BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE IN THE STATE OF IDAHO AND FOR ASSOCIATED REGULATORY ACCOUNTING TREATMENT.	))))))))	CASE NO. IPC-E-23-11

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

RILEY MALONEY

Q. Please state your name, business address, and present position with Idaho Power Company ("Idaho Power" or "Company").

A. My name is Riley Maloney. My business address is 1221 West Idaho Street, Boise, Idaho 83702. I am employed by Idaho Power as a Regulatory Analyst in the Regulatory Affairs Department.

Q. Please describe your educational background.

A. I received a Bachelor of Arts degree in Economics from Boise State University in 2013. I have also attended "The Basics: Practical Regulatory Training for the Electric Industry," an electric utility ratemaking course offered through the New Mexico State University's Center for Public Utilities, "Electric Utility Fundamentals and Insights," an electric utility course offered by Western Energy Institute, and "Electric Rates Advanced Course," an electric utility ratemaking course offered through Edison Electric Institute.

Q. Please describe your work experience with Idaho Power.

A. In 2020 I was hired as a Regulatory Analyst in the Company's Regulatory Affairs Department. My primary responsibilities include supporting activities involving tariff administration and regulatory compliance filings. I provide regulatory support to the Company's operations business units to ensure consistent application of the Company’s rules and regulations, authorized by its Commission-approved tariff, and the Idaho Public Utilities Commission’s (“Commission”) Utility Customer Relations Rules. I also act as a liaison for customer service-related issues.

Q. What is the purpose of your testimony in this matter?

A. My testimony will describe the proposed updates to the Company’s Schedule 31, Agreement for Supply of Standby Electric Service for the Amalgamated Sugar Company, and Schedule 45, Standby Service (collectively, “Standby Service”); Schedule 46, Alternate Distribution Service; Schedule 66, Miscellaneous Charges; Schedule 72, Generator Interconnections to PURPA Qualifying Facility Sellers; and Schedule 95, Adjustment for Municipal Franchise Fees. I will also address the changes and updates being proposed within several of the Company’s service provisions in its “General Rules, Regulations and Rates.”

I. SCHEDULES 45 AND 31, STANDBY SERVICE

Q. Please describe Schedule 45, Standby Service.

A. Standby Service under Schedule 45 is an optional, firm power service offering available to customers who have their own on-site source of electric generation, but request that the Company back up a portion of such source of customer-owned generation in the event of an outage. Standby Service was first made available pursuant to Commission Order No. 22887, issued in Case No. IPC-E-89-04, for customers taking large power service and was subsequently updated in Case No. IPC-E-94-05 to include generation and transmission cost components. Since its inception, and because of customers’ expressed interest, Standby Service has subsequently been expanded through various tariff advice filings to also be available to customers taking large general service. The Company currently has two primary service level customers taking Standby Service.

Q. What is the benefit of a customer taking Standby Service?

A. Because the Company includes the requested amount of capacity within its load forecasts, customers electing to take Standby Service are afforded reasonable assurance of continued electric service during periods of planned or unexpected outages to their on-site generating equipment.

Q. Are customers who are eligible required to take Standby Service?

A. No. However, in the event an eligible customer does not elect to take Standby Service and their on-site generation goes offline, the necessary amount of backup power may not be available for taking from the Company's system as the Company will not have planned to serve the additional, temporary load within the area.

Q. Is the Company proposing any rate adjustments to Schedule 45, Standby Service?

A. Yes. Idaho Power reviewed the currently in effect methodology approved by the Commission in past general rate cases and various tariff advice filings and determined it to still be representative of the cost to provide the respective service, with exception to the derivation of standby generation and transmission cost components and excess demand charges. The proposed rate adjustments revise the charges to include the Company's Open Access Transmission Tariff ("OATT") rate components and incorporate updated unit cost information resulting from the cost-of-service studies for Schedule 19 Primary Service and Schedule 9 Primary and Secondary Services, as presented on pages 5 – 7 of Exhibit No. 43 to the Direct Testimony of Mr. Paul Goralski. The derivations of the updated charges are included in my workpapers.

Q. Please describe Schedule 31, Agreement for Supply of Standby Electric Service for the Amalgamated Sugar Company.

A. The Company has a contract with the Amalgamated Sugar Company to provide customized standby service. The Company's initial contract with the Amalgamated Sugar Company to provide standby service was entered into on April 6, 1998, and approved by Commission Order No. 27708, issued in Case No. IPC-E-98-07. Currently, Amalgamated Sugar Company is provided standby service under the provisions of a revised Standby Electric Service Agreement dated December 7, 2005, which was approved by Commission Order No. 29958, issued in Case No. IPC-E-05-37.

