DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

STEPHANIE MILLER

DAVID SCHUNKE

DON HOWELL

KEITH HESSING

GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:SEPTEMBER 8, 1995

RE:CASE NO. IPC-E-95-14

AGREEMENT FOR ELECTRIC SERVICE—MICRON

TARIFF CHANGE—SCHEDULE 26—MICRON

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.

The Agreement (attached) dated August 31, 1995 replaces an Interim Service Agreement between Idaho Power and Micron that expired August 31, 1995.  (Reference Order No. 26076, Case No. IPC-E-95-4).  Idaho Power and Micron request that the Commission allow the submitted Agreement and Tariff Schedule to become effective on an interim basis beginning September 1, 1995 pending final approval.

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 (w/12 month notice) by either Micron or Idaho Power.  (Agreement ¶¶ 3.1, 4.1)

The submitted tariff (attached) includes an immediate increase in scheduled monthly contract demand of 10 MW from the previous 40 MW in the Interim Service Agreement and provides for a stair-stepping in 10 MW increments, while Micron is expanding its load at the Micron facility, 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 decrease its contract demand to 0).  (Agreement ¶ 6.2.1)  The proposed tariff schedule rates for Micron are generally the same rates that were previously approved and filed with the Commission.  (attached)  (Reference Order No 26119)

Staff Analysis

Staff has not had the opportunity to fully assess the reasonableness of the Idaho Power/Micron Agreement.  Staff recommends that the Application be processed pursuant to Modified Procedure, and further recommends that the proposed Tariff Schedule be approved on an interim basis, pending final approval.

Commission Decision

How does the Commission wish to process this Application?  Is Modified Procedure appropriate?  Should the proposed Tariff Schedule be approved on an interim basis (effective September 1, 1995) pending final approval?

Scott Woodbury

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