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IDAHO PUBLIC
UTILITIES COMMISSION

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

January 14, 2019

VIA HAND DELIVERY

Diane Hanian, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-~~19-40~~ 20-01
Modification of Schedule 30, Special Contract with the United States
Department of Energy – Idaho Power Company's Application and Testimony

Dear Ms. Hanian:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Application.

Also enclosed are an original and eight (8) copies of the Direct Testimony of Mark A. Annis in support of the Application. One copy of the testimony has been designated as the "Reporter's Copy." In addition, a disk containing a Word version of the testimony is enclosed for the Reporter.

If you have any questions about the enclosed documents, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN/kkt
Enclosures

LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
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Attorney for Idaho Power Company

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-20-01
AUTHORITY TO MODIFY SCHEDULE 30,)
SPECIAL CONTRACT WITH THE UNITED) APPLICATION
STATES DEPARTMENT OF ENERGY)
_____)

Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* § 61-502 and RP 52, hereby respectfully makes application to the Idaho Public Utilities Commission ("Commission") for an order authorizing the Company to (1) modify Schedule 30, Electric Service Rate for United States Department of Energy Idaho Operations Office ("Schedule 30"), to add an Antelope Asset Charge ("AAC") for Idaho Power's ownership and operation of Antelope Substation transmission facilities that are used solely to provide service to the Department of Energy's ("DOE") Idaho National Laboratory ("INL") and (2) bill a true-up for charges related to the time period between November 2015 and the AAC effective date, if approved. If possible, the Company is requesting that the addition of this tariff language become effective on April 1, 2020.

Idaho Power has discussed the underlying AAC methodology with DOE, who is in agreement with the proposal.

I. BACKGROUND

1. The DOE, through its Idaho Operations Office, operates the facilities at the INL site located approximately 50 miles west of Idaho Falls, Idaho. Idaho Power serves the DOE under a special contract in accordance with the rates and charges set out in Schedule 30. The current special contract between Idaho Power and the DOE, Contract No. GS-00P-09-BSD-0651 (“2016 Special Contract”), was approved by the Commission on October 13, 2016, in Order No. 33621 issued in Case No. IPC-E-16-18. The five-year term of the 2016 Special Contract runs from September 15, 2016, through September 14, 2021.

2. Idaho Power provides service to INL with the point of delivery being the DOE-owned assets located at the Antelope Substation. The Antelope Substation consists of these DOE-owned assets, as well as assets jointly or individually owned by Idaho Power and PacifiCorp. For the sake of clarity, assets for which Idaho Power currently possesses an ownership share are referred to as the “2015 Assets,” while assets currently owned by the DOE are referred to as the “2019 Assets,” as discussed in more detail in the sections that follow. The Antelope Substation is operated by PacifiCorp, which charges Idaho Power for its share of the substation’s operation and maintenance (“O&M”) costs in accordance with the methodology described in Exhibit D to the Joint Ownership and Operating Agreement¹ (“JOOA”) between PacifiCorp and Idaho Power.

¹ The current version of the JOOA is available at:
[https://www.oasis.oati.com/woa/docs/IPCO/IPCOdocs/2019_JOOA_-_Complete_Filing_-_08-29-19_\(00259300xBCD5C\).pdf](https://www.oasis.oati.com/woa/docs/IPCO/IPCOdocs/2019_JOOA_-_Complete_Filing_-_08-29-19_(00259300xBCD5C).pdf)

The Idaho Commission approved the JOOA, which guides the companies' operation of transmission facilities in which the companies share ownership, in Case No. IPC-E-14-41, Order No. 33313 issued June 5, 2015.

3. The DOE no longer wishes to own, operate, and maintain the Antelope transmission substation facilities necessary to receive electric service, i.e., the 2019 Assets. Consequently, at the DOE's request, Idaho Power agreed to assume ownership, operation, and maintenance of these facilities. Idaho Power concurrently transferred partial ownership of the DOE's Antelope transmission substation facilities, and O&M responsibilities of these facilities, to PacifiCorp.

4. To begin aligning asset ownership and cost responsibility for the 2019 Assets, Idaho Power and PacifiCorp agreed to jointly own the DOE-owned assets within the JOOA framework. Previously, in 2015, PacifiCorp transferred partial ownership of specific Antelope transmission substation assets to Idaho Power ("2015 Assets"), including transformers, bus, and a portion of a transmission line. Some of these transferred assets are used by Idaho Power to provide service to the DOE. The Federal Energy Regulatory Commission ("FERC") originally accepted the JOOA for filing on June 17, 2015; the Idaho Commission approved transfer of the 2015 Assets from PacifiCorp to Idaho Power also in Case No. IPC-E-14-41, Order No. 33313, issued June 5, 2015. Since November 2015, under the terms of the JOOA, PacifiCorp has been billing Idaho Power a monthly charge related to the 2015 Assets, as PacifiCorp is the operator of these assets. Idaho Power also incurs ownership costs related to the 2015 assets including return on and of investment, property taxes, and income taxes.