Q. Is the Company proposing any rate adjustments to the standby charges for Amalgamated Sugar Company under Schedule 31?

A. Yes. Idaho Power reviewed the currently in effect methodology approved by the Commission in past general rate cases and found it to still be representative of the cost to provide the respective service, with exception to the derivation of standby generation and transmission cost components and excess demand charges. The proposed rate adjustments revise the charges to include the Company's OATT rate components and incorporate updated unit cost information resulting from the aforementioned cost-of-service study for Schedule 19 Primary Service. The derivations of the updated charges are included in my workpapers.

Q. Why is the Company proposing to change how the standby generation and transmission cost component for Schedule 31 and Schedule 45 is derived?

A. The Company is proposing to use its OATT rate components within the derivation of Schedule 31 and Schedule 45’s standby reservation charges to remain consistent with the methodology most recently relied upon when determining its special contracts’ rates, as addressed by Company Witness Mr. Paul Goralski.

Q. Please describe the excess demand charge and the changes to the charge’s derivation being proposed within Schedules 31 and 45.

A. Excess demand charges are incurred when a customer taking Standby Service exceeds their total amount of contract demand during a billing period. The proposed excess demand charge is derived from the Company’s OATT rate components and represents the annual cost for an incremental megawatt accessed at those OATT rate components, collected each day over one month. Any excess demand charges assessed to a customer will continue to be in addition to all standby demand charges and energy charges incurred for the additional amount of load consumed.

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II. SCHEDULE 46, ALTERNATE DISTRIBUTION SERVICE

Q. What is Alternate Distribution Service?

A. Alternate Distribution Service is an optional service offering for commercial and industrial customers desiring redundancy and, in the event of a distribution-related outage, automatic switching of electric service to an alternate distribution circuit serving their premises. This service was first made available pursuant to Commission Order No. 22887, issued in Case No. IPC-E-89-04, for customers taking large power service or large general service. The Company currently has six customers taking Alternate Distribution Service.

Q. What is the benefit of a customer taking Alternate Distribution Service?

A. Alternate Distribution Service provides customers an extra measure of reliability that does not exist with only one source of distribution service. Absent on-site backup generation, a customer's operations may cease in the event of a distribution-related outage affecting the distribution circuit serving their premises. Though not guaranteed, Alternate Distribution Service may minimize the chance of a customer's operations from being disrupted in such a scenario.

Q. Is the Company proposing any rate adjustments to Schedule 46, Alternate Distribution Service?

A. Yes. After reviewing the currently in effect methodology approved by the Commission in past general rate cases, the Company found the method to continue to be reasonable, with one exception. When reviewing the methodology used to derive the Capacity Charge, the Company identified that generation and transmission-related capacity cost components had previously been inadvertently included. As such, the Capacity Charge being proposed as part of this case corrects for this and does not include any generation or transmission-related capacity cost components.

The proposed Capacity Charge rate includes updated unit cost information resulting from the cost-of-service study for Schedule 19 Primary Service. Additionally, the Company proposes to update the mileage charge and average distribution line length covered by Schedule 19 customers' rates utilizing the same methodology previously relied upon.

The updated Capacity Charge is derived by summing the Distribution demand revenue requirement for Substations, Primary Lines, and Primary Transformers for Schedule 19 Primary Service ($7,435,654; $11,058,271; and $1,575,448, respectively), and dividing this sum by the total billed kilowatt ("kW") of 5,315,392. The respective revenue requirement for each of these facilities and total billed kW can be found on page 7 of Exhibit No. 43 to the Direct Testimony of Mr. Goralski, and the derivation of the updated Capacity Charge using these amounts is included in my workpapers.

Q. Please describe Schedule 46’s mileage charge and the methodology used to derive it.

A. Schedule 46’s mileage charge is intended to recover the distribution facilities’ ongoing operating and maintenance expenses based upon the proportion of capacity committed and length of line constructed to provide alternate distribution service to an individual customer. To derive this charge, the Company determined the per-mile cost to build a three-phase overhead distribution circuit, applied the facilities charge rate for facilities installed more than 31 years, as proposed below, and then divided by the three-phase overhead distribution circuit’s total capacity.

