

RECEIVED

2020 JAN 21 PM 4:23

IDAHO PUBLIC
UTILITIES COMMISSION

JAYME B. SULLIVAN
BOISE CITY ATTORNEY

ABIGAIL R. GERMAINE (ISB No. 9231)
Deputy City Attorney
BOISE CITY ATTORNEY'S OFFICE
150 N. Capitol Blvd.
P.O. Box 500
Boise, ID 83701-0500
Telephone: (208) 384-3870
Facsimile: (208) 384-4454
Email: agermaine@cityofboise.org

Attorney for Boise City

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE PETITION OF
IDAHO POWER COMPANY TO STUDY
FIXED COSTS OF PROVIDING ELECTRIC
SERVICE TO CUSTOMERS

Case No. IPC-E-18-16

CITY OF BOISE CITY'S
COMMENTS IN OPPOSITION
TO IDAHO POWER
COMPANY'S MOTION TO
ACCEPT FIXED COST
REPORT

COMES NOW, the city of Boise City, herein referred to as "Boise City", by and through its attorney of record, and pursuant to Rule 203 of the Rules of Procedure of the Idaho Public Utility Commission (IDAPA 31.01.01.203) and, pursuant to that Notice of Modified Procedure, Notice of Comment Deadlines, Order No. 34466, filed on October 24, 2019, hereby submits these comments in opposition to Idaho Power Company's Motion to Accept Fixed Cost Report ("Fixed Cost Report") and states as follows:

I. INTRODUCTION

On May 9, 2018, the Idaho Public Utilities Commission (“Commission”) issued Order No. 34046 in Case No. IPC-E-17-13, Idaho Power’s Application for Authority to Establish New Schedules for Residential and Small General Service Customers, which ordered Idaho Power Company (the “Company”) “to file a study with the Commission exploring fixed-cost recovery in basic charges and other rate design options prior to its next general rate case.” Order No. 34046 at 1.

Pursuant to Order No. 34046, the Company initiated Case No. IPC-E-18-16, In the Matter of the Application of Idaho Power Company to Study Fixed Costs of Providing Electric Service to Customers. Numerous parties intervened in this case, including Boise City. Order No. 34212. Many of the parties which intervened in this case are also parties to IPC-E-18-15, In the Matter of the Application of Idaho Power Company to Study the Costs, Benefits, and Compensation of Net Excess Energy Supplied by Customer On-Site Generation. Commission Staff, the intervening parties, and the Company held one pre-hearing conference and five settlement meetings.

Throughout the course of this docket, the parties worked together to outline a general scope of the study to be conducted, including broadly identifying rate structures and attributes to be studied. *See generally*, Staff Report, filed on April 30, 2019. The parties also worked toward developing a framework for the analysis of these aspects and provided suggestions on a definition of “fixed cost.” *Id.* The parties’ initial efforts were put before the Commission in a table outlining Case Rate Designs and Rate Design Attributes as Attachment A and B to Staff’s Report. *Id.*, Attachment A and B.

On September 30, 2019, the Company filed a Motion to Accept Fixed Cost Report. Pursuant to the Commission's Notice of Modified Procedure, Notice of Comment Deadlines, Order No. 34466, parties were permitted to file comments in support of or opposition to the Company's Fixed Cost Report. Boise City asserts that similarly to the outcome in IPC-E-18-15, the Company has failed to follow the direction of the Commission to conduct a comprehensive fixed-cost recovery study and instead has presented the Commission with a report outlining its proposed rate designs.

II. COMMENTS IN OPPOSITION

1. The Company has Failed to Follow Order No. 34046 by not Conducting a Comprehensive Fixed Cost Study.

The Commission, at the conclusion of Case No. IPC-E-17-13, ordered "the Company to undertake a comprehensive customer fixed-cost analysis to determine the proper methodology and "spread" of fixed costs as they relate to the Company's customers." Order No. 34046 at 23. The Company has instead provided a paper which emphasizes certain rate designs over others and highlights certain customers classes. This was not the direction of the Commission and not what was contemplated by the parties to this docket. "Although the parties referred to their meetings as "settlement conferences" throughout this case, parties also generally understood that the end result of this docket was to be a study conducted by the company, with input from stakeholders, to be filed with the Commission for informational purposes" Decision Memorandum, October 11, 2019, footnote 1.

This is similar to what occurred in Case No. IPC-E-18-15. As was the case in this docket, in Case No. IPC-E-18-15, the Commission directed the Company to conduct a study of the cost

and benefits of on-site generation to the Company's system. The parties to that docket ended up entering into a settlement agreement that was put before the Commission for approval. However, in Order No. 34509, the Commission rejected the settlement agreement stating the Company had not complied with the directive of the Commission to conduct a comprehensive study. Similarly, the Commission has directed the Company to conduct a study; the Company provided a report which outlines the Company's rate design preferences. Fixed Cost Report at 36-39.

2. The Company's Fixed Cost Report Focuses on Certain Customer Classes Over Others, which was not the Order of the Commission.

The Company's Fixed Cost Report places a heavy focus on certain customer classifications, such as residential on-site generation, over others. This presentation has the tendency to skew the potential impacts those customer classes have on the system. Emphasizing residential on-site generation in this way is also contrary to the Commission's directive in this docket. "Nevertheless, we also find it is time for the Company to address fixed-cost apportionment *across its system*, and we outline a procedure for doing so below." Order No. 34046 at 17 (emphasis added).

