power production records, in a form and content recommended by the Company.~~

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

3. The Seller shall never deliver or attempt to deliver energy to the Company's system when the Company's system serving the Seller's Generation Facility is de-energized for any reason.

4. The Seller and the Company shall each indemnify the other, their respective officers, agents, and employees against all loss, damage, expense, and liability to third persons for injury to or death of persons or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with purchases under this schedule. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.

5. The Company shall offer to provide Standby Power and Supplementary Power to the Seller. Charges for Supplementary and Standby Power will be in accordance with the Company's Schedule 7 as that schedule is modified from time to time by the Commission.

6. The Seller shall maintain voltage levels acceptable to the Company.

7. The Seller shall maintain at the Qualifying Facility or such other location mutually acceptable to the Company and Seller, adequate metering and related power production records, in a form and content recommended by the Company.

Either the Seller or the Company after reasonable notice to the other party, shall have the right, during normal business hours, to inspect and audit any or all such metering and related power production records pertaining to the Seller's account.

8. During a period of shortage of energy on the Company's system, the Seller shall, at the Company's request and within the limits of reasonable safety requirements as determined by the Seller, use its best efforts to provide requested Energy, and shall, if necessary, delay any scheduled shutdown of the Qualifying Facility.

9. The Company and the Seller shall maintain appropriate operating communications through the Designated Dispatch Facility.

10. The Company shall not be obligated to accept, and the Company may require the Seller to curtail, interrupt or reduce deliveries of Energy if the Company, consistent with Prudent Electrical Practices, determines that curtailment, interruption or reduction is necessary because of line construction or maintenance requirements, emergencies, or other critical operating conditions on its system.

~~11. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its Customers, the Company may require the Seller to curtail its consumption of electricity~~

~~in the same manner and to the same degree as other Customers within the same Customer class who do not own Generation Facilities.~~

~~12. The Seller shall secure and continuously carry liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit.~~

~~Such insurance shall include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies shall not be canceled or their limits of liability reduced without 30 days' written notice to the Company. The Seller shall furnish the Company with certificates of insurance together with the endorsements required herein. The Company shall have the right to inspect the original policies of such insurance.~~

~~13. The Seller shall grant to the Company all necessary rights of way and easements to install, operate, maintain, replace, and remove the Company's metering and other Interconnection Facilities including adequate and continuing access rights to the property of the Seller. The Seller warrants that it has procured sufficient easements and rights of way from third parties as are necessary to provide the Company with the access described above. The Seller shall execute such other grants, deeds, or documents as the Company may require to enable it to record such rights of way and easements.~~

SCHEDULE 86  
COGENERATION AND SMALL  
POWER PRODUCTION NON-FIRM  
ENERGY  
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

11. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its Customers, the Company may require the Seller to curtail its consumption of electricity in the same manner and to the same degree as other Customers within the same Customer class who do not own Generation Facilities.

12. The Seller shall secure and continuously carry liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit.

Such insurance shall include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies shall not be canceled or their limits of liability reduced without 30 days' written notice to the Company. The Seller shall furnish the Company with certificates of insurance together with the endorsements required herein. The Company shall have the right to inspect the original policies of such insurance.

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14. Depending on the size and location of the Seller's Qualifying Facility, it may be necessary for the Company to establish additional requirements for operation of the Qualifying Facility. These requirements may include, but are not limited to, voltage, reactive, or operating requirements.