

RECEIVED
2019 June 14 PM 2:46
IDAHO PUBLIC
UTILITIES COMMISSION



LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

June 14, 2019

Diane Hanian, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Idaho Tariff Advice No. 19-07
Modifications to Schedule 45, Standby Service

Dear Ms. Hanian:

Pursuant to RP 134.01 (IDAPA 31.01.01.134.01), Idaho Power Company ("Idaho Power" or "Company") seeks Idaho Public Utilities Commission approval of modifications to Schedule 45, Standby Service ("Schedule 45" or "Standby Service"). The Company is requesting to revise Schedule 45 to expand the availability of Standby Service to Schedule 9, Large General Service Secondary Service level ("9S") customers.

Schedule 45 is currently available to customers taking Primary or Transmission level service under Schedule 9, Large General Service ("9P/T customers") or Schedule 19, Large Power Service ("19P/T customers") who utilize on-site generation and who request Standby Service from the Company. Recently, the Company has received interest from 9S customers looking to install on-site generation. Expanding the availability of Schedule 45 to 9S customers would provide those 9S customers with on-site generation an offering to receive Standby Service from the Company.

To determine the proposed Standby Service rates for 9S customers, the Company used the same methodology that was used to compute the Standby Service rates applicable to 19P/T customers (approved in the most recent general rate case, Case No. IPC-E-11-08). This is also the same methodology that was used to compute the Standby Service rates applicable to 9P/T customers when the Company requested to expand the eligibility of Schedule 45 to those customers through Tariff Advice No. 16-06 filed in November 2016. Using the most recently filed cost-of-service study and corresponding unit cost sheets, the Company then made an adjustment to reflect the inclusion of the Langley Gulch power plant in base rates; effective July 1, 2012, all base rates were increased as a result of the inclusion of the Langley Gulch power plant with an overall base revenue increase of 7.05 percent (Order No. 32585).

Finally, Idaho Power adjusted the billing units on the unit cost sheet to account for the difference in the rate design applicable to 9S customers. Because the portion of the demand-related costs for this customer class associated with a customer's first 20 kilowatts of demand is collected through the first tier of the energy rate, the billing units for demand on the unit cost

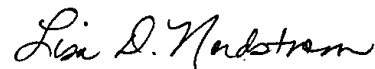
Diane Hanian, Secretary
Idaho Public Utilities Commission
June 14, 2019
Page 2

sheet must be adjusted to correctly align the billing units with the revenue requirement for the purposes of calculating the Standby Service rates. Absent the adjustment, the 9S rates would be understated due to the overstatement of billing determinants. Attached is the calculation of the proposed Standby Service rates for Schedule 9 Customers including all data used to determine the rates.

Idaho Power respectfully requests that the modified Schedule 45 become effective July 15, 2019. Also transmitted is a copy of Schedule 45 in both final and legislative formats.

If you have any questions regarding this filing, please contact Regulatory Analyst Grant Anderson at 388-6498.

Sincerely,



Lisa D. Nordstrom

LDN:kkt
Enclosures

SCHEDULE 45
STANDBY SERVICE

AVAILABILITY

Standby Service under this schedule is available at points on the Company's interconnected system within the State of Idaho where existing facilities of adequate capacity and desired phase and voltage are available. If additional distribution facilities are required to supply the desired service, those facilities provided for under Rule H will be provided under the terms and conditions of that rule. To the extent that additional facilities not provided for under Rule H, including transmission and/or substation facilities, are required to provide the requested service, special arrangements will be made in a separate agreement between the Customer and the Company.

Standby Service is available only to Customers taking service under Schedule 9 or Schedule 19.

APPLICABILITY

Service under this schedule is applicable to Customers utilizing on-site generation who request Standby Service from the Company.

These service provisions are not applicable to service for resale, to service where on-site generation is used for only emergency supply, or to cogenerators or small power producers who have contracted to supply power and energy.

AGREEMENT

Service shall be provided only after the Uniform Standby Service Agreement is executed by the Customer and the Company. The term of the Agreement shall be for one year and shall automatically renew and extend each year, unless terminated under the provisions of the Agreement. The Uniform Standby Service Agreement will automatically be canceled upon discontinuance of service under Schedule 9 or Schedule 19.