5. Prior to Idaho Power's acquisition of the 2015 Assets, PacifiCorp owned these assets outright and charged Idaho Power for the portion of the assets used to serve DOE load; Idaho Power passed this charge through to the DOE under a separate letter agreement. Upon acquisition of its share of the 2015 Assets, in November 2015, Idaho Power suspended this pass-through charge pending final resolution of the Antelope transmission substation asset transfer negotiations. Consequently, as described in further detail later in this application, the Company's request also includes a true-up to Idaho Power from the DOE for the period beginning November 2015 when such charges were first suspended by Idaho Power and not billed to the DOE.

II. ANTELOPE TRANSMISSION SUBSTATION FACILITIES

6. Negotiations regarding the transfer of the 2019 Assets occurred concurrently with negotiations to finalize the 2016 Special Contract. Because the 2016 Special Contract was finalized before the asset transfer negotiations were complete, paragraph 5 of Attachment 1 to the 2016 Special Contract between Idaho Power and DOE described the expectation that DOE would continue to be financially responsible for the Antelope facilities that solely serve DOE, stating that:

Upon such a transfer of title, DOE understands that [Idaho Power] through a facility service charge or similar mechanism will charge DOE for the maintenance of the then formerly DOE-owned equipment which will be maintained in accordance with Prudent Utility Practice.

7. Idaho Power, PacifiCorp, and the DOE have now completed the negotiations to transfer the remaining Antelope transmission substation assets. The transfer of title agreements describing the 2019 Assets and Idaho Power's and PacifiCorp's respective ownership percentages are provided as Attachment 1, "DOE-IPC

Transfer of Title Agreement,” and Attachment 2, “IPC-PacifiCorp Transfer of Title Agreement.” As described in the agreements, these assets include two transformers, two circuit breakers, and two circuit switchers. Under the asset transfer agreements, (1) the DOE conveys its ownership interest in its assets to Idaho Power at zero cost and (2) Idaho Power, in turn, transfers a portion of these same assets to PacifiCorp at zero cost.

8. As set forth in paragraph 2 of the DOE-IPC Transfer of Title Agreement, transfer of the 2019 Assets is to be effective immediately upon (1) execution of the respective agreements, (2) receipt of regulatory approval of the transaction from FERC, and (3) approval of a facilities-type charge by the Commission. The DOE-IPC Transfer of Title Agreement and IPC-PacifiCorp Transfer of Title Agreement were executed on August 21, 2019, and August 22, 2019, respectively.

9. On August 23, 2019, Idaho Power filed with FERC updates to the JOOA in Docket No. ER19-2704. The updates to the JOOA included the addition of the 2019 Assets to the list of assets subject to the JOOA. On October 21, 2019, FERC accepted the JOOA update, constituting the necessary FERC approvals of the transaction.

III. PROPOSED CHANGES TO SCHEDULE 30

10. With the approval of the DOE-IPC Transfer of Title Agreement and the IPC-PacifiCorp Transfer of Title Agreement, ownership of the 2019 Assets will be conveyed to the Company and ownership issues at the Antelope Substation will be resolved. Idaho Power now makes this Application for approval of an “Antelope Asset Charge” to be added to Schedule 30 to recover the Company’s costs to own, operate, and maintain the Antelope Substation equipment used to serve DOE load. The proposed revisions to Schedule 30 to incorporate the AAC are included as Attachment 3 to this Application.

11. During the asset transfer negotiations, Idaho Power and the DOE have discussed and agreed on the methodology for calculating the additional charge to be applied to the Antelope facilities, i.e., the 2015 and 2019 Assets. The method used to determine the AAC is similar to the existing FERC-approved methodology defined in the JOOA and consists of O&M charges passed through from PacifiCorp as operator of the Antelope substation, as well as ownership costs related to Idaho Power's investment in its share of the jointly-owned facilities. The calculation of the AAC is set forth in the testimony and exhibit of Senior Regulatory Analyst Mark Annis that accompanies this Application.

12. If approved, the DOE will also pay a true-up to Idaho Power for the period beginning in November 2015 when such charges were first suspended by Idaho Power and not billed to the DOE. At December 31, 2019, the true-up charge balance was approximately \$288,000. This value will be updated to reflect the full true-up amount as of the effective date of the AAC, if approved.

IV. MODIFIED PROCEDURE

13. Idaho Power negotiated directly with the sole customer impacted by this filing, the DOE. The DOE has reviewed and agrees with the underlying AAC methodology. Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.*

V. COMMUNICATIONS AND SERVICE OF PLEADINGS

14. Communications and service of pleadings to Idaho Power regarding this Application should be sent to:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
lnordstrom@idahopower.com
dockets@idahopower.com

Timothy E. Tatum
Matt Larkin
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
ttatum@idahopower.com
mlarkin@idahopower.com

VI. CONCLUSION

15. Idaho Power requests that the Commission issue an order authorizing the Company to modify Schedule 30 to add an Antelope Asset Charge related to the costs associated with the Company's ownership, and operations, and maintenance of Antelope transmission substation facilities dedicated to providing service to the DOE's INL site. The AAC reflects the recovery of costs specific to providing service to the DOE, ensuring that these costs are not shifted to other customer classes. Idaho Power respectfully requests that the tariff changes become effective on April 1, 2020; however, the Company would not oppose a later effective date if the Commission or Commission Staff does not believe the Company's proposed timeline is sufficient to process the issues presented by the Company in this matter.

