

ERICK SHANER  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0314  
IDAHO BAR NO. 5214

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Street Address for Express Mail:  
11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A  
BOISE, ID 83714

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER )**  
**COMPANY'S APPLICATION TO APPROVE ) CASE NO. IPC-E-21-20**  
**2021 SERVICE AGREEMENT WITH THE )**  
**UNITED STATES DEPARTMENT OF )**  
**ENERGY ) COMMENTS OF THE**  
**) COMMISSION STAFF**  
**)**  

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**STAFF OF** the Idaho Public Utilities Commission, by and through its attorney of record, Erick Shaner, Deputy Attorney General, submits the following comments.

**BACKGROUND**

On June 23, 2021, Idaho Power Company ("Company") filed an Application for approval of its new service agreement ("2021 Agreement") with the United States Department of Energy ("DOE") for service at the Idaho National Laboratory ("INL"). The Company requests the Commission issue an order approving the 2021 Agreement prior to September 14, 2021. The current agreement ("2016 Agreement"), approved in Order No. 33621, expires on September 14, 2021, and the new agreement is set to become effective on September 15, 2021.

## STAFF ANALYSIS

Staff believes the 2021 Agreement is reasonable and recommends Commission approval. This recommendation is based on Staff's review of the Application, previous DOE agreement cases, and past updates to Electric Service Rate Schedule 30. Staff concludes from the review that the 2021 Agreement is reasonable because most of the terms remain consistent with the Commission-approved 2016 Agreement. The changes in the 2021 Agreement are minor or provide additional layers of protection for the Company to ensure the Company can continue to recover its costs to serve the DOE in the future and maintain reliability of the system.

Staff identified the following changes between the 2016 and 2021 Agreements:

- The length of the Agreement term was increased from five to ten years;
- Updated estimates for the annual energy and demand usage, and an updated maximum monthly demand;
- Increased the time requirement for written notice for changes in power requirements or termination of the 2021 Agreement;
- A provision for a re-opener in 2024 to renegotiate new rates, conditions, and charges to account for future DOE needs;
- Added Contract term allowing DOE the right to install and operate on-site generation to offset all or part of their energy usage consistent with applicable Commission rules and rate schedules; and
- Added a Contract term allowing the Company to revise INL rates, rate structure, or charges based on any notification of increase or decrease to contract demand subject to Commission approval.

Most of these changes are minor or provide additional protection to the Company. An example of a change that provides additional protection is the increase in time requirements to 18 months instead of 12 months for written notice when the DOE requests an increase in power requirements. This allows the Company additional lead time to plan for and determine the effect of a change in power requirements on the Company's system, and whether the change can be supported.

Provisions have also been added that allow rates to be revised, subject to Commission approval, to address anticipated power requirements and/or an increase or decrease in contract demand. This provides protection because it allows the Company to revise rates if changes in

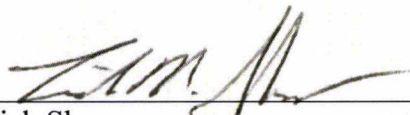
DOE power requirements affect the cost for the DOE to be served. In addition, a provision has been added that plans for a renegotiation of rates, rate structure, or charges in 2024 to account for changes in power requirements for 2025 and beyond.

The 2021 Agreement does not change the DOE's Schedule 30 rates that the Company is charging DOE at this time. Application at 1. However, Schedule 30 rates can change as a result of a change in base rates usually through a general rate case, Power Cost Adjustments (Schedule 55), changes in the Energy Efficiency Rider (Schedule 91), adjustments in Municipal Franchise Fees (Schedule 95), and other special cases directly pertaining to the DOE<sup>1</sup>.

### STAFF RECOMMENDATIONS

Staff recommends the Commission approve the 2021 Agreement with an effective date of September 15, 2021.

Respectfully submitted this 18<sup>th</sup> day of August 2021.

  
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Erick Shaner  
Deputy Attorney General

Technical Staff: Michael Eldred  
Travis Culbertson

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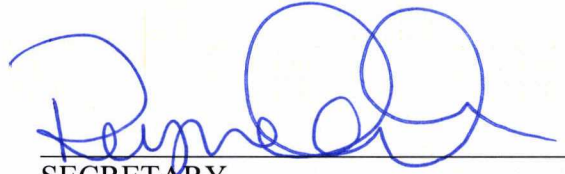
<sup>1</sup> Schedule 30 rates were changed due to an asset transfer agreement (Case No. IPC-E-20-01).

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 18<sup>th</sup> DAY OF AUGUST 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-21-20, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

LISA NORDSTROM  
IDAHO POWER COMPANY  
PO BOX 70  
BOISE ID 83707-0070  
E-MAIL: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

ALISON WILLIAMS  
IDAHO POWER COMPANY  
PO BOX 70  
BOISE ID 83707-0070  
E-MAIL: [awilliams@idahopower.com](mailto:awilliams@idahopower.com)



SECRETARY