As a premise for IPC-E-17-13, the Company attempted to highlight a cost-shift occurring between on-site generators and non-self-generators. However, the Commission makes clear,

There is great diversity within the current R&SGS [Residential and Small General Service] classes, and again, other potential groups (such as cabin owners and other low-use customers or EE adopters) may not be paying their fair share of fixed costs being recovered through the variable rate.

Order No. 34046 at 17.

The Commission goes on to say, “However, in a general sense, the arguments have led us to conclude that the Company should begin quelling *any* intra-class subsidization related to fixed costs.” Order No. 34046 at 19 (emphasis added). The Company’s presentation in the Fixed Cost Report unfairly emphasizes on-site generation issues and related rate designs.

3. The Concerns outlined by Boise City and Other Parties should be Considered in the Weight the Commission gives the Fixed Cost Report.

Boise City acknowledges that the Fixed Cost Report filed by the Company contains useful information and data that may be helpful in analyzing rate design structure in the future. However, the Fixed Cost Report is not a comprehensive study. It is a description of rate designs and rate structure issues from the perspective of the Company. Therefore, it should be given the proper weight.

In addition, parties to this docket, including Commission Staff, developed a list of attributes that should have been considered by the Company in developing the study. Staff Report, April 30, 2019. These attributes are acknowledged by the Company as “important to take into consideration when developing and ultimately implementing new or modified rate designs.” Idaho Power Company’s Motion to Accept Fixed Cost Report at 8. However, these attributes seem to have fallen by the way side in the final report presented by the Company. While Boise City acknowledges the challenges to incorporating all the attributes into a rate design study, providing a more comprehensive summary of how these attributes were considered in the presented report would have been beneficial. *See list of attributes attached as Appendix A to the Fixed Cost Report.*

Boise City is concerned that at the time when the Company files a general rate case or changes to rate design are contemplated, the Company will attempt to utilize this Fixed Cost Report as a study for the basis of their proposals. This should not be the case. The Commission should give due consideration to what has been presented by the Company and it should be read in conjunction with the comments filed by the parties.

DATED this 21 day of January 2020.



Abigail R. Germaine
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 21 day of January 2020, served the foregoing documents on all parties of counsel as follows:

Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Building 8
Suite 201-A
Boise, ID 83714
diane.holt@puc.idaho.gov

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Lisa Nordstrom
Regulatory Dockets
Idaho Power Company
PO Box 70
Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Timothy E. Tatum
Connie Aschenbrenner
Idaho Power Company
PO Box 70
Boise, ID 83707
ttatum@idahopower.com
caschenbrenner@idahopower.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Edward Jewell
Deputy Attorney General
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Building 8
Suite 201-A
Boise, ID 83714
Edward.Jewell@puc.idaho.gov

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Benjamin J. Otto
Idaho Conservation League
710 N. 6th Street
Boise, ID 83702
botto@idahoconservation.org

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

David J. Meyer, Esq.
Patrick D. Ehrbar
Joe Miller
Avista Corporation
PO Box 3727
Spokane, WA 9922-3727
david.meyer@avistacorp.com
patrick.ehrbar@avistacorp.com
joe.miller@avistacorp.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

F. Diego Rivas
NW Energy Coalition
1101 8th Ave.
Helena, MT 59601
diego@nwenergy.org

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Idahydro
c/o C. Tom Arkoosh
ARKOOSH LAW OFFICES
802 W. Bannock St., Suite LP 103
PO Box 2900
Boise, ID 83701
tom.arkoosh@arkoosh.com
erin.cecil@arkoosh.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Idaho Irrigation Pumpers Assn.
c/o Eric L. Olsen
Echo Hawk & Olsen PLLC
PO Box 6119
Pocatello, ID 83205
elo@echohawk.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Idaho Irrigation Pumpers Assn.
c/o Anthony Yankel
12700 Lake Ave., Unit 2505
Lakewood, OH 44107
tony@yankel.net

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Ted Weston
Yvonne R. Hogle
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

ted.weston@pacificorp.com
yvonne.hogle@pacificorp.com

Briana Kober
Vote Solar
358 S. 700 E., Suite B206
Salt Lake City, UT 84102
briana@votesolar.org

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

David Bender
Al Luna
Nick Thorpe
Earthjustice
3916 Nakoma Road
Madison, WI 53711
dbender@earthjustice.org
aluna@earthjustice.org
nthorpe@earthjustice.org

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Idaho Sierra Club
c/o Kelsey Jae Nunez
Kelsey Jae Nunez LLC
920 N. Cover Dr.
Boise, ID 83703
kelsey@kelseyjaenunez.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Zack Waterman
Mike Heckler
Idaho Sierra Club
503 W. Franklin St.
Boise, ID 83702
zack.waterman@sierraclub.org
michael.p.heckler@gmail.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Idaho Clean Energy Assn.
c/o Preston N. Carter
GIVENS PURSLEY LLP
601 W. Bannock St.
Boise, ID 83702
prestoncarter@givenspursley.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Peter J. Richardson
Richardson, Adams, PLLC

- U.S. Mail
- Personal Delivery

515 N. 27th Street
PO Box 7218
Boise, ID 83702
peter@richardsonadams.com

- Facsimile
- Electronic Means
- Other: _____

Dr. Don Reading
6070 Hill Road
Boise, ID 83703
dreading@mindspring.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____

Russell Schiermeier
29393 Davis Road
Bruneau, ID 83604
buyhay@gmail.com

- U.S. Mail
- Personal Delivery
- Facsimile
- Electronic Means
- Other: _____



Abigail R. Germaine
Deputy City Attorney