DATED at Boise, Idaho, this 14th day of January 2020.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of January 2020 I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

U.S. Department of Energy

W. Chris Harvey
DOE Office of Chief Counsel
1955 Fremont Ave
Mail Stop 1209
Idaho Falls, Idaho 83402

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email harveywc@id.doe.gov

U.S. Department of Energy

Federal Energy Management Program
Tracy Niro
Gerardo Islas Rivera

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email Tracy.niro@ee.doe.gov
islasrgj@id.doe.gov



Kimberly Towell, Executive Assistant

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-20-01**

IDAHO POWER COMPANY

ATTACHMENT 1

**TRANSFER OF TITLE AGREEMENT
IDAHO POWER AND DOE**

**TRANSFER OF TITLE
AGREEMENT**

This Transfer of Title Agreement ("Agreement") is entered into by and among Idaho Power Company, an Idaho corporation, with principal offices at 1221 West Idaho Street, Boise, Idaho 83702 ("IPC") and the United States Department of Energy ("DOE"), as of this ____ day of _____, 2019 ("Effective Date"). IPC and DOE may be referred to individually as a "Party" or collectively as the "Parties."

WHEREAS, DOE owns electrical equipment located in the Antelope Substation, detailed in Exhibit 1, including but not limited to, Oil Circuit Breaker 103, Oil Circuit Breaker B164, Circuit Switcher 165I, Circuit Switcher 162I, 161 kV/138 kV Transformer Government Property no. 5-220, and 161 kV/138 kV Transformer Government Property no. 5-587, ("Equipment");

WHEREAS, due to the expense involved in owning the Equipment, DOE desires to transfer ownership of Equipment to IPC;

WHEREAS, the Equipment is utilized to serve PacifiCorp load out of Scoville and DOE load at the Idaho National Laboratory;

WHEREAS, IPC is an electrical utility which owns and maintains equipment similar to the Equipment and is amenable to owning and maintaining the Equipment;

WHEREAS, the DOE will compensate IPC for owning and maintaining the Equipment through a facilities charge;

WHEREAS, the Equipment will be added to Idaho Power's apparatus fleet and be maintained and replaced by Idaho Power in accordance with good utility practices at Idaho Power's discretion; and

WHEREAS, DOE agrees to convey and Idaho Power agrees to accept title of the Equipment within the Antelope Substation;

NOW, THEREFORE, in consideration of DOE not having the physical responsibility associated with replacement of this equipment, the mutual covenants, agreements, and benefits hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which are hereby recognized, IPC and DOE hereby mutually agree as follows:

1. Incorporation of Recitals. The above-stated recitals are incorporated into and made a part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

2. Transfer of Title. In consideration of the reduced maintenance and expense to DOE and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, DOE, effective immediately upon execution of this Agreement, receipt of regulatory approval of the transaction from the Federal Energy Regulatory Commission and of a monthly facilities charge from the Idaho Public Utilities Commission, hereby conveys at no cost unto IPC all of DOE's title and interest (subject to the limitations set forth below) in, to, and under the Equipment as hereinafter described. The Equipment consists of the items listed in Exhibit 1 which are located in the northwest quadrant of the Antelope substation at Latitude 43.53377, Longitude 112.92639.

3. Unwarranted "As Is" Condition. DOE does not warrant the Equipment to any degree. IPC, at the point of transfer of title, hereby accepts all of the Equipment in "AS IS" and "WITH ALL FAULTS" condition. DOE has not made, does not make, and will not make any warranty or representation, whether express or implied, about the performance capability of the Equipment or their present state of repair, condition or maintenance, ability to function in any respect, or merchantability or fitness for a particular purpose. DOE makes no warranty, express or implied, as to the accuracy or completeness of any data, information, or materials heretofore or hereafter furnished to IPC in connection with the Equipment. IPC acknowledges that the Equipment may include "sensitive property," as defined in 48 C.F.R. 45.101, and consents to the receipt of sensitive property.

IPC and DOE agree that to the extent required by any applicable law to be operative, the disclaimers of warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. THE EQUIPMENT IS BEING TRANSFERRED TO IPC WITHOUT RECOURSE (EVEN AS TO THE RETURN OF THE PURCHASE PRICE), COVENANT, OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, AND DOE IS CONVEYING THE EQUIPMENT COVERED HEREBY "AS IS" AND "WITH ALL FAULTS," AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, (ALL OF WHICH DOE HEREBY DISCLAIMS AND NEGATES) AS TO FITNESS FOR ANY PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OR MATERIALS, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATION, ABSENCE OF LATENT DEFECTS, OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT), TO THE EXTENT APPLICABLE AND PERMITTED BY LAW.

