

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL

DATE: JANUARY 2, 2014

SUBJECT: IDAHO POWER'S FILING TO IMPLEMENT A SCHEDULE 19
SUBSTATION ALLOWANCE AND TRANSMISSION VESTED
INTEREST (TARIFF ADVICE NO. 13-08), CASE NO. IPC-E-14-01

On December 23, 2013, Idaho Power Company filed Tariff Advice No. 13-08, annual compliance filing to update the substation allowance and vested interest provisions under Schedule 19, Large Power Service. The Company stated it is its first annual compliance filing to implement a substation allowance and vested interest provision for Schedule 19 customers as required by Commission Order Nos. 32893 and 32914. The filing consists of three new tariff sheets comprised of three sections: (1) defined terms used in the substation allowance and transmission vested interest sections, (2) the substation allowance section outlining when a customer would qualify to receive an allowance, the maximum possible allowance, and how a customer will receive a refund, and (3) the transmission vested interest section explaining when a customer would qualify to receive a vested interest and how vested interest charges would be calculated. The Company's filing includes a cost estimation methodology to reflect an updated station overhead rate to determine the allowance amount. The Company states its calculation of overhead is similar to the method used to calculate the Company's general distribution overhead rate that is updated annually in the Company's Rule H New Service Attachments and Distribution Line Installations compliance filing. Idaho Power proposed a February 1, 2014 effective date.

The Company's filing is in response to the Commission's Orders in Case No. IPC-E-13-09. The Commission in that case approved a request by Glanbia Foods, Inc. for an allowance

against construction costs for upgrades to Idaho Power's facilities. The Commission concluded Glanbia is entitled to an allowance of \$65,734 per MW multiplied by the 19 MW Glanbia planned to use through the new facilities it is constructing. Idaho Power filed the new allowance provisions as a tariff advice to implement the substation allowance and vested interest terms approved by the Commission in Case No. IPC-E-13-09. Nonetheless, Staff believes the Company's filing is larger than "minor changes to existing schedules" to qualify as a tariff advice under Commission Rule of Procedure 134. See IDAPA 31.01.01.134. In addition, large power service customers that did not participate in the Glanbia case may be interested in commenting on Idaho Power's tariff provisions. Accordingly, Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure, providing for a 21-day comment period, to process the Company's filing as an Application. Because it may not be possible to complete the process by February 1, Staff also recommends the Commission suspend the proposed effective date of February 1 for 30 days or until the Commission issues an Order.

COMMISSION DECISION

Should the Commission issue a Notice of Application and Notice of Modified Procedure to process Idaho Power's proposed implementation of a Schedule 19 substation allowance and transmission vested interest, and suspend the February 1, 2014 proposed effective date?



Weldon Stutzman
Deputy Attorney General

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