

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. IPC-E-19-02
OF IDAHO POWER COMPANY TO)	
INCREASE THE SUBSTATION)	NOTICE OF APPLICATION
ALLOWANCE IN SCHEDULE 19, LARGE)	
POWER SERVICE)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34236

On or about December 28, 2018, Idaho Power Company filed Tariff Advice No. 18-04. The Company's Tariff Advice proposed to update the Substation Allowance amount in Schedule 19, Large Power Service, by 12.7%. The changes were to take effect February 1, 2019.

At the Commission's January 22, 2019 meeting, the Commission's Staff questioned whether the Tariff Advice proposed only "minor changes to existing schedules," as allowed by Commission Rule 134.01 (IDAPA 31.01.01.134.01). Staff recommended the Commission allow further investigation by treating the Company's Tariff Advice as an Application, suspending the proposed effective date, and processing the case by Modified Procedure.

With this Order, the Commission deems the Tariff Advice to be, and refers to it as, an Application. *See* Rule 134.02. The Commission provides notice of the Application, suspends the Application's proposed effective date, and sets comment and reply deadlines under the Commission's Rules of Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that under Company Schedule 19, if a customer asks for service that requires the Company to add or upgrade transformer capacity in Substation Facilities, the customer must initially pay the associated costs but is eligible for a one-time Substation Allowance based on the customer's subsequent sustained usage of capacity. Commission Order Nos. 32893 and 32914 require the Company to update the Substation Allowance each year.

YOU ARE FURTHER NOTIFIED that with this Application, the Company seeks to update Schedule 19 to set the Substation Allowance as required by Order Nos. 32893 and 32914. The Company explains the maximum possible Substation Allowance currently is determined by

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multiplying the customer's actual increase in load by \$65,386 per megawatt (MW), with the Substation Allowance not to exceed the actual cost of the Substation Facilities. With this Application, the Company would increase the \$/MW multiplier by \$8,173 to \$72,559, reflecting a 12.7% increase.

YOU ARE FURTHER NOTIFIED that the Company primarily attributes the increased Substation Allowance to increased material costs, including an 18% increase in the cost of a 30MVA transformer and a 24% increase of a 4-unit metalclad. The Company noted the overall increase in material costs was offset by a decrease in the general overhead rate from 11.48% to 9.81%.

SUSPENSION

After reviewing the Application, the Commission finds it appropriate to suspend the proposed effective date to allow the Commission, Staff, and interested persons sufficient time to investigate the reasonableness of the proposed increases. The Commission thus suspends the proposed February 1, 2019 effective date for the thirty (30) days plus five (5) months, or until the Commission issues an earlier final order accepting, modifying, or rejecting the proposed schedules. *See Idaho Code* § 61-622.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, then select "Electric Cases" and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, including *Idaho Code* §§ 61-501, -502, and -503.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA

31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application **may file a written comment in support or opposition with the Commission by no later than February 19, 2019.** The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

**For the Idaho Public Utilities
Commission**

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

For Idaho Power Company:

Lisa Nordstrom
Grant Anderson
Idaho Power Company
1221 West Idaho Street 83702
P.O. Box 70
Boise, ID 83707-0070

E-Mail: lnordstrom@idahopower.com
ganderson@idahopower.com
dockets@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Consumers" tab then click the "Case Comment or Question Form" and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **by no later than February 26, 2019.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by February 19, 2019. The Company may file reply comments by no later than February 26, 2019.

IT IS FURTHER ORDERED that proposed February 1, 2019 effective date be suspended for the thirty (30) days plus five (5) months, or until the Commission issues an earlier final order accepting, modifying, or rejecting the proposed schedules.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24th day of January, 2019.



PAUL KJELLANDER, PRESIDENT

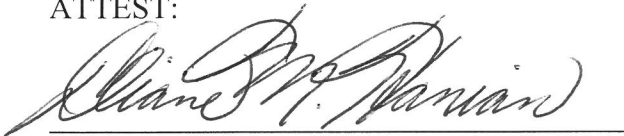


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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