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UTILITIES COMMISSION

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August 5, 2021

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-21-25
In the Matter of the Application of Idaho Power Company's Petition for
Approval of a Customer Surcharge and Modified Line Route Configuration
for Construction of a New 138 KV Transmission Line in the Wood River
Valley

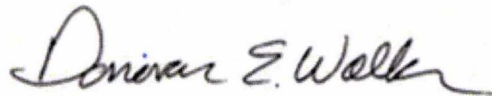
Dear Ms. Noriyuki:

Enclosed for electronic filing, please find Idaho Power Company's Petition to
Approve Surcharge and Modified Line Route in the above matter.

Also please find the attached Direct Testimony of Ryan N. Adelman and Direct
Testimony of Timothy E. Tatum, filed in support of the Petition. Word versions of the
testimonies will be sent to your attention at a later date for the convenience of the Reporter.

Please feel free to contact me directly with any questions you might have about this
filing.

Very truly yours,



Donovan E. Walker

DEW:cld
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S PETITION)	CASE NO. IPC-E-21-25
FOR APPROVAL OF A CUSTOMER)	
SURCHARGE AND MODIFIED LINE)	PETITION TO APPROVE
ROUTE CONFIGURATION FOR)	SURCHARGE AND MODIFIED
CONSTRUCTION OF A NEW 138 KV)	LINE ROUTE
TRANSMISSION LINE IN THE WOOD)	
RIVER VALLEY)	
_____)	

In accordance with *Idaho Code* §§ 61-501, 61-502, 61-503, 61-508, 61-526, 61-527, 61-528, 67-6528, as well as RP 53, and 112, Idaho Power Company ("Idaho Power" or "Company") respectfully petitions the Idaho Public Utilities Commission ("IPUC" or "Commission") for an order: (1) approving a proposed surcharge for Idaho Power customers in Blaine County to pay for additional undergrounding of the previously approved transmission line; (2) approving the modifications to the line route previously approved by the Certificate of Public Convenience and Necessity ("CPCN") in Order No. 33872; and (3) finding that the Commission's findings and directives from the CPCN, Order No. 33872, as well as the order requested in this case, carries with it the express authority over any action or order of other government agencies or local governments that are in conflict with such orders of the Commission pursuant to *Idaho Code* § 67-6528.

Currently, the north portion of Blaine County (“North County” or “North Valley”), including the cities of Ketchum and Sun Valley, is served by a single power source: Idaho Power’s Wood River-Elkhorn-Ketchum 138 kilovolt (“kV”) transmission line (“Existing Transmission Line”). The previously approved construction of a new 138 kV transmission line and related facilities, which will provide redundant service from the Wood River substation near Hailey into the Ketchum substation (referred to in this Petition as the “Transmission Line”), would add an important second power source to the North County, thereby providing fully redundant electrical service to the area.

Without the new Transmission Line, a prolonged power outage on the Existing Transmission Line could have a devastating impact on the North County, particularly during extreme weather conditions, potentially jeopardizing essential services and public safety and cause economic harm to the business community. In addition to its reliability benefits, the Transmission Line would also allow Idaho Power to de-energize the Existing Transmission Line in order to make necessary repairs and upgrades to that line safely and efficiently. All of these concerns form an important basis for the urgency expressed in this Petition and in prior efforts, and the significant effort that the Company undertook in working with interested parties to develop the solution described in this Petition.

The proposed modified line route and build configuration for the Transmission Line, along with the proposed surcharge mechanism described in this Petition, represents the culmination of more than a decade of planning and collaboration with the residents of Blaine County. Approval of the recommendations presented in this case will serve the public interest and support Idaho Power’s efforts to provide safe, reliable, and fair-priced electric service to its customers.

Accordingly, as stated above, Idaho Power respectfully petitions the Commission for an order approving a proposed surcharge for Idaho Power customers in Blaine County to pay for additional undergrounding of the previously approved Transmission Line. See, Order No. 33872. Idaho Power provides herewith, as Attachment 1, the proposed Schedule 96, Blaine County Surcharge to Fund the Undergrounding of Certain Facilities (“Schedule 96”), which provides the surcharge amounts for Blaine County customers on each applicable retail tariff schedule. Idaho Power also seeks issuance of an Accounting Order to account for and match the surcharge revenues and the associated incremental cost.

Additionally, Idaho Power petitions the Commission to authorize changes to the line route and configuration that differ from the route and configuration approved in Order No. 33872 for which the Commission previously granted a CPCN.

Lastly, Idaho Power requests that the Commission make express findings that its directives to Idaho Power pursuant to the CPCN, and pursuant to the requests in this Petition, to construct a second 138 kV transmission line as being necessary and in the public interest in order to provide adequate and reliable electric service to the North Valley and to promote public health, safety, and convenience, carries with it the express authority over any action or order of other government agencies or local governments that are in conflict with such orders of the Commission pursuant to *Idaho Code* § 67-6528.

Idaho Power files with this application the accompanying direct testimony of Ryan Adelman, Vice President of Power Supply, regarding Idaho Power’s local permitting activities with Blaine County, as well as the proposed line route and configuration; and the direct testimony of Timothy Tatum, Vice President of Regulatory Affairs, regarding the

proposed surcharge amounts and calculation methodology. In support of the Petition, Idaho Power represents as follows:

I. PRIOR PROCEEDINGS AND BACKGROUND

A. The 2017 CPCN¹

On September 15, 2017, the Commission granted to Idaho Power a CPCN for the Transmission Line “as requested in the Company’s Application.” Order No. 33872, p. 1. The order was in response to Idaho Power’s Application for a CPCN to make system improvements and to secure adequate and reliable service to customers in the Wood River Valley by constructing a new 138 kV transmission line and related facilities to provide redundant service from the Wood River substation near Hailey into the Ketchum substation in Sun Valley. Idaho Power sought the CPCN for a particular line route and facilities identified in its Application and accompanying Testimony, and explained the history of Idaho Power’s efforts to obtain a permit for the Transmission Line, primarily the important reliability and public safety-related rationale for the Transmission Line. Case No. IPC-E-16-28. The Commission reviewed testimony and comments from numerous intervening parties and members of the public. The Commission held public hearings and conducted a technical hearing, during which direct testimony was entered into the record and witnesses were made available for cross-examination by the parties.

In its Order granting the CPCN, the Commission not only found that the new Transmission Line was required to provide safe and reliable service to the North Valley,

¹ The history of the Transmission Line substantially pre-dates the 2017 CPCN. Idaho Power previously held a CPCN issued in 1974 for the construction of a second 138 kV transmission line into the North Valley. This CPCN was cancelled in 1995 in part because of public opposition, as well as inability to identify an acceptable route and inability of the local jurisdiction to fund undergrounding.

but the Commission also approved the specific route configuration proposed by the Company.

Given the record before us, we find that redundancy is needed to provide adequate and reliable service to the North Valley and promote public health, safety and convenience, and thus grant the Company's requested CPCN authorizing construction of a second transmission line. Further, we approve the Company's requested route of overhead transmission from the Wood River substation to the transition point near Elkhorn Road, then underground transmission to the Ketchum substation ... We find that the Company has demonstrated that the overhead transmission option through downtown Ketchum is not feasible, and that the preferred route is overhead transmission to the Elkhorn Road transition point, then underground transmission to the Ketchum substation. That is the route for which we grant the CPCN.

Order No. 33872, p. 15.