TYPE OF SERVICE

The Type of Service provided under this schedule is three-phase at approximately 60 cycles and at the primary voltage available at the Premises to be served, but not less than 12.5 kilovolts.

DEFINITIONS

Supplementary Contract Demand. The firm power contracted for by the Customer under the Uniform Standby Service Agreement with the Company.

Supplementary Billing Demand. The firm power supplied by the Company on a continuous basis to supplement the Customer's own generation. Supplementary Billing Demand is equal to the total average kW supplied during the 15-consecutive-minute period of maximum use during the Billing Period, adjusted for Power Factor, but not greater than the applicable Supplementary Contract Demand. Supplementary Billing Demand is billed monthly under the Demand Charge provisions of Schedule 9 or Schedule 19.

SCHEDULE 45
STANDBY SERVICE
 (Continued)

MONTHLY CHARGE

The Monthly Charge for Standby Service is the sum of the Standby Reservation Charge, the Standby Demand Charge, and the Excess Demand Charge, if any, at the following rates:

Customers taking service under Schedule 9

<u>Standby Reservation Charge</u> , per kW of	<u>Summer</u>	<u>Non-summer</u>
Available Standby Capacity		
Secondary Service	\$4.75	\$4.32
Primary Service	\$3.13	\$2.86
Transmission Service	\$0.79	\$0.52
<u>Standby Demand Charge</u> , per kW of		
Standby Billing Demand		
Secondary Service	\$7.20	\$5.90
Primary Service	\$6.08	\$5.89
Transmission Service	\$5.75	\$5.56

Customers taking service under Schedule 19

<u>Standby Reservation Charge</u> , per kW of	<u>Summer</u>	<u>Non-summer</u>
Available Standby Capacity		
Primary Service	\$3.00	\$2.70
Transmission Service	\$0.85	\$0.55
<u>Standby Demand Charge</u> , per kW of		
Standby Billing Demand		
Primary Service	\$7.09	\$5.76
Transmission Service	\$6.70	\$5.44

Customers taking service under Schedule 9 or Schedule 19Excess Demand Charge

\$0.64 per kW times the sum of the daily Excess Demands recorded during the Billing Period, plus \$6.41 per kW for the highest Excess Demand recorded during the Billing Period. This charge will not be prorated.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Standby Reservation Charge, the Standby Demand Charge, and the Excess Demand Charge.

CONTRIBUTION TOWARD MINIMUM CHARGES ON OTHER SCHEDULES

Any Standby Service Charges paid under this schedule shall not be considered in determining the Minimum Charge under any other Company schedule.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

IDAHO

Issued – June 14, 2019

Effective – July 15, 2019

Advice No. 19-07

Issued by IDAHO POWER COMPANY

Timothy E. Tatum, Vice President, Regulatory Affairs

1221 West Idaho Street, Boise, Idaho

SCHEDULE 45
STANDBY SERVICE

AVAILABILITY

Standby Service under this schedule is available at points on the Company's interconnected system within the State of Idaho where existing facilities of adequate capacity and desired phase and voltage are available. If additional distribution facilities are required to supply the desired service, those facilities provided for under Rule H will be provided under the terms and conditions of that rule. To the extent that additional facilities not provided for under Rule H, including transmission and/or substation facilities, are required to provide the requested service, special arrangements will be made in a separate agreement between the Customer and the Company.

Standby Service is available only to Customers taking ~~Primary or Transmission level~~ service under Schedule 9 or Schedule 19.

APPLICABILITY

Service under this schedule is applicable to Customers utilizing on-site generation who request Standby Service from the Company.

These service provisions are not applicable to service for resale, to service where on-site generation is used for only emergency supply, or to cogenerators or small power producers who have contracted to supply power and energy.

AGREEMENT

Service shall be provided only after the Uniform Standby Service Agreement is executed by the Customer and the Company. The term of the Agreement shall be for one year and shall automatically renew and extend each year, unless terminated under the provisions of the Agreement. The Uniform Standby Service Agreement will automatically be canceled upon discontinuance of service under Schedule 9 or Schedule 19.

TYPE OF SERVICE

The Type of Service provided under this schedule is three-phase at approximately 60 cycles and at the primary voltage available at the Premises to be served, but not less than 12.5 kilovolts.

DEFINITIONS

Supplementary Contract Demand. The firm power contracted for by the Customer under the Uniform Standby Service Agreement with the Company.

