



Idaho Public Utilities Commission

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Case No. IPC-E-15-13, Order No. 33303

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Idaho Power, Simplot contract is approved

BOISE (May 22, 2015) – The Idaho Public Utilities Commission is approving an Idaho Power Company special contract with J.R. Simplot Company’s new Caldwell plant.

Until recently, the Caldwell plant was under a tariff rate (rather than a special contract) for Large Power Service customers. But Simplot’s new Caldwell plant, which replaces Simplot facilities in Aberdeen, Nampa and Caldwell, is anticipated to exceed the maximum amount of demand – 20,000 kilowatts – that qualifies for the Large Power Service rate. Customers with demand larger than 20,000 kW must negotiate a special contract with the utility.

Idaho Power and Simplot have been negotiating a proposed contract since spring 2013. In late 2013, Idaho Power asked the commission to resolve some contract issues where the parties had reached an impasse. Those issues included liability provisions and Simplot’s contention that Idaho Power was using an outdated formula to determine Simplot’s rate.

The commission directed the parties to renegotiate the liability provisions and said a rate could be determined by using Idaho Power’s most recent cost-of-service study as a starting point for negotiation. The company agreed to do so and the parties reached agreement. “We appreciate the parties’ efforts in reaching an agreement consistent with guidance provided by the commission,” the commission said.

The contract, which becomes effective June 1, requires Idaho Power to initially provide 25,000 kW per month. During the first year of the contract, Simplot may increase or decrease its contract demand so long as the changes for the year collectively do not exceed 10,000 kW, absent company agreement. After one year, Simplot may increase or decrease its monthly contract demand in 1,000 kW increments so long as it does not change contract demand by more than 15,000 kW in any 12-month period.

Rates for special contract customers must take into account Idaho Power’s existing operational conditions and the impact new load may have on the utility’s generation and transmission system. Because the new Caldwell facility consolidates load previously used at the Aberdeen, Nampa and old Caldwell facilities, the contract rates will recover the cost it incurs to serve Simplot while also limiting upward rate pressure on other customer classes.

The commission's order and other documents related to this case are available on the commission's Website at www.puc.idaho.gov Click on "Open Cases" under the "Electric" heading and scroll down to Case Number IPC-E-15-13.

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