The Commission also recognized the potential of the parties involved to continue to work together, after issuance of its CPCN, to try and find "areas of common interest and common ground, notwithstanding the outcome of this proceeding." In its order, the Commission stated:

The Commission appreciates the considerable time and expense that the parties and participants, including local governments, organizations, and citizens, dedicated to providing testimony and comments. The submissions were very well informed and thoughtful and have greatly aided our understanding of the issues in this case. Likewise, we appreciate the Company's efforts to involve the communities in its decision-making processes and to keep the communities informed through the CAC [Community Advisory Committee] processes. We believe those processes were successful, as demonstrated by the high-level of public involvement in this case. We encourage all interested parties to continue to work together on these issues, as there may still be opportunities to find areas of common interest and common ground, notwithstanding the outcome of this proceeding.

Id., p. 13.

B. Community Involvement and Local Permitting Efforts

Previously, and prior to the CPCN proceedings at the IPUC, Idaho Power submitted an application for a Conditional Use Permit (“CUP”) to the Blaine County Commission following the development of the Wood River Electrical Plan. The County Board ultimately denied this pre-CPCN CUP application. Subsequent to the issuance of the CPCN, Idaho Power filed a new application for a CUP with the Blaine County Commission, to seek out a mutually acceptable route configuration that was consistent with the CPCN and acceptable to Blaine County, with the opportunity to mutually agree to certain micro-siting of facilities, and for the County Board to request additional undergrounding should it identify a method to fund the additional incremental cost of such undergrounding.

Over the years, Idaho Power has carried out extensive public involvement and local permitting efforts relating to the transmission line project. Going back beyond 2007, Idaho Power worked with local leaders and stakeholders in the development of the Wood River Electrical Plan. Idaho Power conducted extensive local permitting efforts with the Blaine County Commission both prior and subsequent to the IPUC’s issuance of the CPCN. While the permitting efforts initiated prior to the CPCN ended in a denial of the requested CUP to construct the line by the County Board, the additional permitting efforts initiated post-CPCN, although lengthy, have resulted in this Petition evidencing agreement between Idaho Power and the Blaine County Commission upon a line route configuration, as well as a surcharge mechanism to allow Idaho Power’s customers in Blaine County to fund the incremental cost of additional undergrounding.

i. Wood River Electrical Plan and Backup Power Study

Idaho Power's current efforts to construct the Transmission Line began in 2007 with the formation of a Community Advisory Committee ("CAC"), which developed the Wood River Electrical Plan ("WREP"), a comprehensive plan for future transmission facilities in the Wood River Valley. Through work beginning in 2007 and including periodic updates in future years, the WREP has emphasized the need for a second transmission source to the North Valley, which would be fulfilled by the Transmission Line. Idaho Power's November 8, 2016, Application and supporting Testimony to the IPUC in the CPCN proceeding² provides a more detailed description of the WREP process and its support for the Transmission Line.

Also considered as part of the IPUC's CPCN case and proceedings was an examination of alternative backup power sources for the Wood River Valley. In addition to the WREP planning process, Idaho Power also worked with the WREP CAC, the Wood River Renewable Energy Working Group, and the Ketchum Energy Advisory Committee to review other potential energy sources to provide backup power for the North County. Based on this review, Idaho Power produced a report entitled "Northern Wood River Valley—Local Backup Electrical Supply Report" in October 2015, as further updated in November 2016 ("Backup Power Report"). The Idaho National Laboratory (which has more than 1,000 megawatts of hybrid power, solar, and wind energy systems deployed at Department of Defense and industry/utility sites around the world) provided independent technical review and feedback for the Backup Power Report.

² IPUC Case No. IPC-E-16-28.

The Backup Power Report analyzed diesel generation, natural gas generation, and solar generation as potential backup power sources, after determining that wind generation, geothermal generation, and biomass generation were not viable alternatives for the Wood River Valley. The installation costs and the annual maintenance costs, respectively, for the three backup energy sources analyzed in the Backup Power Report would be significantly higher than the installation and annual maintenance costs for the Transmission Line. The alternative backup power cost comparisons to the estimated \$30 million Transmission Line are as follows: Diesel Engine (\$57 million total installation cost/\$1 million annual operations and maintenance), Gas Turbine (\$101 million/\$0.455 million) and PV plus Battery Storage (\$924 million/\$3.45 million). In 2020, Idaho Power reevaluated the alternative technologies in the Backup Power Report using current pricing, but found that the Transmission Line remains the most cost-effective solution for the North County by a large margin.

ii. Pre-CPCN, Blaine County Conditional Use Permit, 2014-2017

Following Idaho Power's WREP process, the Company filed a CUP application for the Transmission Line on April 23, 2014, with the Blaine County Planning and Zoning Commission ("P&Z" or "P&Z Commission"). The initial P&Z proceedings focused on potential alternate backup power sources as discussed above, with participation by several groups including the Wood River Renewable Energy Working Group and the Ketchum Energy Advisory Committee. After completing the Backup Power Report, Idaho Power filed an amended CUP application for the Transmission Line with the P&Z on September 9, 2016. As provided in that application, the Transmission Line would be located overhead from the Wood River Substation to Buttercup Road, where it would

continue overhead north along Buttercup Road and Highway 75 to a point where the Transmission Line would transition underground at either Elkhorn Road (Option 1) or the southern end of Hospital Drive (Option 2). The additional Transmission Line undergrounding between Elkhorn Road and South Hospital Drive under Option 2 would be paid for by a Local Improvement District (“LID”) north of East Fork Road or other financing options.

The P&Z Commission held public hearings on Idaho Power’s CUP application on October 13, November 10, and December 1, 2016, and on January 5, 2017, and also held a public workshop on the Transmission Line project on October 20, 2016. (The IPUC issued its final order granting the CPCN on September 15, 2017.) During the public hearings, the P&Z Commission requested that Idaho Power divide the Transmission Line south of Elkhorn Road into five segments, for a more in-depth analysis of the routing and undergrounding options within each segment, including undergrounding costs.

The P&Z Commission issued its Findings of Fact, Conclusions of Law, and Decision on Idaho Power’s CUP application on March 1, 2017, denying the application by a 4-1 vote. The P&Z Commission based its denial on two primary concerns: (1) the installation of taller poles along Buttercup Road and Highway 75, where the Transmission Line would be combined with the existing distribution line, and (2) the installation of the overhead Transmission Line between St. Luke’s Hospital and Elkhorn Road, where there is currently no overhead primary distribution line. The Decision from the P&Z on March 1, 2017, states:

Even where a distribution line exists today, a new transmission line [would] be higher and wider than the existing distribution line. A new transmission line will be higher up to 15 feet and about six inches wider. See the Plan & Profile

Drawings in the application materials. Based on a great deal of written and verbal public comments, changes of this nature are substantial enough to impact the open, relatively rural character and the property values from Buttercup at West Meadow to the hospital.

Where an existing distribution line does not exist along Hospital Dr. and then along either the highway or the bike path to the north from there, a new transmission line will not be harmonious and appropriate in appearance with the existing or intended character of this area. A new transmission line would convert this from a riparian area north and south of the river to more of an industrial-like area.