Supplementary Billing Demand. The firm power supplied by the Company on a continuous basis to supplement the Customer's own generation. Supplementary Billing Demand is equal to the total average kW supplied during the 15-consecutive-minute period of maximum use during the Billing Period, adjusted for Power Factor, but not greater than the applicable Supplementary Contract Demand. Supplementary Billing Demand is billed monthly under the Demand Charge provisions of Schedule 9 or Schedule 19.

SCHEDULE 45
STANDBY SERVICE
 (Continued)

MONTHLY CHARGE

The Monthly Charge for Standby Service is the sum of the Standby Reservation Charge, the Standby Demand Charge, and the Excess Demand Charge, if any, at the following rates:

Customers taking service under Schedule 9

<u>Standby Reservation Charge</u> , per kW of Available Standby Capacity	<u>Summer</u>	<u>Non-summer</u>
Secondary Service	\$4.75	\$4.32
Primary Service	\$3.13	\$2.86
Transmission Service	\$0.79	\$0.52
<u>Standby Demand Charge</u> , per kW of Standby Billing Demand		
Secondary Service	\$7.20	\$5.90
Primary Service	\$6.08	\$5.89
Transmission Service	\$5.75	\$5.56

Customers taking service under Schedule 19

<u>Standby Reservation Charge</u> , per kW of Available Standby Capacity	<u>Summer</u>	<u>Non-summer</u>
Primary Service	\$3.00	\$2.70
Transmission Service	\$0.85	\$0.55
<u>Standby Demand Charge</u> , per kW of Standby Billing Demand		
Primary Service	\$7.09	\$5.76
Transmission Service	\$6.70	\$5.44

Customers taking service under Schedule 9 or Schedule 19

Excess Demand Charge

\$0.64 per kW times the sum of the daily Excess Demands recorded during the Billing Period, plus \$6.41 per kW for the highest Excess Demand recorded during the Billing Period. This charge will not be prorated.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Standby Reservation Charge, the Standby Demand Charge, and the Excess Demand Charge.

CONTRIBUTION TOWARD MINIMUM CHARGES ON OTHER SCHEDULES

Any Standby Service Charges paid under this schedule shall not be considered in determining the Minimum Charge under any other Company schedule.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

IDAHO

Issued – ~~November~~June 14, 201~~6~~9

Effective – ~~December~~July 15, 201~~6~~9

Advice No. ~~16-06~~19-07

Issued by IDAHO POWER COMPANY

Timothy E. Tatum, Vice President, Regulatory Affairs

1221 West Idaho Street, Boise, Idaho

SCHEDULE 45 STANDBY RATES FOR SCHEDULE 9 LARGE GENERAL SERVICE

IPC-E-12-14 Inclusion of Langley Gulch 7.05% Base Rate Increase

<i>Effective</i>		<u>Summer</u>	<u>% Change</u>	<u>Non-summer</u>	<u>% Change</u>
1-Jul-12	Reservation Charge				
	Secondary	\$ 4.75	6.98%	\$ 4.32	6.93%
<i>Order #</i>	Primary	3.13	7.19%	2.86	7.12%
32585	Transmission	0.79	6.76%	0.52	6.12%
	Demand Charge				
	Secondary	\$ 7.20	6.98%	\$ 5.90	7.08%
	Primary	6.08	7.04%	5.89	7.09%
	Transmission	5.75	7.08%	5.56	6.92%
	Excess Demand	\$ 0.64	per kW		6.67%
		\$ 6.41	per kW		7.01%

IPC-E-11-08 General Rate Case

<i>Effective</i>		<u>Summer</u>	<u>Non-summer</u>
1-Jan-12	Reservation Charge		
	Secondary	\$ 4.44	\$ 4.04
<i>Order #</i>	Primary	2.92	2.67
32426	Transmission	0.74	0.49
	Demand Charge		
	Secondary	\$ 6.73	\$ 5.51
	Primary	5.68	5.50
	Transmission	5.37	5.20
	Excess Demand	\$ 0.60	per kW for the sum of the daily Excess Demands
		\$ 5.99	per kW for highest Excess Demand