4. Release. IPC hereby release DOE, its contractors and their respective employees, officers, directors, and agents of DOE and its contractors and/or its affiliates from and against all claims, actions, damages, losses, penalties, and expenses, including reasonable attorney fees and disbursements, of any kind or nature whatsoever arising out of DOE's acts or omissions or the acts or omissions of IPC or any third party related to the transfer of Equipment hereunder.

5. Entire Agreement. This Agreement, including its Exhibits, constitutes the entire agreement of the Parties with respect to its subject matter and supersedes all prior communications, contracts, and agreements, both oral and written between them. This Agreement may not be modified, and no rights will be waived, except by an instrument in writing signed by a duly authorized representative of the Parties.

6. Section Numbering and Headings. Section headings are for the convenience of reference only and shall not be construed to limit or extend the meaning of any provision and will not be relevant in interpreting this Agreement. As used in this Agreement, the term "including" means by way of example and not limitation.

7. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, it will be deemed to be modified to the minimum extent necessary to be valid and enforceable. If it cannot be so modified, it will be deleted and the deletion will not affect the validity or enforceability of any other provision unless, as a result the rights of either Party are materially diminished or the obligations and burdens of either Party are materially increased so as to be unjust or inequitable.

8. DOE's Obligation of funds. Nothing herein is anticipated to require the DOE obligation of appropriated funds. However, to the extent appropriated funds are required to satisfy DOE's obligations, such obligations are subject to the availability of appropriated funds for this purpose.

9. Assignment. Neither this Agreement, nor any part thereof, may be assigned, without the express written consent of the other Party which consent will not be unreasonably withheld. Any attempt to assign this Agreement that lacks express written consent will be deemed voidable. Notwithstanding the foregoing, either Party may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which the assigning Party is a party. A Party making such an assignment shall notify the other Party in writing within thirty (30) days of the assignment. Affiliate includes any entity in which IDACORP owns more than a 5% interest, over which IDACORP exercises management control.

[Signature Page Follows]

IN WITNESSETH WHEREOF, the Parties hereto execute this Agreement as of the date and year first above written, and the assets are hereby conveyed, AS IS, WHERE IS, upon Federal Energy Regulatory Commission approval.

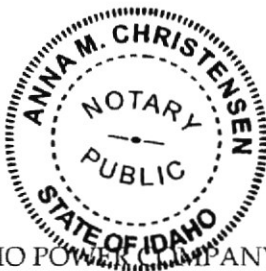
US DOE

[Signature]

Name: Trevor Bluth
Title: Contracting Officer

State of Idaho)
) ss.
County of)

On this 21 day of Aug, in the year of 2019, personally appeared before me Anna Christensen personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.



[Signature]
Notary Public for Idaho
Residing at: Bonneville County
My commission expires on: 8/21

IDAHO POWER COMPANY

[Signature]
Name: VERN PORTER
Title: VP TRANSMISSION & DISTRIBUTION ENGINEERING & CONSTRUCTION

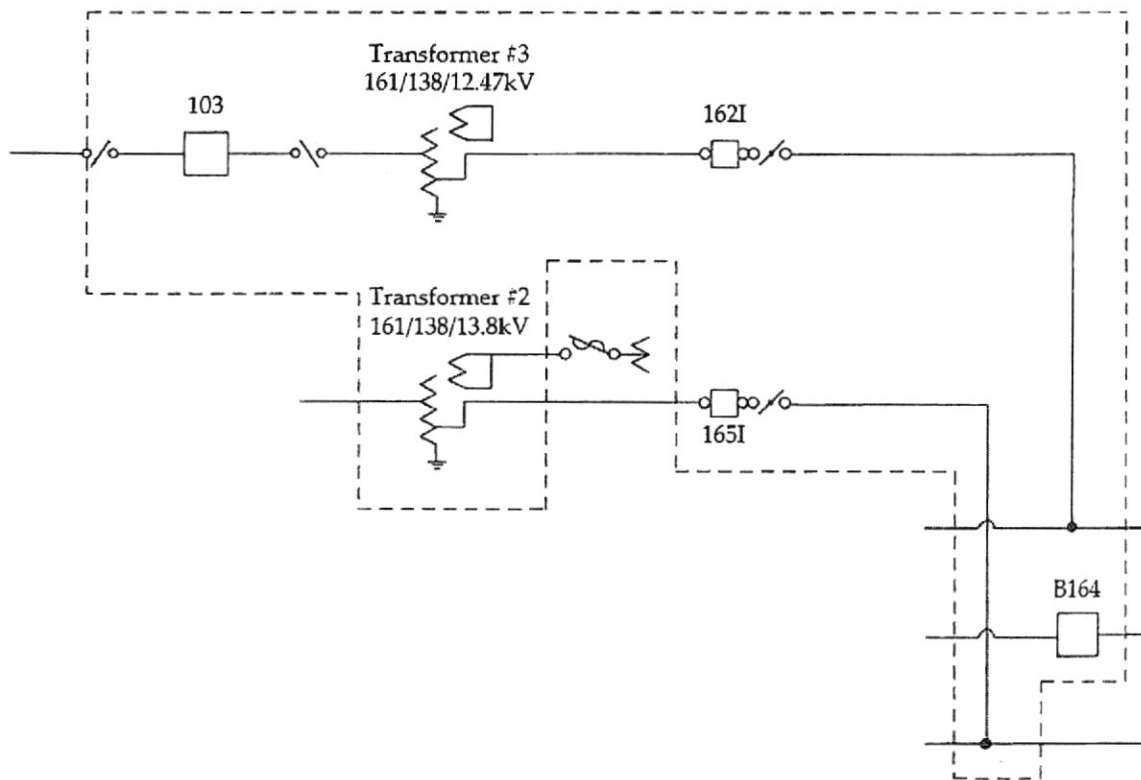
State of Idaho)
) ss.
County of Ada)