Idaho Power appealed the P&Z Decision to the County Board, and at its August 1, 2017, appeal hearing, the Blaine County Commission denied Idaho Power's appeal by a 2-1 vote, as set forth in its Decision and Order dated September 12, 2017. In that Order, the County Board agreed with the P&Z Commission's concerns regarding the visual impact of the Transmission Line and also referenced Idaho Power's application to the IPUC requesting authorization for the Transmission Line, stating:

The Board is cognizant of parallel proceedings before the Idaho Public Utilities Commission (PUC) on the question of whether a redundant transmission line is needed in this area. Assuming that the PUC determines that a redundant transmission line is needed to serve northern Blaine County, IPC could obtain conditional approval from the County by relocating and/or reducing the visual impact of the transmission line, especially within the Highway 75 corridor.

iii. Post-CPCN, Blaine County Conditional Use Permit, 2017-2021

As summarized above, on September 15, 2017, following an extensive hearing process, the IPUC approved Idaho Power's application for a CPCN. The CPCN confirms that the Transmission Line is needed to provide adequate and reliable electric service to the North Valley. The CPCN approves the Transmission Line routing and configuration as proposed in Idaho Power's CPCN application (the "CPCN Route"). Under the CPCN

Route, the Transmission Line would be located overhead from the Wood River Substation to Buttercup Road and continue overhead north along Buttercup Road and Highway 75 to Elkhorn Road, where the Transmission Line would transition underground for approximately two miles to the Elkhorn Substation. Along Buttercup Road and Highway 75, the overhead Transmission Line would be combined with the existing distribution line in an “underbuilt” configuration. Underbuilt distribution is not under ground but rather hung directly below the above-ground transmission.

On November 20, 2017, Idaho Power filed a new CUP application with the P&Z Commission to construct the Transmission Line as authorized pursuant to the IPUC’s CPCN. Idaho Power’s P&Z application was based on the CPCN Route, and Idaho Power also worked with the P&Z Commission to identify: (1) any desired “micro-siting” adjustments for the overhead Transmission Line within the CPCN Route, and (2) any additional burials of the Transmission Line within the CPCN Route, which would be funded by Blaine County.

Idaho Power had extensive engagement with the Blaine County Commission in connection with its November 2017 CUP application. The Company presented its CUP application materials in a joint workshop with the P&Z Commission and the County Board on February 8, 2018, and collaborated in two joint mediation sessions with the P&Z Commission and County Board on June 11 and September 6, 2018. The P&Z Commission also held a lengthy public hearing process for Idaho Power’s CUP application, with meetings held on November 13, 15, and 27 and December 6, 2018.

During the P&Z Commission’s public meetings, Idaho Power and the P&Z conducted an extensive analysis of micro-siting options and potential additional burials of

the Transmission Line, based on the five Transmission Line segments previously identified by the P&Z Commission. Idaho Power provided plan and profile drawings showing the proposed pole locations for each of the approximately 180 poles for the CPCN route. Idaho Power and the P&Z Commission reviewed each pole location and made micro-siting adjustments for a number of pole locations along the length of the Transmission Line route. Idaho Power also provided a “placemat” drawing of the CPCN Route, showing the estimated cost of burying the new Transmission Line and existing distribution line in each of the five Transmission Line segments reviewed by the P&Z Commission. (This “placemat” can be found in Adelman Direct Testimony, Exhibit No. 1.)

Based on its extensive review of the Transmission Line with Idaho Power, the P&Z Commission approved Idaho Power’s CUP application for the Transmission Line by Findings of Fact, Conclusions of Law, and Decision dated January 15, 2019. The P&Z Commission Decision did not approve a specific route for the Transmission Line. Instead, it provided a prioritized series of seven undergrounding options for the Transmission Line and existing distribution lines for the County Board to consider and select from. The P&Z deferred to the County Board for this selection process because only the County Board could commit Blaine County to fund the various Transmission Line burial options.

iv. Appeal to the Blaine County Commission

Several parties appealed the P&Z Commission’s January 15, 2019, Decision approving the Transmission Line CUP to the County Board. The County Board issued its Decision on Appeal on June 4, 2019, which affirmed the P&Z Commission’s CUP grant, with the condition that “the entire transmission line be undergrounded from the Wood

River Substation north to the City of Ketchum.” However, the Decision on Appeal also recognized that it could be difficult to secure the required funding to bury the entire Transmission Line, and left open the possible consideration of “an overhead transmission line in this area” after funding discussions are “fully exhausted”:

It is within that review that the Board must find that the only condition of approval that would allow it to make positive findings at this time is to underground the entire line from the Wood River Substation to the traffic light at the intersection of Elkhorn Road and Highway 75. Undergrounding the redundant transmission line allows for positive findings on compliance with the Comprehensive Plan, impacts on neighboring uses, potential hazards and disturbances, and permanent damage to areas of vital scenic importance. **While imposing such a condition will require difficult discussions on the funding alternatives, the Board believes that these funding discussions should be fully exhausted before any consideration of an overhead transmission line in this area. Depending upon the results of these funding processes, further consideration and deliberation may be necessary to "continue to work together on these issues, as there may still be opportunities to find areas of common interest and common ground."** Accordingly, the Board affirms the Commission's decision with the modification that it require as a condition of approval that the entire transmission line be undergrounded from the Wood River Substation north to the City of Ketchum.

County Board's June 2019 Decision on Appeal, p. 6 (emphasis added).

In the months following its June 2019 Decision on Appeal, the Blaine County Commission explored several potential funding options to pay for the incremental cost of burying the entire Transmission Line from Elkhorn Road approximately 10 miles south to the Wood River Substation. Based on Idaho Power's estimates, the incremental cost of complete undergrounding would be approximately \$38 million. As part of its efforts, the Blaine County Commission sought an amendment to Idaho's LID statute for power line

burials (Idaho Code Title 50 Chapter 25), which currently exempts five-acre or larger parcels from LID assessments. The Blaine County Commission amendment would have limited the five-acre exemption to agricultural parcels only. However, this legislative effort was not successful, and the County Board determined that the LID statute does not provide a viable option for funding the full burial of the Transmission Line.

The Blaine County Commission also analyzed the possibility of funding the full Transmission Line burial through the county levy override process. A two-year levy would require simple majority voter approval but would sharply increase property taxes over the two-year period to fund the \$38 million Transmission Line burial. Conversely, a 30-year levy would result in lower annual property tax increases but would require two-thirds voter approval, which the County Board does not consider feasible. Idaho counties also have bonding authority to fund large capital improvements, but the County Board determined that bonding would not be available to fund the Transmission Line burial because the Transmission Line would not be owned by Blaine County.

After determining that Blaine County has no realistic option for funding the full Transmission Line burial, the County Board held public stakeholder meetings on September 3, 10, and 21, 2020, to explore alternate burial options for the Transmission Line. Idaho Power participated in each stakeholder meeting and provided engineering and financial information for the Transmission Line to assist with Blaine County's review. The County Board reviewed several partial underground options for the Transmission Line, including the underground options listed in the P&Z Commission's January 15, 2019, Decision approving the Transmission Line CUP.

The County Board expressed interest in a partial undergrounding option that would: 1) bury the Transmission Line an additional 1.1 miles south from Elkhorn Road to South Hospital Drive, and 2) bury the existing distribution line for approximately 8 miles along the planned Transmission Line route along Buttercup Road and Highway 75 ("Distribution Line"). Idaho Power's cost estimate for this option is approximately \$8.4 million: \$2.7 million for the Transmission Line burial and \$5.7 million for the Distribution Line burial.