**IDAHO POWER COMPANY
3CP/12CP CLASS COST OF SERVICE STUDY
TWELVE MONTHS ENDING DECEMBER 31, 2011
UNIT COSTS**

*** LARGE GENERAL SERVICE - SCHEDULE 9 SECONDARY ***

FUNCTION	(A) RETURN @ 8.45%	(B) OPERATING EXPENSES	(C) REVENUE DEFICIENCY	(D) REVENUE REQUIREMENT	(E) BILLING UNITS	(F) UNIT COSTS (\$/EACH)	(G) SUMMER (\$/KW)	(H) NON-SUMMER (\$/KW)	(I) SUMMER (\$/KWH)	(J) NON-SUMMER (\$/KWH)	(K) SERVICE (\$/CUST/MO)	(L) BASIC (\$/KW)	(M) REVENUE REQUIREMENT	(N) ADJ. BILLING UNITS	(O) ADJ. UNITS COSTS (\$/EACH)	(P) ADJ. SUMMER (\$/KW)	(Q) ADJ. NON-SUMMER (\$/KW)
PRODUCTION																	
DEMAND - Base-load Summer	1,711,887	8,283,388	(119,717)	9,745,240	2,711,629	3,59387	3,59387						9,745,240	1,501,856	6.48880	6.48880	
DEMAND - Peak	2,194,255	7,813,324	(153,451)	9,724,195	2,711,629	3,58611	3,58611						9,724,195	1,501,856	6.47479	6.47479	
DEMAND - Base-load Non-Summer	4,336,329	20,982,392	(303,252)	24,685,362	7,403,637	3,33422		3,33422					24,685,362	3,965,879	6.22444		6.22444
ENERGY - POWER SUPPLY	0	0	0	0	3,090,096,514	0.00000											
ENERGY - Summer	2,617,601	23,040,426	(183,057)	17,869,083	830,608,248	0.02151		0.021513									
ENERGY - Non-Summer	6,949,605	61,171,237	(486,007)	47,441,567	2,259,488,266	0.02100			0.020997								
ENERGY - ANNUAL	0	0	0	0		0.02114											
TRANSMISSION																	
DEMAND - POWER SUPPLY	0	0	0	0	0	0.00000							0	0	0.00000		
DEMAND - TRANSMISSION	10,116,842	15,606,447	(707,501)	18,878,105	10,115,266	1.86630	1.86630		1.86630				18,878,105	5,467,735	3.45264	3.45264	3.45264
DEMAND - SUBTRANSMISSION	0	0	0	0	0	0.00000							0	0	0.00000		
DEMAND - DIRECT	0	0	0	0	0	0.00000							0	0	0.00000		
DISTRIBUTION																	
SUBSTATIONS - GENERAL	3,178,854	4,920,316	(222,307)	7,673,141	13,207,821	0.58095						0.58095	7,673,141	7,781,165	0.98612		
SUBSTATIONS - DIRECT	0	0	0	0	0	0.00000											
LINES - PRIMARY DEMAND	3,033,039	7,509,987	(212,109)	9,891,888	13,207,821	0.74894						0.74894	9,891,888	7,781,165	1.27126		
LINES - PRIMARY CUSTOMER	514,405	1,273,697	(35,974)	1,677,669	364,571	4.60176					4.60176		1,677,669		4.60176		
LINES - SECONDARY DIRECT	0	0	0	0	0	0.00000											
LINE TRANS - PRIMARY DEMAND	530,923	626,542	(37,129)	1,079,479	13,207,821	0.08173						0.08173	1,079,479	7,781,165	0.13873		
LINE TRANS - PRIMARY CUST	90,045	106,262	(6,297)	183,080	364,571	0.50218					0.50218		183,080	364,571	0.50218		
LINE TRANS - SECOND DIRECT	0	0	0	0	0	0.00000											
LINE TRANS - SECOND DEMAND	2,473,786	2,919,316	(172,999)	5,029,731	13,207,821	0.38081						0.38081	5,029,731	7,781,165	0.64640		
LINE TRANS - SECOND CUSTOMER	371,983	438,977	(66,014)	756,320	364,571	2.07455					2.07455		756,320		2.07455		
LINES - SECONDARY DEMAND	946,411	1,528,029	(66,185)	2,308,462	13,207,821	0.17478						0.17478	2,308,462	7,781,165	0.29667		
LINES - SECONDARY CUSTOMER	101,906	164,532	(7,127)	248,565	364,571	0.68180					0.68180		248,565	364,571	0.68180		
SERVICES	111,758	160,339	(7,816)	251,862	364,571	0.69084					0.69084						
METERS	802,921	4,577,897	(56,151)	5,268,974	364,571	14.45252					14.45252						
STREET LIGHTS	0	0	0	0	0	0.00000											
INSTALL ON CUST PREMISES	0	201,825	0	201,825	364,571	0.55360					0.55360						
CUSTOMER ACCOUNTING																	
METER READING	228	331,763	(16)	331,964	364,571	0.91056					0.91056						
CUSTOMER ACCOUNTS	711	1,443,369	(50)	1,443,998	364,571	3.96081					3.96081						
UNCOLLECTIBLES	0	382,998	0	382,998	364,571	1.05054					1.05054						
MISC	0	0	0	0	364,571	0.00000											
CONSUMER INFORMATION																	
CUSTOMER ASSIST	307	596,980	(21)	597,252	364,571	1.63823					1.63823						
SALES EXPENSE	0	0	0	0	364,571	0.00000											
ADVERTISING	0	0	0	0	364,571	0.00000											
MISC	0	0	0	0	364,571	0.00000											
MISCELLANEOUS																	
DEMAND	0	0	0	0	0	0.00000							0	0	0.00000		
ENERGY	0	444,642	0	444,642	3,090,096,514	0.00014		0.000144	0.000144								
CUSTOMER	0	0	0	0	364,571	0.00000											
REVENUE	0	0	0	(89,595)	364,571	(0.24576)					(0.24576)						
OTHER	0	0	0	0	3,090,096,514	0.00000					0.00000						
SUBSTATION CIAC	(28,864)	(2,967)	2,019	(28,516)	13,207,821	(0.00216)						(0.00216)					
TOTALS	40,054,931	164,521,718	(2,801,161)	165,997,291			9.04628	5.20052	0.021657	0.021140	30.8716	1.96506				16.41622	9.67707

