BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE  APPLICATION OF IDAHO POWER COMPANY AND MICRON TECHNOLOGY, INC. FOR APPROVAL OF A SPECIAL CONTRACT FOR SERVICE TO MICRON TECHNOLOGY, INC. AND A REVISED SCHEDULE 26—MICRON TARIFF. | )  )  )  )  )  )  ) | CASE NO. IPC-E-95-14  ORDER NO. 26238 |

On September 1, 1995, Idaho Power Company (Idaho Power; Company) and Micron Technology, Inc. (Micron) filed a Joint Application with the Idaho Public Utilities Commission (Commission) requesting approval of an Agreement for Electric Service to Micron (Agreement) and a related amended Schedule 26—Micron tariff (attached).

The Agreement dated August 31, 1995 replaces an Interim Service Agreement between Idaho Power and Micron.  Reference Case No. IPC-E-95-4, Order No. 26076.  The Commission in that case approved the proposed Amended Schedule 26—Micron Tariff on an interim basis pending issuance of its final Order.  Reference Order No. 26166.

Under the Agreement, Idaho Power agrees to furnish Micron’s total requirements for electric power and energy.  (Agreement ¶ 5.1)  The Agreement by its terms is effective through June 30, 2000 and is automatically renewed thereafter unless terminated by either Micron or Idaho Power after giving twelve months notice.  (Agreement ¶¶ 3.1, 4.1)

The submitted Schedule 26—Micron tariff (attached) includes an immediate increase in scheduled monthly contract demand to 50 MW from the previous 40 MW in the Interim Service Agreement.  It further provides for increases in 10 MW increments while Micron expands its load to a monthly contract demand of 100 MW by January 1997.  (Agreement ¶¶ 6.1, 6.1.1)  Under the terms of the Agreement, Micron may further increase its contract demand in increments of 10 MW up to a total contract demand of 140 MW or may similarly decrease its contract demand to 0.  (Agreement ¶ 6.2.1)  The Agreement and proposed tariff schedule rates for Micron are subject to change and revision by Order of the Commission   Reference Commission jurisdiction and authority pursuant to Title 61, Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.  (Agreement Section 14.)

Commission Notices of Application and Modified Procedure in Case No. IPC-E-95-14 were issued on September 15, 1995.  The deadline for filing written comments (protests) was October 13, 1995.

On October 6, 1995, Idaho Power Company made a letter filing with the Commission Secretary in Case No. IPC-E-95-4 stating as follows:

A provision in the Agreement calls for a power factor adjustment of 95%.  Previously the power factor adjustment was specified at 85%.  In order for Micron to achieve the new power factor level, IPC will install some capacitors upon the completion of the DRAM substation currently under construction.  This work is scheduled, but will not be completed until later this fall.  As a result, IPC will continue to use a power factor adjustment of 85% and will not move to the 95% level until the capacitors are in place.

Additionally, the new Agreement provides for an O&M charge of 0.4% per month on the IPC-owned interconnection facilities.  Since the construction of the DRAM substation is not yet complete, these facilities are not yet operational.  Accordingly, IPC will not charge Micron the O&M charge until these facilities are fully constructed and operational.

Micron has been advised of IPC’s intent to not implement these two provisions until the required facilities are installed and operational.

Commission Staff was the only party to submit written comments.  Based on its analysis and IRP based cost study Staff recommends approval of the proposed Micron contract.  A reply to Staff comments was filed by Micron on October 27, 1995.

Commission Findings

Based on its review of the filings of record in Case No. IPC-E-95-14 and submitted comments, the Commission continues to find that the issues raised by the Application do not require a hearing and that the matter can be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

The Commission further finds the Agreement and related rates as set forth in the proposed revision to the Schedule 26 Micron tariff to be fair, just and reasonable.

CONCLUSION OF LAW

The Idaho Public Utilities Commission has jurisdiction over this matter and Idaho Power Company, an electric utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Agreement submitted in Case No. IPC-E-95-14 for Electric Service to Micron together with the related amended Schedule 26—Micron tariff are approved.  The change in rates and service that we hereby approve shall be effective as of the date of our interim approval in Order No. 26166.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  November 1995.

                                                            RALPH NELSON, PRESIDENT

                 MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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