The County Board inquired about potential funding from Idaho Power franchise fees within Blaine County to pay for the \$8.4 million partial undergrounding option. Idaho Power explained that it was willing to consider utilizing the 3 percent franchise fees from Blaine County cities, as well as a potential 3 percent billing surcharge within unincorporated Blaine County, to provide funding for the County Board's partial burial options. However, the County Board indicated that it would be difficult for Blaine County cities to divert their existing Idaho Power franchise fees for Transmission Line burials. Consequently, the County Board requested that Idaho Power consider assessing a new surcharge on all power bills within Blaine County, separate from existing franchise fee assessments, to provide funding for the \$8.4 million partial underground option.

Idaho Power reviewed the County Board's request for surcharge funding for the \$8.4 million partial underground option. The Company determined that, based on its 2019 total revenues in Blaine County, a 3 percent surcharge on all Blaine County customer power bills over a 20-year period would fund approximately \$9.1 million of upfront burial costs and financing cost over the collection period. Idaho Power stated that it would agree to a surcharge proposal up to a maximum 3 percent, subject to IPUC approval, if the

County Board requested the surcharge on behalf of Blaine County residents. Idaho Power further stated that the surcharge would be assessed on a monthly flat fee basis. Using Blaine County revenues from 2020 as a new baseline, the Company estimates monthly fixed charges of \$3.42 for Residential and Small General Service customers and \$14.36 for Non-Residential (large commercial, industrial, and irrigation) customers. The surcharge calculation is detailed in Section II and in the Direct Testimony of Timothy Tatum.

The Blaine County Commission conducted a non-scientific public survey of Blaine County residents in November 2020 to determine public support for Transmission Line burial options and individual cost assessments. The survey showed support for the \$8.4 million undergrounding proposal funded by estimated fixed monthly charges, with 57 percent of respondents strongly supporting or somewhat supporting this option, compared with 31 percent strongly opposing or somewhat opposing the option.

While the County Board continued to review undergrounding options for the Transmission Line project in the fall of 2020, as well as potential alternative energy sources for Blaine County, Idaho Power advised the County Board in October 2020 that, after further analysis, the Company would be able to extend the Transmission Line burial further south a distance of 1.4 miles (an additional 0.3 miles from the prior option) from Elkhorn Road to near Owl Rock Road, under Idaho Power's same estimated fixed surcharge assessment per customer over an approximately 20-year period. The total estimated incremental cost of this "Owl Rock Road Route" is \$9.8 million, based on the \$5.7 million Distribution Line burial estimate, and a \$4.1 million Transmission Line burial estimate to Owl Rock Road.

On December 22, 2020, Idaho Power filed an application to the County Board for CUP approval of the Owl Rock Road Route funded by the surcharge. The County Board held public hearings on Idaho Power's application on January 12 and February 9, 2021. The County Board approved Idaho Power's application at the February 9, 2021, public hearing, finalized the Conditions of Approval at its February 9, 2021, meeting, and issued its Findings of Fact, Conclusions of Law and Decision on March 15, 2021 ("Final CUP"). Under the Final CUP, the County Board modified the "all underground" condition for the Transmission Line included in the County Board's initial June 4, 2019, CUP grant, replacing that condition with the partial underground condition set forth in the Final CUP for the Owl Rock Road Route. A copy of the Final CUP can be found in Adelman Direct Testimony, Exhibit No. 2.³

v. *Petition to this Commission for Approval of the Owl Rock Road Route and Surcharge*

Idaho Power now files this Petition with the IPUC for approval of the Owl Rock Road Route, and the Idaho Power surcharge assessments in Blaine County to pay for the incremental undergrounding costs of the Owl Rock Road Route and associated financing costs, as described in this Petition. Idaho Power seeks approval from the Commission of modifications to the CPCN Route that include additional undergrounding of the transmission line from the CPCN undergrounding point near Elkhorn Road, south past the Hospital to a point near Owl Rock Road, which is approximately an additional 1.4 miles. The Transmission Line would include overhead construction from the Wood River substation near Hailey to the underground transition point at Owl Rock Road.

³ On April 9, 2021, a group of Blaine County residents filed a Petition for Judicial Review in Blaine County District Court of the March 15, 2021, Final CUP.

Additionally, rather than place the existing distribution lines as under-build on the new overhead transmission structures, the existing distribution lines along the route would be buried. This will both reduce the height of the transmission poles and reduce the number of lines in the air (the Transmission Line will have three energized wires while the existing distribution line has between three and six energized wires and one neutral wire). The additional incremental cost of burying the distribution lines, as well as the additional 1.4 miles of underground transmission, are to be funded by the surcharge mechanism. The proposed Owl Rock Road Route can be found in Adelman Direct Testimony, Exhibit No. 3.

II. SURCHARGE

As introduced above, Idaho Power proposes a surcharge to Idaho Power's Blaine County customers' bills to finance the incremental costs of undergrounding the above-referenced sections of transmission and distribution lines of the Owl Rock Road Route over an estimated 20-year period. Below, the Company offers background on the development and proposed application of these surcharge amounts and estimated impact on customer bills.

A. Background

In connection with the County Board's three public stakeholder meetings held in September 2020 referenced above, Idaho Power committed to evaluate an on-bill financing option to cover the costs of undergrounding portions of the Transmission Line. More specifically, Blaine County representatives asked Idaho Power to perform an analysis that would approximate the level of funding that would be generated from a surcharge equal to 3 to 5 percent of billed revenue for Idaho Power's Blaine County

customers and to evaluate undergrounding options that could be funded by such a surcharge, assuming a 20-year financing term.

Idaho Power is generally opposed to on-bill financing mechanisms to fund third-party electric infrastructure requests beyond that which can be provided for through state-authorized franchise fees. However, at the request of the Blaine County Commission and given the unique circumstances here, Idaho Power agreed to consider a 3 percent surcharge funding option among the other funding options being evaluated by the County Board. As summarized above, the County Board considered levies, bonds, and LIDs as possible underground funding options, even to the extent of seeking legislative amendments to the LID process. Ultimately, the County Board determined that none of these potential funding mechanisms were viable. Given the Blaine County Commission's assessment of funding options and considering the specific narrow circumstances—the siting of a transmission line through a scenic corridor, the lack of alternative funding mechanisms, and the critical need for the line to maintain reliable service—Idaho Power believes the use of a surcharge mechanism is acceptable in this instance.

B. Total Surcharge Methodology

The proposed surcharge amounts are projected to provide sufficient funding to fully recover the estimated \$9.8 million in incremental costs of the additional undergrounding for the Owl Rock Road Route, including interest at the Company's authorized rate of return. As compared to the original CPCN Route, the Owl Rock Road Route is estimated to cost an additional \$5.7 million to underground the eight miles of existing distribution line along the Transmission Line route and an additional \$4.1 million to underground the additional 1.4 miles of the Transmission Line south of Elkhorn Road.

The Company estimates a surcharge based on 3 percent of billed revenue in Blaine County will collect approximately \$1.1 million on a levelized basis annually at current customer counts. The surcharge revenue forecasted over the 20-year collection period, discounted to its current present value at the Company's authorized rate of return (adjusted for the impact of income taxes), is anticipated to fully recover the estimated \$9.8 million of incremental undergrounding costs for the Owl Rock Road Route.