On this 21st day of August, in the year of 2019, personally appeared before me VERN PORTER, personally known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.



[Signature]
Notary Public for Idaho
Residing at: Meridian, Idaho
My commission expires on: 02/04/2021

**Exhibit 1
DOE Antelope Substation Equipment (Shaded*)**



| Equipment Designation/Location | Equipment Type |
|--------------------------------|------------------|
| Transformer #2 | Transformer |
| Transformer #3 | Transformer |
| 103 | 138kV Breaker |
| 162I | Circuit Switcher |
| 165I | Circuit Switcher |
| B164 | 161kV Breaker |

* The two switches on either side of 138 kV breaker 103 are not owned by the DOE, and are not being transferred as part of this agreement.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-20-01**

IDAHO POWER COMPANY

ATTACHMENT 2

**TRANSFER OF TITLE AGREEMENT
IDAHO POWER AND PACIFICORP**

**TRANSFER OF TITLE
AGREEMENT**

This Transfer of Title Agreement ("Agreement") is entered into by and between Idaho Power Company, an Idaho corporation, with principal offices at 1221 West Idaho Street, Boise, Idaho 83702 ("IPC"), and PacifiCorp, an Oregon corporation, with principal offices at 825 NE Multnomah Street, Suite 1600, Portland Oregon 97232 ("PacifiCorp"), as of this 22nd day of August, 2019 ("Effective Date"). IPC and PacifiCorp may be referred to individually as a "Party" or collectively as the "Parties."

WHEREAS, the United States Department of Energy ("DOE") owns electrical equipment located in the Antelope Substation, detailed in Exhibit 1, including but not limited to, Oil Circuit Breaker 103, Oil Circuit Breaker B164, Circuit Switcher 165I, Circuit Switcher 162I, 161 kV/138 kV Transformer Government Property no. 5-220, and 161 kV/138 kV Transformer Government Property no. 5-587 ("Equipment");

WHEREAS, due to the expense involved in owning the Equipment, DOE desired to transfer ownership of the Equipment to IPC;

WHEREAS, IPC is an electrical utility which owns and maintains equipment similar to the Equipment and is amenable to owning the Equipment;

WHEREAS, DOE has agreed to convey and Idaho Power has agreed to accept title to the Equipment within the Antelope Substation, by a Transfer of Title Agreement dated August 21, 2019 (the "Underlying Agreement");

WHEREAS, the Equipment is utilized to serve PacifiCorp load out of Scoville substation and DOE load at the Idaho National Laboratory;

WHEREAS, PacifiCorp desires to obtain a share of the ownership interest in the Equipment from Idaho Power, and Idaho Power is amenable to transfer such a share to PacifiCorp;

WHEREAS, PacifiCorp is an electrical utility which owns and maintains equipment similar to the Equipment and is amenable to owning and maintaining the Equipment; and

WHEREAS, PacifiCorp will be the Operator of the Equipment, in accordance with and as Operator as defined in the revised Amended and Restated Joint Ownership and Operating Agreement ("JOOA"), dated as of August 22, 2019 between Idaho Power and PacifiCorp.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and benefits hereinafter set forth, and for good and valuable consideration, the receipt and sufficiency of which are hereby recognized, IPC and PacifiCorp hereby mutually agree as follows:

1. Incorporation of Recitals. The above-stated recitals are incorporated into and made a part of this Agreement by this reference to the same extent as if these recitals were set forth in full at this point.

2. Transfer of Title. In consideration of PacifiCorp being the Operator of the Equipment, aligning the ownership shares of the Parties in the Equipment to be consistent with the JOOA, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, IPC, effective immediately upon execution of this Agreement, receipt of regulatory approval of the transaction from the Federal Energy Regulatory Commission, if applicable, and of the effectiveness of the Underlying Agreement, hereby conveys at no cost unto PacifiCorp, in the amount of the percentage shares shown in Exhibit 1, an undivided ownership interest in all of IPC's title and interest (subject to the limitations set forth below) in, to, and under the Equipment as hereinafter described. The Equipment consists of the items listed in the table in Exhibit 1 which are located in the northwest quadrant of the Antelope substation at Latitude 43.53377, Longitude 112.92639.