III. SCHEDULE 66, MISCELLANEOUS CHARGES

Q. How did you approach updating the Company’s Schedule 66’s charges?

A. I started by reviewing the methodology that was relied upon for each charge’s most recent update to determine whether that methodology continued to reasonably reflect the requirements to provide the respective type of service. To the extent circumstances have changed since the charge was last updated, I developed a new recommendation.

Q. How do you propose to update the Current Transformer Charges within Schedule 66?

A. The proposed Current Transformer Charges simply update the cost of materials to better reflect and recover the Company's current costs of supplying the respective services. The methodology used to derive the proposed Current Transformer Charges was most recently reviewed by the Commission in 2010 as part of Tariff Advice No. 10-01.

Q. Why is the Company proposing to remove the option for customers to request the installation of non-Advanced Metering Infrastructure current transformer metering?

A. The Company predominately installs Advanced Metering Infrastructure ("AMI") meters within its service area and has generally stopped procuring non-AMI capable meters. Because of this, the Company is proposing to strike the option to install non-AMI current transformer metering to avoid customer confusion. In areas where a customer-requested current transformer is installed but AMI functionality is not available, an AMI capable meter would still be installed but the AMI-specific functionality would not be utilized until possible.

Q. Why is the Company proposing to increase its customer-requested Special Meter Test charge?

A. This charge was last updated during Case No. IPC-E-94-05 and was based on the then-applicable hourly labor rate for the Company's meter technicians. As such, the Company is proposing to update the charge from $30 to $85 to be more representative of the Company's current labor cost for providing the service. However, pursuant to Section 4, Meter Tests, of Rule D of the Company's tariff, Customers will continue to be provided one Special Meter Test free of charge every twelve months, and a Special Meter Test charge will be refunded in instances where the average registration error of the tested meter exceeds plus or minus two percent.

Q. Please describe the Service Establishment Charge within Schedule 66.

A. The Service Establishment Charge is assessed when a customer desires to initiate a new service contract with the Company at a location where the Point of Delivery is already energized. This charge is intended to recover the costs associated with recording or updating the customer's pertinent information into the Company's customer information system and initiating service. Compared to the existing Service Establishment Charge amount of $20, the proposed Service Establishment Charge amount of $30 is more reflective of the Company’s current costs for performing the necessary work.

Q. Has the methodology used to derive the proposed Service Establishment Charge been modified?

A. No. The methodology used to derive the Service Establishment Charge remains largely the same as of that approved in Case No. IPC-E-03-13, which is the last time this charge was updated. The only adjustment made in deriving the proposed Service Establishment Charge is updating the type of employees that perform the respective work and weighting their differing hourly costs accordingly.

Q. Please describe the Continuous Service Charge within Schedule 66.

A. The Continuous Service Charge provides property managers a cost-effective option to have electric service at their properties automatically transfer into their names when tenants request their service be discontinued. By requesting to implement a continuous service arrangement, property managers can automatically retain electric service between tenants to prevent damage from occurring and to have electricity available for maintenance and/or marketing of their property. Additionally, property managers electing to receive this service are also provided notice from Idaho Power each time service is transferred into their name, electric service at the property is subject to termination, or a tenant’s application for electric service is denied. Idaho Power also provides enrolled property managers with an annual inventory of all their properties where an active continuous service arrangement exists.

Q. Is there benefit to the Company in offering property managers a continuous service arrangement?

A. Yes. When property managers request a continuous service arrangement, there is less of a need for them to contact the Company each time a tenant requests to discontinue service. As a result, Company resources are optimized as those representatives can handle other customer needs.

Q. How was the proposed Continuous Service Charge amount determined?

A. Using the methodology approved in Case No. IPC-E-05-28, the Company proposes to continue pricing the Continuous Service Charge at 50 percent of the proposed Service Establishment Charge amount, or $15, to balance the costs of operating the offering while still maintaining an incentive to encourage participation amongst property managers.

Q. Please describe the Field Visit Charge within Schedule 66.

A. The Field Visit Charge is designed to recover costs incurred by the Company when a Company representative is dispatched to connect or disconnect service, but due to customer action, the Company representative is unable to complete such action at the time of visit. This charge is applicable to non-collection as well as collection-related visits to customers' premises.

Q. Has the methodology used to derive the proposed Field Visit Charge been modified?

A. No. The methodology used to derive the Field Visit Charge is nearly the same as that approved in Case No. IPC-E-03-13, which is the last time this charge was updated. The only adjustment made in deriving the proposed Field Visit Charge amounts is removing administrative support costs because no administrative support work is currently required within a Field Visit's scope of work. The proposed $25 and $45 Field Visit Charge amounts are more reflective of the Company's current costs incurred in respect to visiting a customer's premises with the intention of connecting or disconnecting service but being unable to do so because of customer action.