To provide rate transparency for impacted customers, Idaho Power requests the Commission approve the proposed surcharges in this case based on the estimated incremental project cost, to become effective on the first bill date of the month following energization of the facilities (i.e., when the Transmission Line becomes "used and useful"). Upon completion of the Transmission Line, Idaho Power will review the actual total project construction cost for the Owl Rock Road Route as compared to the estimated cost of the CPCN Route (the incremental cost) to ensure the approved surcharge rates are sufficient to recover the incremental project cost over the desired 20-year financing term.

If the incremental cost review suggests the approved rates should be modified to provide for the intended cost recovery and financing term, Idaho Power will update the surcharge amounts and file with the Commission for review and approval. Under either scenario, Idaho Power proposes beginning collection from Blaine County customers using the proposed amounts based on estimated cost, until such time the Commission approves revised surcharge amounts. Additionally, because the actual incremental cost of the project and changes in customer counts over time will impact actual revenue collection, Idaho Power proposes that the surcharge rates remain effective until the actual

incremental cost is fully recovered. This may be sooner or later than the 20-year estimated collection period based on changes in those variables.

As noted above, Idaho Power estimates the incremental cost of the additional Owl Rock Road Route undergrounding to be \$9.8 million: \$5.7 million for the approximately 8 miles of new distribution line burials and \$4.1 million for the additional 1.4 miles of transmission line burials. However, these amounts are estimates and actual costs may differ. As a practical matter, construction costs will be tracked as work is completed – that is, the line will not be built in segments. As a result, Blaine County's costs will be associated with the incremental amount over the CPCN-approved amount, as the Blaine County project constitutes the difference in project design and associated cost.

Because Idaho Power will be managing the Transmission Line project on a total project basis, as it does with other large projects, the Company plans to calculate the actual cost of the additional Owl Rock Road Route burials as the difference between (1) the total estimated project cost for the CPCN Route and (2) the total actual project cost of the Owl Rock Road Route. The difference between these two total project costs would represent the incremental cost of the Owl Rock Road Route to be financed through the surcharge.

The actual cost for the Owl Rock Road Route will be determined after completion of the project. By contrast, the cost of the CPCN Route must be estimated, since the CPCN Route will not actually be constructed. Idaho Power plans to calculate the estimated cost of the CPCN Route when it receives final pre-construction pricing information for the Owl Rock Road Route. This most current pricing information for the Owl Rock Road Route would provide the most accurate data for estimating the cost of

the CPCN Route, since both routes will include both overhead and underground transmission construction.

As further background on CPCN Route cost estimates, Idaho Power prepared two such estimates previously: a \$30,333,902 cost estimate in 2016 and a \$35,102,288 cost estimate in 2019. The \$30,333,902 cost estimate was included in Idaho Power's November 8, 2016, CPCN Application to the Commission in Case No. IPC-E-16-28 (see "Transition Point 1" cost estimate from 2016 Adelman Direct Testimony, Exhibit No. 7).

The \$35,102,288 cost estimate was prepared by Idaho Power in 2019 to calculate the incremental cost Blaine County would have to pay to underground the entire Transmission Line and can be found in Adelman Direct Testimony, Exhibit No. 4. This increased cost estimate was based upon updated labor and materials costs from 2019 and certain modifications to the CPCN Route that were developed by Idaho Power and the P&Z Commission when the P&Z Commission issued its conditional use permit for the Transmission Line project in January 2019, as discussed above. These modifications to the CPCN Route included slightly moving or "micro-siting" the overhead transmission line pole locations to better accommodate adjacent improvements (such as bike trails, trees, traffic lanes and residential subdivisions) and making certain electrical system upgrades that could be more efficiently and economically installed as part of the overall Transmission Line project (such as installing a new ring bus at the Wood River Substation to enhance local switching capacity).

To calculate the incremental cost assigned to Blaine County, Idaho Power will identify the difference between the estimated total project cost for the CPCN Route and the actual total project cost for the Owl Rock Road Route. The Company believes this is

the best approach, rather than trying to pinpoint the cost differences for the separate different construction configurations of the routes. Reviewing the total costs of both routes takes into account all cost differences between the routes, including overheads, labor, materials and other construction costs. While Idaho Power has provided separate cost estimates for the distribution line burials (\$5.7 million) and additional underground transmission line burials (\$4.1 million) for the Owl Rock Road Route, the final calculation for the actual Owl Rock Road Route incremental cost would be the difference between the total Owl Rock Road Route actual cost and the total CPCN Route estimated cost. Upon project completion, Idaho Power will file its final determination of the incremental project cost with the Commission for review and approval along with any necessary changes to the surcharge, as previously noted.

The actual incremental cost will represent the “principal amount” to be repaid through the surcharge assessments. Blaine County will have the option to prepay all or part of the outstanding surcharge principal amount at any time. In the case of partial prepayments, the monthly surcharge assessments will remain the same, but the allocation between principal and interest of the surcharge payments will be adjusted to reflect Blaine County’s principal prepayment, with a corresponding reduction in the number of surcharge payments remaining under the surcharge repayment schedule.

C. Surcharge Amounts

To determine the surcharge amounts to be paid by Blaine County customers, Idaho Power first assessed all potential options (e.g., fixed, variable, assessed based on individual customer characteristics), and ultimately determined that a flat (or fixed) monthly charge would be the most appropriate. As the name implies, a flat charge will

be the same each month for each customer by customer category. The Company considers this the most appropriate and reasonable type of charge because the costs of undergrounding are not associated with energy use or demand. Further, Idaho Power cannot assess a charge based on factors that the Company does not possess—for example, customer property size/value or customer income level. Additionally, and importantly, flat charges are non-bypassable, transparent, predictable, and easy to understand by customers.

Next, the Company identified appropriate customer classes to which to apply the surcharge. Idaho Power grouped Blaine County customers into two basic categories: 1) Residential and Small General Service, and 2) Non-Residential (including large commercial, industrial, and irrigation).

Using 2020 customer bills and the estimated \$9.8 million of incremental undergrounding costs as the basis, customers in the Residential and Small General Service category could expect a monthly flat charge of approximately \$3.42 and customers in the Non-Residential category could expect a monthly flat charge of approximately \$14.36. The methodology for calculating these amounts is detailed in the Direct Testimony of Timothy Tatum.

D. Tariff Schedule

The proposed new Schedule 96 (Attachment 1) provides the estimated surcharge amounts for customers on each applicable retail tariff schedule. These schedules have been appropriately modified to include a cross-reference to new Schedule 96 and the legislative and clean versions are included as Attachment 2 to this Petition.

E. Customer Notification

Idaho Power has created a postcard that will be distributed to all customers residing in Blaine County who would be impacted by the surcharge. The customer notice provides a brief explanation describing the purpose of the proposed surcharge and references the opportunity for public comment on the Company's Petition. The postcard is included as Attachment 3 to this Petition.

III. ACCOUNTING ORDER AND TREATMENT

Idaho Power respectfully requests an Accounting Order that would authorize the Company to depreciate the incremental capital costs over the 20-year surcharge period and match the annual depreciation expense with the actual annual principal payment of the incremental capital so that the incremental costs are fully depreciated over the same time period as the surcharge is collected and ensuring that Idaho Power's broader retail customer base is held harmless from a revenue requirement perspective. The incremental capital costs will be collected through the surcharge over the estimated 20-year surcharge period. In contrast, Generally Accepted Accounting Principles require those costs to be depreciated over the lives of the related assets, which, in the Company's current approved depreciation rates, average more than 50 years. Without the proposed Accounting Order, there would be a mismatch between the timing of surcharge revenues and the related depreciation expenses.