3. Unwarranted "As Is" Condition. IPC does not warrant the Equipment to any degree. PacifiCorp, at the point of transfer of title, hereby accepts all of the Equipment in "AS IS" and "WITH ALL FAULTS" condition. IPC has not made, does not make, and will not make any warranty or representation, whether express or implied, about the performance capability of the Equipment or their present state of repair, condition or maintenance, ability to function in any respect, or merchantability or fitness for a particular purpose. IPC makes no warranty, express or implied, as to the accuracy or completeness of any data, information, or materials heretofore or hereafter furnished to PacifiCorp in connection with the Equipment. PacifiCorp acknowledges that the Equipment may include "sensitive property," as defined in 48 C.F.R. 45.101, and consents to the receipt of sensitive property.

IPC and PacifiCorp agree that to the extent required by any applicable law to be operative, the disclaimers of warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule or order. THE EQUIPMENT IS BEING TRANSFERRED TO PACIFICORP WITHOUT RECOURSE, COVENANT, OR WARRANTY OF ANY KIND, EXPRESS, IMPLIED, OR STATUTORY, AND IPC IS CONVEYING THE EQUIPMENT COVERED HEREBY "AS IS" AND "WITH ALL FAULTS," AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, (ALL OF WHICH IPC HEREBY DISCLAIMS AND NEGATES) AS TO FITNESS FOR ANY PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OR MATERIALS, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATION, ABSENCE OF LATENT DEFECTS, OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING,

WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT), TO THE EXTENT APPLICABLE AND PERMITTED BY LAW.

4. Mutual Indemnification. Each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Party and its affiliates and their respective employees, officers, directors, agents, contractors and representatives (collectively, the "Indemnified Parties") from and against the Indemnifying Party's Weighted Average Ownership Percentage of any and all liabilities, claims, actions, damages, losses, penalties, and expenses, including reasonable attorney fees and disbursements, of any kind or nature whatsoever arising out of the acts or omissions of any of the Parties or any third party, including the DOE, related to the transfer of Equipment hereunder or pursuant to the Underlying Agreement, except to the extent such Losses are caused by the gross negligence or willful misconduct of the Indemnified Parties. For purposes of this Agreement, Weighted Average Ownership Percentage shall mean (i) 53.365%, in the case of IPC and (ii) 46.635%, in the case of PacifiCorp.

5. Entire Agreement. This Agreement, including its Exhibits, constitutes the entire agreement of the Parties with respect to its subject matter and supersedes all prior communications, contracts, and agreements, both oral and written between them. This Agreement may not be modified, and no rights will be waived, except by an instrument in writing signed by a duly authorized representative of the Parties.

6. Section Numbering and Headings. Section headings are for the convenience of reference only and shall not be construed to limit or extend the meaning of any provision and will not be relevant in interpreting this Agreement. As used in this Agreement, the term "including" means by way of example and not limitation.

7. Severability. If any provision of this Agreement is determined to be invalid or unenforceable, it will be deemed to be modified to the minimum extent necessary to be valid and enforceable. If it cannot be so modified, it will be deleted and the deletion will not affect the validity or enforceability of any other provision unless, as a result the rights of any Party are materially diminished or the obligations and burdens of any Party are materially increased so as to be unjust or inequitable.

8. Effect of Underlying Agreement. If and to the extent the Underlying Agreement is finally determined by a governmental authority with competent jurisdiction to be void or unenforceable in any way, then this Agreement will be void or unenforceable to the same extent.