**IDAHO POWER COMPANY
BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
DERIVATION OF SCHEDULE 45 STANDBY CHARGES
SCHEDULE 9 SECONDARY RATES**

DERIVATION OF WEIGHTED RESERVE MARGIN

Line No.		Maximum Capacity	Operating Reserve Percentage	Operating Reserve	Weighted Reserve Margin (WRM)
1	Thermal Plant *	1,118.2	7%	78.3	2.8%
2	Hydro Plant	1,706.7	5%	85.3	3.0%
3	TOTAL	2,824.9		163.6	5.8%

* Excludes Danskin, Bennett Mountain, and Salmon Diesel

DERIVATION OF STANDBY RESERVATION CHARGE

		Unit Cost	Adj. Unit Cost	Standby Reservation Charge Secondary
<u>Generation Reserve Component</u>				
	Schedule 9 Production			(Unit Cost * 5.8% WRM)
4	Summer	\$ 7.17998	\$ 12.96359	\$ 0.75
5	Non-Summer	3.33422	6.22444	0.36
<u>Transmission Reserve Component</u>				
6	Schedule 9 Transmission	\$ 1.86630	\$ 3.45264	\$ 0.35
<u>Distribution Reserve Component</u>				
		Total Cost	Billing Units	Adj. Billing Units
7	Schedule 9 Substation	\$ 7,673,141	13,207,821	7,781,165
8	Schedule 9 Primary Lines	9,891,888	13,207,821	7,781,165
9	Schedule 9 Primary Trans	1,079,479	13,207,821	7,781,165
10	Schedule 9 Secondary Lines	2,308,462	13,207,821	7,781,165
11	Schedule 9 Secondary Trans	5,029,731	13,207,821	7,781,165
12	Dist. Subtotal			\$ 3.34
TOTAL STANDBY RESERVATION CHARGE				
13	Summer			\$ 4.44
14	Non-Summer			\$ 4.04

DERIVATION OF STANDBY DEMAND CHARGE

Schedule 45 Total Demand Component				
15	Summer			\$ 19.76
16	Non-Summer			13.02
		Current 9	COS	
17	Ratio of Sch. 9/COS Summer	\$ 5.59	16.42	0.34
18	Ratio of Sch. 9/COS Non Sumr	4.10	9.68	0.42
Schedule 45 Secondary Standby Demand Charge				
19	Summer			\$ 6.73
20	Non-Summer			\$ 5.51