Accounting for the incremental capital costs will follow the Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts, with the costs recorded in FERC Account 101, Utility Plant in Service, and the appropriate FERC plant accounts. Depreciation will be recorded in FERC Account 403 - Depreciation Expenses and FERC

Account 108 - Accumulated Depreciation. Surcharge revenue will be recorded in FERC Account 400 - General Business Revenue.

The Company has calculated the rate base and revenue requirement impacts of the incremental costs using the requested depreciation method to ensure that the surcharge revenue fully covers the revenue requirement so that Idaho Power's broader retail customer base is not negatively impacted.

IV. IPUC AUTHORITY

In addition to the Commission's foundational authority to direct a public utility to serve in the public interest pursuant to a CPCN, the Idaho Legislature has granted the Commission the ultimate authority for determining whether the public interest, convenience, and necessity requires the construction of certain facilities by expressly providing that land use actions or orders of other government agencies or local governments that are in conflict with an order of the Commission are null and void. Chapter 65 of Title 67 of the Idaho Code addresses local land use planning. Idaho Code § 67-6528 addresses the interaction of Commission Orders and land use planning actions by other government agencies.

If a public utility has been ordered or permitted by specific order, pursuant to title 61, Idaho Code, to do or refrain from doing an act by the public utilities commission, any action or order of a government agency pursuant to titles 31, 50 or 67, Idaho Code, in conflict with said public utilities commission order, shall be insofar as it is in conflict, null and void if prior to entering said order, the public utilities commission has given the affected governmental agency an opportunity to appear before or consult with the public utilities commission with respect to such conflict.

Idaho Code § 67-6528, Applicability of Ordinances.

In this case, subsequent to the Commission's grant of a CPCN directing the construction of a second 138 kV transmission line into the North Valley, Order No. 33872, several parties took the position that the Commission's CPCN had no authority over conflicting local land use decisions because the Commission did not make any specific reference or findings as to the same in its order granting the CPCN. Idaho Power did not, and does not, agree with this contention. However, so as to provide clarity to the parties, and to provide for the most expedient path forward to constructing the long needed, and much delayed transmission line into the North Valley, Idaho Power respectfully requests that the Commission make specific findings in its Order in this matter that its directives to Idaho Power pursuant to the CPCN, and pursuant to the requests in this Petition, to construct a second 138 kV transmission line as being necessary and in the public interest in order to provide adequate and reliable electric service to the North Valley and to promote public health, safety and convenience, carries with it the express authority over any action or order of other government agencies or local governments that are in conflict with such orders of the Commission pursuant to Idaho Code § 67-6528.

V. MODIFIED PROCEDURE

Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Petition be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony and fully participate therein.

VI. COMMUNICATIONS AND SERVICE OF PLEADINGS

Communications and service of pleadings, exhibits, orders, and other documents

relating to this proceeding should be sent to the following:

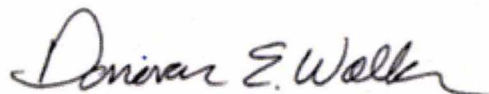
Donovan E. Walker
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
dwalker@idahopower.com
dockets@idahopower.com

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

VII. REQUEST FOR RELIEF

Idaho Power respectfully requests that the Commission issue an Order: (1) approving the proposed surcharges, tariff schedule, and Accounting Order as presented herewith; and (2) approving the Owl Rock Road Route modifications to the line route previously approved by the CPCN, Order No. 33872, and (3) that the Commission's findings and directives from the CPCN, Order No. 33872, as well as the order requested in this case, carries with it the express authority over any action or order of other government agencies or local governments that are in conflict with such orders of the Commission pursuant to Idaho Code § 67-6528.

Respectfully submitted this 5th day of August, 2021.



DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 5th day of August, 2021, I served a true and correct copy of the within and foregoing PETITION TO APPROVE SURCHARGE AND MODIFIED LINE ROUTE upon the following named parties by the method indicated below, and addressed to the following:

Blaine County Board of County
Commissioners
2016 1st Avenue South, Ste. 300
Hailey, ID 83333

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email – bcc@co.blaine.id.us

Tim Graves, Chief Deputy Blaine County
Prosecuting Attorney's Office
2191st Avenue South, Suite 201
Hailey, ID 83333

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email – tgraves@co.blaine.id.us

Blaine County Land Use Department
c/o Tom Bergin
219 1st Avenue South, Suite 208
Hailey, ID 83333

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email – tbergin@co.blaine.id.us

Ronald Williams
WILLIAMS BRADBURY
PO Box 388, (83701),
802 West Bannock Street, Ste., LP 100
Boise, Idaho 83702

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email – ron@williamsbradbury.com



Christy Davenport, Legal Assistant

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-25**

IDAHO POWER COMPANY

**ATTACHMENT 1
PROPOSED SCHEDULE 96**

SCHEDULE 96
BLAINE COUNTY SURCHARGE
TO FUND THE UNDERGROUNDING
OF CERTAIN FACILITIES

PURPOSE

The purpose of this schedule is to set forth the monthly surcharge to fund the incremental cost of undergrounding certain transmission and distribution facilities at the request of Blaine County. The monthly surcharge will be billed separately by the Company to its Customers within the corporate limits of Blaine County.

APPLICABILITY

This schedule is applicable to all Customers served under the Company's schedules listed below within the corporate limits of Blaine County.

CHARGE

The applicable monthly surcharge will be applied to Customers' bills starting on the first bill date of the month following energization of the facilities and will remain in effect throughout the payback period. The payback period is assumed to be twenty (20) years. Any over- or under-collection relative to actual incremental project costs may be addressed through surcharge modification and/or increases or decreases to the payback period.

<u>Schedule</u>	<u>Description</u>	<u>Monthly Surcharge</u>
1	Residential Service	\$3.42
3	Master Metered Mobile Home Park	\$3.42
5	Residential – Time-of-Day Pilot Plan	\$3.42
6	Residential Service On-Site Generation	\$3.42
7	Small General Service	\$3.42
8	Small General Service On-Site Generation	\$3.42
9S	Large General Service – Secondary	\$14.36
9P	Large General Service – Primary	\$14.36
9T	Large General Service – Transmission	\$14.36
19S	Large Power Service – Secondary	\$14.36
19P	Large Power Service – Primary	\$14.36
19T	Large Power Service – Transmission	\$14.36
24	Agricultural Irrigation Service	\$14.36

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-25**

IDAHO POWER COMPANY

**ATTACHMENT 2
(Clean and Legislative Formats)**

CLEAN FORMAT

SCHEDULE 1
RESIDENTIAL SERVICE
STANDARD PLAN
(Continued)

RESIDENTIAL SPACE HEATING

All space heating equipment to be served by the Company's system shall be single-phase equipment approved by Underwriters' Laboratories, Inc., and the equipment and its installation shall conform to all National, State and Municipal Codes and to the following:

Individual resistance-type units for space heating larger than 1,650 watts shall be designed to operate at 240 or 208 volts, and no single unit shall be larger than 6 kW. Heating units of 2 kW or larger shall be controlled by approved thermostatic devices. When a group of heating units, with a total capacity of more than 6 kW, is to be actuated by a single thermostat, the controlling switch shall be so designed that not more than 6 kW can be switched on or off at any one time. Supplemental resistance-type heaters, that may be used with a heat exchanger, shall comply with the specifications listed above for such units.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 800 kWh	8.5005¢	7.8984¢
801-2000 kWh	10.2214¢	8.7077¢
All Additional kWh Over 2000	12.1424¢	9.6437¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 3
MASTER-METERED MOBILE HOME PARK
RESIDENTIAL SERVICE
(Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit):

Service Charge, per month	\$5.00
Energy Charge, per kWh all kWh	8.5552¢

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 5
RESIDENTIAL SERVICE
TIME-OF-DAY PILOT PLAN
(OPTIONAL)
(Continued)

TIME PERIODS (Continued)

Holidays are New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If New Year's Day, Independence Day, or Christmas Day falls on Saturday, the preceding Friday will be designated a holiday. If New Year's Day, Independence Day, or Christmas Day falls on Sunday, the following Monday will be designated a holiday.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities, and Schedule 98 (Residential and Small Farm Energy Credit).