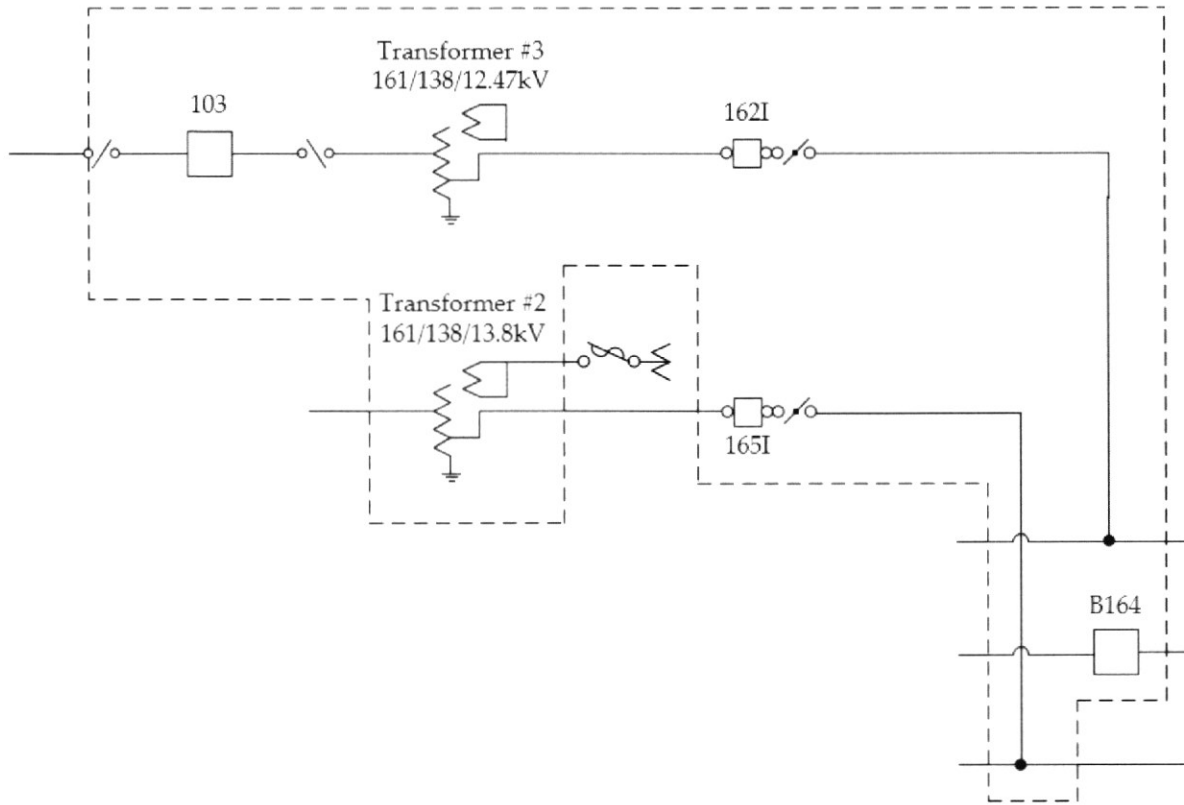
9. Assignment. Neither this Agreement, nor any part thereof, may be assigned, without the express written consent of the other Party which consent will not be unreasonably withheld. Any attempt to assign this Agreement that lacks express written consent will be deemed voidable. Notwithstanding the foregoing, any Party may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement to any: (i) affiliate; (ii)

successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which the assigning Party is a party. A Party making such an assignment shall notify the other Party in writing within thirty (30) days of the assignment. Affiliate includes any entity in which a Party owns more than a 5% interest, over which such Party exercises management control.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho (regardless of the laws that might otherwise govern under applicable principles of conflicts of law) as to all matters, including matters of validity, construction, effect, performance and remedies.

[Signature Page Follows]

**Exhibit 1
Antelope Substation Equipment Being Transferred (Shaded*)**



Equipment Being Transferred and Ownership Shares

| Equipment Designation/Location | Equipment Type | Idaho Power Ownership Share | PacifiCorp Ownership Share |
|---------------------------------------|-----------------------|------------------------------------|-----------------------------------|
| Transformer #2 | Transformer | 66.7% | 33.3% |
| Transformer #3 | Transformer | 66.7% | 33.3% |
| 103 | 138kV Breaker | 66.7% | 33.3% |
| 162I | Circuit Switcher | 40.03% | 59.97% |
| 165I | Circuit Switcher | 40.03% | 59.97% |
| B164 | 161kV Breaker | 40.03% | 59.97% |

* The two switches on either side of 138 kV breaker 103 (and not labeled with numbers in the above diagram) are not owned by the DOE, were not acquired by IPC from DOE, and are not being transferred as part of this Agreement.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-20-01

IDAHO POWER COMPANY

ATTACHMENT 3

TARIFF

TARIFF

CLEAN FORMAT

SCHEDULE 30
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
UNITED STATES DEPARTMENT OF ENERGY
IDAHO OPERATIONS OFFICE

SPECIAL CONTRACT DATED SEPTEMBER 15, 2016
CONTRACT NO. GS-OOP-09-BSD-0651

AVAILABILITY

This schedule is available for firm retail service of electric power and energy delivered for the operations of the Department of Energy's facilities located at the Idaho National Engineering Laboratory site, as provided in the Contract for Electric Service between the parties.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

- | | | |
|----|--|---------|
| 1. | <u>Demand Charge</u> , per kW of Billing Demand | \$8.38 |
| 2. | <u>Energy Charge</u> , per kWh | 2.9301¢ |

SPECIAL CONDITIONS

1. Billing Demand. The Billing Demand shall be the average kW supplied during the 30-minute period of maximum use during the month.
2. Power Factor Adjustment. When the Power Factor is less than 95 percent during the 30-minute period of maximum load for the month, Company may adjust the measured Demand to determine the Billing Demand by multiplying the measured kW of Demand by 0.95 and dividing by the actual Power Factor.

MONTHLY ANTELOPE ASSET CHARGE ("AAC")

The AAC will be paid for the Company's investment in, and operation and maintenance expenses associated with, specified transmission facilities required to provide service under the contract.

