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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for the Industrial Customers of Idaho Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE) **CASE NO. IPC-E-14-01**
APPLICATION OF IDAHO POWER)
COMPANY TO IMPLEMENT A) COMMENTS OF THE INDUSTRIAL
SCHEDULE 19 SUBSTATION) CUSTOMERS OF IDAHO POWER
ALLOWANCE AND TRANSMISSION)
VESTED INTEREST (TARIFF ADVICE)
NO. 13-08)

Pursuant to Notice Application and Notice of Modified Procedure issued by the Idaho Public Utilities Commission (“Commission”) on January 7, 2014, the Industrial Customers of Idaho Power (“ICIP”) by and through their attorney of record, Peter J. Richardson, hereby provides the following comments.

Idaho Power Company (“Idaho Power” or the “Company”) proposes to modify Schedule 19 to incorporate the findings and conclusions regarding allowances and vested interest refunds from Case No. IPC-E-13-09. In that case, the Commission ruled that Glanbia Foods, Inc. (“Glanbia”) was entitled to an allowance and vested interest refund opportunity pursuant to the Commission’s established policies found in Rule H.

Rather than amend its Rule H to incorporate the Commission’s findings, Idaho Power has chosen to modify the industrial rate Schedule 19. The ICIP appreciates this opportunity to provide comments on Idaho Power’s tariff filing. The Commission should be clear that the

general provisions of Rule H continue to apply to Schedule 19 and are not overturned by the use of a Schedule 19 Tariff to implement the Commission's *Glanbia* decision. For instance, Rule H currently provides:

If the Company does not start construction on a Line Installation or Alteration within 30 days after receipt of the construction payment, the Company will compute interest on the payment amount beginning on the 31st day and ending once Company construction actually begins.¹

This provision should apply to Schedule 19 line extensions as well.

Currently Rule H line extensions are discounted, up front, by the amount of the allowance provided. In other words, commercial and residential customers receive the benefit of the allowance before the company even begins construction. The Commission has decided, however, that industrial customers will receive the benefit of their allowance over a five-year period – commencing after the extension has been completed.² The ICIP understands the Commission's concern about speculative extension requests. Nevertheless, the disparate treatment of the industrial class vis a vis the other classes is inequitable. The ICIP believes this inequity can be ameliorated somewhat by having the un-refunded portion of the allowance accrue interest from the date of receipt.

Idaho Power did not use the exact formula for calculating the size of the Schedule 19 allowance from the Commission's order.³ The first part of the formula in the Commission's *Glanbia* order provides, "Increase in load from the previous year as measured in MW."⁴ Idaho Power's proposed formula begins with "Change in load from the previous year as measured in

¹ Idaho Power Tariff Rule H at §2(j).

² Order No. 32893 at p. 8.

³ *Id.*

⁴ *Id.* emphasis provided.