Service Charge, per month	\$5.00
Energy Charge, per kWh	
Summer	
Peak	12.6656¢
Off-Peak	7.2607¢
Non-summer	
Peak	9.3495¢
Off-Peak	7.2607¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 6
RESIDENTIAL SERVICE
ON-SITE GENERATION
 (Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

9. The Customer shall notify the Company immediately if an Exporting System is permanently removed or disabled. Permanent removal or disablement for the purposes of this Schedule is any removal or disablement of an Exporting System lasting longer than six (6) months. Customers with permanently removed or disabled systems will be removed from service under this schedule and placed on the appropriate standard service schedule.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

The following rate structure and charges are subject to change upon Commission approval:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 800 kWh	8.5005¢	7.8984¢
801-2000 kWh	10.2214¢	8.7077¢
All Additional kWh Over 2000	12.1424¢	9.6437¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 7
SMALL GENERAL SERVICE
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 300 kWh	9.6908¢	9.6908¢
All Additional kWh	11.5418¢	10.1676¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 8
SMALL GENERAL SERVICE
ON-SITE GENERATION
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

7. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its customers, the Company may require the Customer to curtail its consumption of electricity in the same manner and to the same degree as other Customers on the Company's standard service schedules.

8. The Customer shall grant to the Company all access to all Company equipment and facilities including adequate and continuing access rights to the property of the Customer for the purpose of installation, operation, maintenance, replacement, or any other service required of said equipment as well as all necessary access for inspection, switching, and any other operational requirements of the Customer's Interconnections Facilities.

9. The Customer shall notify the Company immediately if an Exporting System is permanently removed or disabled. Permanent removal or disablement for the purposes of this Schedule is any removal or disablement of an Exporting System lasting longer than six (6) months. Customers with permanently removed or disabled systems will be removed from service under this schedule and placed on the appropriate standard service schedule.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

The following charges are subject to change upon Commission approval:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 300 kWh	9.6908¢	9.6908¢
All Additional kWh	11.5418¢	10.1676¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 9
LARGE GENERAL SERVICE
 (Continued)

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), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$16.00	\$16.00
Basic Charge, per kW of Basic Load Capacity		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$1.01	\$1.01
Demand Charge, per kW of Billing Demand		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$5.95	\$4.37
Energy Charge, per kWh		
First 2,000 kWh	10.3409¢	9.3085¢
All Additional kWh	4.7864¢	4.3423¢

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

FACILITIES BEYOND THE POINT OF DELIVERY

At the Customer's request and at the option of the Company, transformers and other facilities installed beyond the Point of Delivery to provide Primary or Transmission Service may be owned, operated, and maintained by the Company in consideration of the Customer paying a Facilities Charge to the Company. This service is provided under the provisions set forth in Rule M, Facilities Charge Service.

POWER FACTOR ADJUSTMENT

Where the Customer's Power Factor is less than 90 percent, as determined by measurement under actual load conditions, the Company may adjust the kW measured to determine the Billing Demand by multiplying the measured kW by 90 percent and dividing by the actual Power Factor.

TEMPORARY SUSPENSION

When a Customer has properly invoked Rule G, Temporary Suspension of Demand, the Basic Load Capacity, the Billing Demand, and the On-Peak Billing Demand shall be prorated based on the period of such suspension in accordance with Rule G. In the event the Customer's metered demand is less than 1,000 kW during the period of such suspension, the Basic Load Capacity and Billing Demand will be set equal to 1,000 kW for purposes of determining the Customer's Monthly Charge.

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), Schedule 95 (Adjustment for Municipal Franchise Fees), and Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$39.00	\$39.00
Basic Charge, per kW of Basic Load Capacity	\$0.91	\$0.91
Demand Charge, per kW of Billing Demand	\$5.89	\$4.22
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$1.01	n/a
Energy Charge, per kWh		
On-Peak	6.3329¢	n/a
Mid-Peak	5.0141¢	4.6636¢
Off-Peak	4.4500¢	4.1433¢

SCHEDULE 24
AGRICULTURAL IRRIGATION
SERVICE
(Continued)

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), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>In-Season</u>	<u>Out-of-Season</u>
Service Charge, per month	\$22.00	\$3.50
Demand Charge, per kW of Billing Demand	\$6.94	n/a
Energy Charge		
In-Season		
First 164 kWh per kW of Demand	5.7414¢	n/a
All Other kWh per kW of Demand	5.4513¢	n/a
Out-of-Season		
All kWh	n/a	6.5911¢
 <u>TRANSMISSION SERVICE</u>	 <u>In-Season</u>	 <u>Out-of-Season</u>
Service Charge, per month	\$299.00	\$3.50
Demand Charge, per kW of Billing Demand	\$6.54	n/a
Energy Charge		
In-Season		
First 164 kWh per kW of Demand	5.4999¢	n/a
All Other kWh per kW of Demand	5.2302¢	n/a
Out-of-Season		
All kWh	n/a	6.2912¢

LEGISLATIVE FORMAT

SCHEDULE 1
RESIDENTIAL SERVICE
STANDARD PLAN
(Continued)

RESIDENTIAL SPACE HEATING

All space heating equipment to be served by the Company's system shall be single-phase equipment approved by Underwriters' Laboratories, Inc., and the equipment and its installation shall conform to all National, State and Municipal Codes and to the following:

Individual resistance-type units for space heating larger than 1,650 watts shall be designed to operate at 240 or 208 volts, and no single unit shall be larger than 6 kW. Heating units of 2 kW or larger shall be controlled by approved thermostatic devices. When a group of heating units, with a total capacity of more than 6 kW, is to be actuated by a single thermostat, the controlling switch shall be so designed that not more than 6 kW can be switched on or off at any one time. Supplemental resistance-type heaters, that may be used with a heat exchanger, shall comply with the specifications listed above for such units.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 800 kWh	8.5005¢	7.8984¢
801-2000 kWh	10.2214¢	8.7077¢
All Additional kWh Over 2000	12.1424¢	9.6437¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 3
MASTER-METERED MOBILE HOME PARK
RESIDENTIAL SERVICE
(Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit):

Service Charge, per month	\$5.00
Energy Charge, per kWh all kWh	8.5552¢

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 5
RESIDENTIAL SERVICE
TIME-OF-DAY PILOT PLAN
(OPTIONAL)
(Continued)

TIME PERIODS (Continued)

Holidays are New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If New Year's Day, Independence Day, or Christmas Day falls on Saturday, the preceding Friday will be designated a holiday. If New Year's Day, Independence Day, or Christmas Day falls on Sunday, the following Monday will be designated a holiday.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