Q. Please describe the Service Connection Charges within Schedule 66.

A. A Service Connection Charge is assessed anytime a customer desires to initiate a new service contract with the Company at a location where the Point of Delivery is currently disconnected from the Company’s system and remote connection is not available. Like the Service Establishment Charge, the Service Connection Charge also seeks to recover the costs associated with recording or updating the customer’s pertinent information into the Company’s customer information system, as well as having to dispatch Company personnel to physically connect and initiate service. Compared to the existing Service Connection Charge amounts of $20 and $40, the proposed Service Connection Charge amounts of $30 and $50, respectively, are more reflective of the Company’s current cost for performing the necessary work.

Q. Will a customer be charged both the Service Establishment Charge and a Service Connection Charge?

A. No. Because the Service Connection Charge includes the costs associated with the tasks of service establishment plus the cost to physically connect service, only the Service Connection Charge is assessed.

Q. Why are there differing Field Visit and Service Connection Charges based on customer class?

A. The Field Visit and Service Connection Charges remain bifurcated to continue reflecting the difference in skill level required of the employee(s) dispatched to perform the requested type of work, which is generally dependent on the voltage at which each customer class typically takes service.

Q. Can customers request connection of service outside of the Company’s normal business hours?

A. Yes. The charges by rate schedule outlined within Attachment 1 to the Company’s application include two after-hours blocks and their associated charges. The block-hour structure remains the same as that currently in place; however, the charges have been updated to be more reflective of the Company’s current costs for performing the work during the respective hours.

Q. Why does the Company continue to propose block-hour Service Connection Charges?

A. As first approved in Case No. IPC-E-03-13, the block-hour methodology recognizes the higher cost of serving customer requests for connection after normal working hours due to the overtime rate paid to employees during these hours. Additionally, during the third block-hours of 9:01 p.m. to 7:29 a.m., two employees may be dispatched for safety reasons. The proposed block-hour Service Connection Charges continue to reflect the Company’s costs to serve customers based on the time of day that a customer requests the Company provide connection of service.

Q. Why are the proposed Service Connection charges priced at a slight premium for the second and third block-hours?

A. Some of the Company’s currently approved second and third block-hour Service Connection Charges, last updated in Case No. IPC-E-03-13, include a slight premium, which is intended to encourage customers to request the service be performed within normal working hours at the lower price. The Company has found after-hour time frames can pose safety concerns for the Company’s employees.

Q. Please describe the Remote Service Connection Charge within Schedule 66.

A. The Remote Service Connection charge is assessed anytime a customer requests connection of service at a location where the Point of Delivery is currently disconnected from the Company’s system, but a meter with remote connect capability has been installed. Unlike the Service Establishment or Service Connection Charges, the Remote Service Connection Charge only includes the cost of back-office operations necessary to remotely connect and re-establish service; no field-related costs are incurred and therefore are not included within the derivation of the proposed Remote Service Connection Charge.

Q. How many locations within the Company's service area can be remotely connected?

A. As of the end of 2022, the Company has installed approximately 41,500 meters equipped with remote connect/disconnect functionality within its Idaho service area. Additionally, the Company continues to objectively identify locations where deployment of remote connect/disconnect capable meters can reduce costs paid by all customers, via the Company incurring lower annual operating expenses, as well as increase the satisfaction of customers residing at these locations through the provision of faster, more predictable, and cheaper connection of service.

Q. Why has the Remote Service Connection Charge decreased compared to the currently approved charge?

A. Likely as a result of technological advancements and process improvements, the cost of performing remote service connections has decreased on a per transaction basis compared to that of the current charge, which was implemented and approved as part of Case No. GNR-U-14-01.

Q. In his testimony on page 13, Company Witness Mr. Matthew Larkin refers to a forecast to Account 451's Miscellaneous Service Revenues based on the proposed changes to Schedule 66. Can you please explain the basis for this forecasted amount?

A. Yes. The workpapers accompanying my testimony detail the difference in revenues from Schedule 66's current charge amounts to the proposed charge amounts for these services.

Q. Please describe Schedule 66's proposed Fractional Period Minimum Billing amounts.

A. "Fractional Period Minimum Billings" specifies the minimum bill requirements for each service schedule when service is taken for a partial billing period. The minimum bill amounts have been updated to be more reflective of each customer class's allocated costs associated with bill preparation and meter reading.

