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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 APPLICATION)
OF IDAHO POWER COMPANY FOR AN)
ORDER APPROVING THE TRANSFER)
AND SALE OF CERTAIN ASSETS TO)
THE UNITED STATES DEPARTMENT OF)
JUSTICE FEDERAL BUREAU OF)
INVESTIGATION.)
_____)

CASE NO. IPC-E-15-26
COMMENTS OF THE INDUSTRIAL
CUSTOMERS OF IDAHO POWER

COMES NOW the Industrial Customers of Idaho Power (“ICIP”) and pursuant to that Notice of Modified Procedure contained in Order No. 33433 issued by the Idaho Public Utilities Commission (“Commission”) on December 15, 2016, and hereby provides its Comments¹ and recommendation for additional proceedings to govern future requests where a customer of an Idaho investor-owned utility (“IOU”) seeks to purchase facilities that are dedicated to that single customer’s use and that are located on that customer’s side of the IOU’s Point of Delivery (“POD”).

The ICIP does not object to the approval of Idaho Power Company’s (“Company” or “Idaho Power”) contract with the Federal Bureau of Investigation (“FBI”) in this docket.

¹ By Order No. 33443 issued on December 23, 2015, the Commission extended the comment deadline to January 25, 2016, and the reply comment deadline to February 12, 2016.

Neither, however, does the ICIP endorse the methodology underlying the price calculated by Idaho Power for the sale of facilities on the FBI-side of the POD.

It has consistently been the position of the ICIP that a utility sale of facilities beyond the POD that are dedicated and used to serve that single customer should be priced only at the fully depreciated book value (“net book value”) of those facilities. This is the methodology used by Idaho Power (and approved by this Commission) for the sale of Idaho Power-owned facilities beyond the POD to the Sinclair Oil Company, dba, the Sun Valley Resort in Docket No. IPC-E-05-16. Allowing customers to purchase assets dedicated to their sole individual use at net book value is both a reasonable and ratepayer neutral event. Idaho Power’s application in this docket suggests otherwise. However, if given the opportunity in a docket called for the purpose of fully vetting this question, the ICIP believes it can demonstrate that the sale of such equipment at net book value is a ratepayer neutral event.

The IOUs subject to this Commission’s jurisdiction appear to take different approaches to this question. For example, as pointed out by Don Sturtevant in Idaho Power’s most recent general rate case, it appears that Avista Utilities calculates the sales price for facilities beyond the Company’s POD at the net depreciated book value of those facilities. See, Don Sturtevant, DI, at page 9, IPC-E-11-08. In addition, it appears that PacifiCorp, dba Rocky Mountain Power, sells such facilities at the depreciated net book value. See PAC-E-15-15. In that case, although Rocky Mountain Power actually charges a premium for the sale of a “customer,” the purchase price for the sale of the facilities used to serve that customers is the net book value of those facilities.

Because it does not wish to derail the results of settled negotiations between the FBI and Idaho Power, the ICIP does not oppose approval of the instant application. The ICIP

does, however, believe the Commission should disclaim that this docket has any precedential value in establishing any controlling rule (explicitly or implicitly) for governing future sales of IPCo-owned facilities beyond the customer's POD.

To that end, and because the Company's Rule M is silent on how to price such sales and because of the apparent inconsistent treatment of such sales among the IOUs subject to this Commission's jurisdiction, the ICIP recommends the Commission open a docket for the purpose of setting clear, transparent, ratepayer neutral and fair rules for valuing the purchase price of utility-owned facilities that are dedicated to, and serve only a single customer, on the customer side of the POD.

RESPECTFULLY SUBMITTED THIS 26th day of January 2016.

Richardson Adams, PLLC

By 
Peter J. Richardson
Industrial Customers of Idaho Power

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 26th day of January, 2016, a true and correct copy of the within and foregoing COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER in Docket No. IPC-E-15-26 was served as indicated below to:

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
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