Service Charge, per month	\$5.00
Energy Charge, per kWh	
Summer	
Peak	12.6656¢
Off-Peak	7.2607¢
Non-summer	
Peak	9.3495¢
Off-Peak	7.2607¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 6
RESIDENTIAL SERVICE
ON-SITE GENERATION
 (Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

9. The Customer shall notify the Company immediately if an Exporting System is permanently removed or disabled. Permanent removal or disablement for the purposes of this Schedule is any removal or disablement of an Exporting System lasting longer than six (6) months. Customers with permanently removed or disabled systems will be removed from service under this schedule and placed on the appropriate standard service schedule.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

The following rate structure and charges are subject to change upon Commission approval:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 800 kWh	8.5005¢	7.8984¢
801-2000 kWh	10.2214¢	8.7077¢
All Additional kWh Over 2000	12.1424¢	9.6437¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 7
SMALL GENERAL SERVICE
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 300 kWh	9.6908¢	9.6908¢
All Additional kWh	11.5418¢	10.1676¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 8
SMALL GENERAL SERVICE
ON-SITE GENERATION
(Continued)

CONDITIONS OF PURCHASE AND SALE (Continued)

7. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its customers, the Company may require the Customer to curtail its consumption of electricity in the same manner and to the same degree as other Customers on the Company's standard service schedules.

8. The Customer shall grant to the Company all access to all Company equipment and facilities including adequate and continuing access rights to the property of the Customer for the purpose of installation, operation, maintenance, replacement, or any other service required of said equipment as well as all necessary access for inspection, switching, and any other operational requirements of the Customer's Interconnections Facilities.

9. The Customer shall notify the Company immediately if an Exporting System is permanently removed or disabled. Permanent removal or disablement for the purposes of this Schedule is any removal or disablement of an Exporting System lasting longer than six (6) months. Customers with permanently removed or disabled systems will be removed from service under this schedule and placed on the appropriate standard service schedule.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 54 (Fixed Cost Adjustment), Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

The following charges are subject to change upon Commission approval:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$5.00	\$5.00
Energy Charge, per kWh		
First 300 kWh	9.6908¢	9.6908¢
All Additional kWh	11.5418¢	10.1676¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 9
LARGE GENERAL SERVICE
 (Continued)

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), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$16.00	\$16.00
Basic Charge, per kW of Basic Load Capacity		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$1.01	\$1.01
Demand Charge, per kW of Billing Demand		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$5.95	\$4.37
Energy Charge, per kWh		
First 2,000 kWh	10.3409¢	9.3085¢
All Additional kWh	4.7864¢	4.3423¢

SCHEDULE 19
LARGE POWER SERVICE
 (Continued)

FACILITIES BEYOND THE POINT OF DELIVERY

At the Customer's request and at the option of the Company, transformers and other facilities installed beyond the Point of Delivery to provide Primary or Transmission Service may be owned, operated, and maintained by the Company in consideration of the Customer paying a Facilities Charge to the Company. This service is provided under the provisions set forth in Rule M, Facilities Charge Service.

POWER FACTOR ADJUSTMENT

Where the Customer's Power Factor is less than 90 percent, as determined by measurement under actual load conditions, the Company may adjust the kW measured to determine the Billing Demand by multiplying the measured kW by 90 percent and dividing by the actual Power Factor.

TEMPORARY SUSPENSION

When a Customer has properly invoked Rule G, Temporary Suspension of Demand, the Basic Load Capacity, the Billing Demand, and the On-Peak Billing Demand shall be prorated based on the period of such suspension in accordance with Rule G. In the event the Customer's metered demand is less than 1,000 kW during the period of such suspension, the Basic Load Capacity and Billing Demand will be set equal to 1,000 kW for purposes of determining the Customer's Monthly Charge.

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), and Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$39.00	\$39.00
Basic Charge, per kW of Basic Load Capacity	\$0.91	\$0.91
Demand Charge, per kW of Billing Demand	\$5.89	\$4.22
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$1.01	n/a
Energy Charge, per kWh		
On-Peak	6.3329¢	n/a
Mid-Peak	5.0141¢	4.6636¢
Off-Peak	4.4500¢	4.1433¢

SCHEDULE 24
AGRICULTURAL IRRIGATION
SERVICE
(Continued)

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), Schedule 95 (Adjustment for Municipal Franchise Fees), Schedule 96 (Blaine County Surcharge to Fund the Undergrounding of Certain Facilities), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>In-Season</u>	<u>Out-of-Season</u>
Service Charge, per month	\$22.00	\$3.50
Demand Charge, per kW of Billing Demand	\$6.94	n/a
Energy Charge		
In-Season		
First 164 kWh per kW of Demand	5.7414¢	n/a
All Other kWh per kW of Demand	5.4513¢	n/a
Out-of-Season		
All kWh	n/a	6.5911¢
 <u>TRANSMISSION SERVICE</u>	 <u>In-Season</u>	 <u>Out-of-Season</u>
Service Charge, per month	\$299.00	\$3.50
Demand Charge, per kW of Billing Demand	\$6.54	n/a
Energy Charge		
In-Season		
First 164 kWh per kW of Demand	5.4999¢	n/a
All Other kWh per kW of Demand	5.2302¢	n/a
Out-of-Season		
All kWh	n/a	6.2912¢

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-21-25

IDAHO POWER COMPANY

ATTACHMENT 3

Blaine County Surcharge for Underground Lines Proposed

Idaho Power has filed a petition with the Idaho Public Utilities Commission (IPUC) to approve a customer surcharge that would fund the underground portion of the new Wood River – Ketchum transmission line. The filing honors a Blaine County Commission request to underground (bury) a portion of the new transmission line plus eight miles of existing distribution lines, with Blaine County customers paying the incremental costs through a monthly bill surcharge.

To stay informed on this topic, please see the other side of this postcard for more details.



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FAQs

What is being built?

The new Wood River – Ketchum transmission line will give the Wood River Valley a second power connection, supplementing the existing 60-year-old line. The line is needed to provide backup service to the Wood River Valley and will help keep on the lights in case weather or other conditions interrupt service on either line. The Blaine County Commission has requested undergrounding of:

- 1.4 miles of 138-kilovolt transmission line along State Highway 75 between Elkhorn Road and Owl Rock Road
- 8 miles of existing distribution line located along State Highway 75 and Buttercup Road

How much would the surcharge cost customers in Blaine County?

The surcharge would add a fixed charge to Blaine County customers' monthly bills in the following amounts for 20 years (based on current estimates):

- Residential and small general service: \$3.42 per month
- Large commercial, industrial and irrigation: \$14.36 per month



What would the surcharge pay for?

The Blaine County Commission requested these lines be placed underground, which was outside the scope of Idaho Power's original proposal. The surcharge would cover the incremental costs associated with meeting that request. The cost of the additional work is estimated at \$9.8 million.

Why are Blaine County residents being asked to pay for the incremental undergrounding costs?

Idaho Power normally requires an upfront payment to offset costs associated with customer or local government requests to underground lines. In this instance, Blaine County instead asked us to collect the estimated \$9.8 million through the surcharge. If the project costs less than expected and/or funds are recovered sooner, the surcharge's duration would be shorter than 20 years.

What happens next?

The IPUC will decide whether to approve this request and implement the surcharge.

Opportunities for public review

This proposal is subject to public review and approval by the IPUC. Written comments regarding this proposal may be filed with the IPUC. To learn more, visit puc.idaho.gov and reference case number IPC-E-21-25.