

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-19-40
COMPANY’S APPLICATION TO UPDATE)	
THE SUBSTATION ALLOWANCE UNDER)	NOTICE OF APPLICATION
SCHEDULE 19—LARGE POWER SERVICE)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34540

On December 27, 2019, Idaho Power Company (“Company”) applied for approval to update the substation allowance outlined in Schedule 19—Large Power Service (“Substation Allowance”). Application at 1. The Company’s Substation Allowance typically is filed as a tariff advice. *Id.* at 2. However, Commission Staff requested the Company file this update as a case. *Id.* The Company requests a March 15, 2020 effective date and that its Application be reviewed under Modified Procedure. *Id.* at 1, 4-5.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting a public comment and Company reply comment deadlines.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company seeks to decrease its Substation Allowance by 29%, from \$69,397 per megawatt (“MW”) to \$49,253 per MW¹. *Id.* at 3; *See* Attachment 2. The proposed change results from updated material and labor costs. Application at 3. Material costs increased by about 5%, and labor costs increased by about 16%. *Id.* at 3-4.

YOU ARE FURTHER NOTIFIED that material costs increased generally because the Company has been installing larger transformers when upgrading substations. *Id.* at 3. The Company changed the default transformer used to estimate costs from the 30 mega volt amp (“MVA”) transformer it historically has used to the 44.8 MVA transformer it has typically installed in recent years.² *Id.* The 44.8 MVA transformer increased material costs by 20%. *Id.* This increase

¹ The maximum possible allowance will be determined by multiplying the customer’s actual increase in load by \$49,253 per MW but will not exceed the actual cost of the substation facilities.

² In Order No. 34277, the Commission found it was “reasonable and just to base estimated transformer costs on other, actual similar transformer costs....”

was offset somewhat by a 6% reduction to the cost of the 4-unit metalclad and a 9.81% to 9.57% decrease in the general overhead rate. *Id.*

YOU ARE FURTHER NOTIFIED that labor cost increases were driven by the construction labor rate increase by about 2.75%, and because the Company added 80 hours of System Protection Engineering labor.³

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, then select "Electric Cases" and click on the case number as shown on the front of this document.

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* §§ 61-501 and 61-503.

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.*

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 that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .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 **must file a written comment in support or opposition with the Commission within twenty-one (21) days of the service date of this Order.** The written comment must contain a statement of reasons supporting it. 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 the Company at the addresses reflected below:

³ System Protection Engineering includes time for project scoping, fault studies, setting and logic development, panel shop testing, and commission relaying. On average, System Protection Engineering requires between 80 and 120 hours.

**For the Idaho Public Utilities
Commission:**
Commission Secretary
Idaho Public Utilities Commission
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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 "Consumers" tab then click the "Case Comment or Question Form" and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company must file reply comments **within twenty-eight (28) days of 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 a formal hearing.

ORDER

IT IS HEREBY ORDERED that the Application of the Company be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so within twenty-one (21) days of the service date of this Order. The Company must file reply comments within twenty-eight (28) days of the service date of this Order.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *5/1/20*
day of January 2020.



PAUL KJELLANDER, PRESIDENT

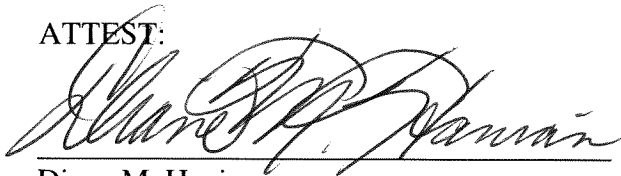


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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