

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** DAYN HARDIE  
DEPUTY ATTORNEY GENERAL

**DATE:** JANUARY 31, 2020

**SUBJECT:** IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION TO  
MODIFY SCHEDULE 30, SPECIAL CONTRACT WITH UNITED  
STATES DEPARTMENT OF ENERGY; CASE NO. IPC-E-20-01.

On January 14, 2020, Idaho Power Company ("Company" or "Idaho Power") applied to the 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"), and (2) true-up charges related to the Company's Schedule 30 assets that have been suspended since November 2015. The Company requests an effective date of April 1, 2020 and that its Application be processed by Modified Procedure.

### BACKGROUND

The genesis of the proposed modification to Schedule 30 is an August 21, 2019 transfer of title agreement entered between the Department of Energy ("DOE") and the Company—transferring ownership of DOE owned asset to the Company. *See* Attachment 1. Concurrently with the transfer agreement between the DOE and the Company, the Company transferred partial ownership of those same assets<sup>1</sup> under a separate transfer of title agreement entered between the Company and PacifiCorp, dated August 22, 2019. *See* Attachment 2.

The Company supplies electricity to the DOE at Idaho National Laboratory via the Antelope transmission substation facilities from the Antelope substation ("Substation") under Schedule 30. Prior to the transfer agreements, the Company, PacifiCorp, and DOE jointly or

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<sup>1</sup> Regarding the assets transferred from Idaho Power to PacifiCorp, and for purposes of the JOOA, the Weighted Average Ownership Percentage will be 53.365% for Idaho Power and 46.635% for PacifiCorp.

individually owned Substation assets and PacifiCorp operated it. PacifiCorp's operation of the Substation, and the assets located therein, flow from a Joint Ownership and Operating Agreement ("JOOA"). Before the DOE to Idaho Power transfer, the Company's point of delivery to the DOE under Schedule 30 was at the DOE-owned assets at the Substation.

The DOE "no longer wish[ed] to own, operate [or] maintain" its Substation assets and voluntarily transferred them to the Company at no cost. In turn, the Company transferred partial ownership of the DOE's assets to PacifiCorp, again at no cost. As a result of the change in ownership of the assets transferred from DOE to the Company, the Company filed with the Federal Energy Regulatory Commission ("FERC") for an updated JOOA, which was approved by FERC on October 21, 2019.

### **THE APPLICATION**

After transferring its assets to the Company, the DOE no longer owns any Substation assets. But the Company continues to incur operating costs because it still serves the DOE. The Company proposes to modify Schedule 30 by adding a monthly Antelope Asset Charge ("AAC"). See Attachment 3. The AAC would include two components: 1) PacifiCorp Pass-Through Charge, and 2) Company Ownership Costs. The AAC charge would enable the Company to recover its costs to own, operate, and maintain the Substation assets required to serve the DOE. According to the Application, PacifiCorp would continue to operate the Substation under the updated JOOA.

In November 2015, the Company and DOE agreed to suspend payment of pass-through expenses related to Substation assets until regulatory approvals were in place and the new Schedule 30 charge had commenced. If the modifications to Schedule 30 are approved, the Company proposes to collect about \$288,000 from the DOE for the suspended pass-through charges the Company incurred on behalf of the DOE from PacifiCorp between November 2015 and December 2019.

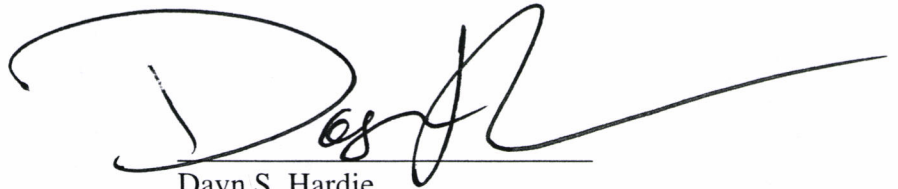
### **STAFF RECOMMENDATION**

Staff recommends that the Commission issue a Notice of Application and Notice of Modified Procedure setting a March 10, 2020 comment deadline, a March 17, 2020 reply comment deadline.

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**COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure setting a March 10, 2020 comment deadline and a March 17, 2020 reply comment deadline?

A handwritten signature in black ink, appearing to read 'Dayn S. Hardie', written over a horizontal line.

Dayn S. Hardie  
Deputy Attorney General

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