Office of the Secretary
Service Date
August 31, 2016

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION TO APPROVE AN AGREEMENT FOR ELECTRIC SERVICE WITH THE UNITED STATES DEPARTMENT OF ENERGY	)	**CASE NO. IPC-E-16-18**
	)	**NOTICE OF APPLICATION**
	)	**NOTICE OF MODIFIED PROCEDURE**
	)	**ORDER NO. 33579**

On August 15, 2016, Idaho Power Company filed an Application seeking approval of a new special services agreement with the United States Department of Energy (DOE) for service at the Idaho National Laboratory (INL). The current agreement, approved in Order No. 32354, expires on September 14, 2016, and the new agreement is set to become effective on September 15, 2016. Idaho Power asks the Commission to process the Application using Modified Procedure. The Company also asks for an extension of the expiring agreement until the new agreement is approved.

BACKGROUND

"Idaho Power has supplied electric service to the DOE and its predecessors since 1950 and currently serves the DOE under a special contract in accordance with the rates and charges set out in Electric Service Rate Schedule 30 and its successor schedules." Application at 2. The Commission approved Idaho Power's current special services agreement with the DOE in 2011. Order No. 32354. The current agreement has a five-year term expiring September 14, 2016. Application at 2. Idaho Power began researching issues for negotiating a new agreement with DOE in July 2015. *Id.* The Company and DOE successfully negotiated the terms and conditions of its new special services agreement signed by the contracting parties on August 15 and 11, 2016, respectively. Attachment 1.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power's 2016 Agreement with DOE includes the following terms:

> Term. The agreement begins September 15, 2016, and ends September 14, 2021, subject to the Commission's approval. Application at 4.

Services Provided by the Company. The Company agrees to provide the DOE up to 55,000 kilowatts (kW) monthly for the operation of facilities at the INL. The DOE may request additional power requirements subject to terms specified in the 2016 Agreement. *Id.* at 3.

Contract Charges to be Paid to the Company. Under the 2016 Agreement, the DOE will pay Idaho Power the monthly rate charges set forth in Schedule 30 for firm retail service of electric power and energy to the DOE at the INL site. *Id.* at 4.

Equipment at Antelope Facilities. For the Company to provide service to INL, it must use DOE-owned equipment located at the Antelope substation. The Antelope substation is jointly owned by PacifiCorp and Idaho Power, but operated by PacifiCorp. Under the agreement, Idaho Power will maintain the DOE-owned equipment and coordinate access to such equipment with PacifiCorp. *Id.* at 3.

YOU ARE FURTHER NOTIFIED that Idaho Power, the DOE, and PacifiCorp have negotiated but not yet executed an agreement to transfer title of the DOE-owned equipment at the Antelope substation to Idaho Power and PacifiCorp. Idaho Power is in the process of determining whether PacifiCorp or Idaho Power will separately or jointly take title of the equipment. Under the 2016 Agreement, the DOE will be notified of the utilities' decision by no later than March 31, 2017. Upon transfer of title, Idaho Power will charge the DOE to maintain the equipment through a facility service charge. *Id.* at 3-4.

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 will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. 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 **21 days from the service date of this Order**. 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 Idaho Power at the addresses reflected below:

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

Lisa D. Nordstrom
Michael Youngblood
Idaho Power Company
1221 W. Idaho Street
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
dockets@idahopower.com
myoungblood@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 "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, by no later than **28 days from the service date of this Order.**

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.

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, and specifically *Idaho Code* §§ 61-503, 61-622.

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.*

YOU ARE FURTHER NOTIFIED that we find it appropriate to extend the term of the expiring special agreement approved in Order No. 32354 until such time as the Commission approves or rejects the Agreement proposed in this matter.

ORDER

IT IS HEREBY ORDERED that the Application shall be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 21 days from the service date of this Order.

IT IS FURTHER ORDERED that reply comments by Idaho Power, if any, shall be due 28 days from the effective date of this Order.

IT IS FURTHER ORDERED that the term of the special agreement approved in Order No. 32354 is extended until such time as the Company's Application to approve the proposed Agreement here is resolved.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st day of August 2016.

PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

ERIC ANDERSON, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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