The Monthly AAC consists of two components:

1. PacifiCorp Pass-Through Charge (PPTC):

$$\text{PPTC} = (\text{O\&M} \times \text{GAV}) + (\text{CEC})$$

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IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
 FOR
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IDAHO OPERATIONS OFFICE

SPECIAL CONTRACT DATED SEPTEMBER 15, 2016
CONTRACT NO. GS-OOP-09-BSD-0651
 (Continued)

MONTHLY ANTELOPE ASSET CHARGE ("AAC") (Continued)

2. Idaho Power Ownership Costs (OC):

$$OC = (ROC \times AV) + (PT \times AV) + (ROR \times NRBA) + (IT \times NRBA)$$

Table 1: Description of AAC Rate Components

| Item | Description | Source |
|------|---|--|
| O&M | PacifiCorp Operations & Maintenance Expense | PacifiCorp OATT ¹ Formula Rate |
| GAV | Gross Asset Value | AV plus original asset value per JOOA ² |
| CEC | PacifiCorp Common Equipment Charge | PacifiCorp OATT Formula Rate; JOOA Exhibit D |
| ROC | Recovery of Capital Rate | Idaho Power OATT Formula Rate |
| AV | Joint-Owned Acquisition Value | AV per JOOA plus utility costs to replace assets |
| PT | Property Taxes Rate | Actual Idaho Power Property Tax Data |
| ROR | Rate of Return | Current Idaho Power Retail Rate of Return |
| NRBA | Net Rate Base Amount | AV less accumulated depreciation and ADIT ³ |
| IT | Income Taxes Rate | Idaho Power OATT Formula Rate |

The Monthly AAC will reflect the charges detailed in the formulas above according to the most current values from the data sources listed in Table 1, to be updated annually on October 1, with the exception of ROR, which will be updated in accordance with its effective date.

¹ Open Access Transmission Tariff

² Joint Ownership and Operating Agreement

³ Accumulated deferred income taxes

TARIFF

LEGISLATIVE FORMAT

SCHEDULE 30
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
UNITED STATES DEPARTMENT OF ENERGY
IDAHO OPERATIONS OFFICE

SPECIAL CONTRACT DATED SEPTEMBER 15, 2014
CONTRACT NO. GS-OOP-09-BSD-0651

AVAILABILITY

This schedule is available for firm retail service of electric power and energy delivered for the operations of the Department of Energy's facilities located at the Idaho National Engineering Laboratory site, as provided in the Contract for Electric Service between the parties.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

- | | | |
|----|--|---------|
| 1. | <u>Demand Charge</u> , per kW of Billing Demand | \$8.38 |
| 2. | <u>Energy Charge</u> , per kWh | 2.9301¢ |

SPECIAL CONDITIONS

1. Billing Demand. The Billing Demand shall be the average kW supplied during the 30-minute period of maximum use during the month.
2. Power Factor Adjustment. When the Power Factor is less than 95 percent during the 30-minute period of maximum load for the month, Company may adjust the measured Demand to determine the Billing Demand by multiplying the measured kW of Demand by 0.95 and dividing by the actual Power Factor.

MONTHLY ANTELOPE ASSET CHARGE ("AAC")

The AAC will be paid for the Company's investment in, and operation and maintenance expenses associated with, specified transmission facilities required to provide service under the contract.

The Monthly AAC consists of two components:

1. PacifiCorp Pass-Through Charge (PPTC):

$PPTC = (O\&M \times GAV) + (CEC)$

SCHEDULE 30
IDAHO POWER COMPANY
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FOR
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IDAHO OPERATIONS OFFICE

SPECIAL CONTRACT DATED SEPTEMBER 15, 2016
CONTRACT NO. GS-OOP-09-BSD-0651
 (Continued)

MONTHLY ANTELOPE ASSET CHARGE ("AAC") (Continued)

2. Idaho Power Ownership Costs (OC):

$$OC = (ROC \times AV) + (PT \times AV) + (ROR \times NRBA) + (IT \times NRBA)$$

Table 1: Description of AAC Rate Components

| <u>Item</u> | <u>Description</u> | <u>Source</u> |
|----------------|--|--|
| <u>O&M</u> | <u>PacifiCorp Operations & Maintenance Expense</u> | <u>PacifiCorp OATT¹ Formula Rate</u> |
| <u>GAV</u> | <u>Gross Asset Value</u> | <u>AV plus original asset value per JOOA²</u> |
| <u>CEC</u> | <u>PacifiCorp Common Equipment Charge</u> | <u>PacifiCorp OATT Formula Rate; JOOA Exhibit D</u> |
| <u>ROC</u> | <u>Recovery of Capital Rate</u> | <u>Idaho Power OATT Formula Rate</u> |
| <u>AV</u> | <u>Joint-Owned Acquisition Value</u> | <u>AV per JOOA plus utility costs to replace assets</u> |
| <u>PT</u> | <u>Property Taxes Rate</u> | <u>Actual Idaho Power Property Tax Data</u> |
| <u>ROR</u> | <u>Rate of Return</u> | <u>Current Idaho Power Retail Rate of Return</u> |
| <u>NRBA</u> | <u>Net Rate Base Amount</u> | <u>AV less accumulated depreciation and ADIT³</u> |
| <u>IT</u> | <u>Income Taxes Rate</u> | <u>Idaho Power OATT Formula Rate</u> |

The Monthly AAC will reflect the charges detailed in the formulas above according to the most current values from the data sources listed in Table 1, to be updated annually on October 1, with the exception of ROR, which will be updated in accordance with its effective date.

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