The proposed Fractional Period Minimum Billing amounts are informed based on each customer class's respective cost-of-service unit cost for meter reading and customer accounting expenses multiplied by the proportion of functionalized customer accounting expenses for providing customer records to the total functionalized customer records expense. Mr. Goralski's Exhibit Nos. 37 and 43 contain the information to derive the functionalized customer account expense proportion, and each customer class's meter reading and customer account expense unit costs, respectively.

Q. What monthly rates is the Company proposing for facilities charges?

A. The Company is proposing to update the monthly facilities charge rates to the following:

Table 1 Proposed Facilities Charge Rates

Rate Schedule	**Facilities Installed 31 Years or Less**	**Facilities Installed More Than 31 Years**
Schedule 9	**1.38%**	**0.61%**
Schedule 15	**1.66%**	**1.66%**
Schedule 19	**1.38%**	**0.61%**
Schedule 24	**1.38%**	**0.61%**
Schedule 29	**1.38%**	**0.61%**
Schedule 32	**1.38%**	**0.61%**
Schedule 41	**1.17%**	**1.17%**
Schedule 45	**1.38%**	**0.61%**
Schedule 46	**1.38%**	**0.61%**

Q. Please describe the individual cost components that are used to derive the Company's facilities charges.

A. The cost components used to derive the Company's facilities charges are the same components included in the Company's revenue requirement for like facilities. Descriptions of each cost component are as follows:

Rate of Return – Idaho Power's cost of financing its original investment in facilities. This uses a weighted average of the Company's cost of debt and cost of equity. The facilities charge methodology uses a level payment stream to simplify the rate calculation and the administration of the facilities charge. The Rate of Return used to determine the facilities charge will be the Rate of Return ordered by the Commission in this case.

Booked Depreciation – The straight-line annual depreciation of assets based on a levelized 31-year basis.

Income Taxes – The tax that Idaho Power pays on the amount of revenue received from the equity portion of the Rate of Return.

Property Taxes – The tax that Idaho Power pays for its distribution facilities. Each dollar the Company invests beyond the Point of Delivery is assessed property taxes.

Other Taxes (Regulatory Fees) – The taxes and fees that Idaho Power pays to the Idaho Public Utilities Commission and Oregon Public Utility Commission. A portion of these fees are tied to the Company's distribution investment which includes facilities installed beyond the Company's Point of Delivery.

Operation and Maintenance Expenses – Includes all of Idaho Power's costs to operate and maintain its distribution facilities. This cost component represents an average maintenance rate for all distribution equipment.

Administration and General Expenses – Represents an expense based on total Administration and General expense as a percentage of total plant investment.

Working Capital – Working Capital is the carrying cost of inventory. Working Capital is based on the cost of capital to finance the distribution facilities inventory and the property taxes that the Company pays on its inventory.

Insurance – The insurance rate reflects the additional cost Idaho Power incurs for insurance premiums resulting from facilities installed beyond the Company's Point of Delivery. This insurance rate covers property, casualty, and worker's compensation. It does not cover facility replacement costs for failed facilities.

Q. Is the Company proposing changes to the methodology used to derive facilities charges?

A. No. The Company proposes to rely on the same methodology and cost components that the Commission approved in Case No. IPC-E-11-08.

Q. What are the proposed percentage amounts for each cost component by rate class?

A. The proposed percentage amounts used to derive the proposed facilities charge rates are as follows:

Table 2 Facilities Charge Cost Components

	Cost Components	Rate 15	Rates 9/19/24/29/ 32/45/46	Rate 41
1	Rate of Return	**4.85%**	**4.85%**	**4.85%**
2	Book Depreciation	**3.23%**	**3.23%**	**3.23%**
3	Income Taxes	**1.16%**	**1.16%**	**1.16%**
4	Property Taxes	**0.36%**	**0.36%**	**0.36%**
5	Other Taxes (Regulatory Fees)	**0.04%**	**0.04%**	**0.04%**
6	Operation & Maintenance	**7.37%**	**3.95%**	**1.46%**
7	Administration & General	**2.32%**	**2.32%**	**2.32%**
8	Working Capital	**0.34%**	**0.34%**	**0.34%**
9	Insurance	**0.30%**	**0.30%**	**0.30%**
10	Annual Total **(ΣLines 1-9)**	**20.0%**	**16.5%**	**14.0%**
11	**Monthly Rate (Line 10/12)**	1.66%	1.38%	1.17%

Q. What cost components have contributed to the proposed reduction in the facilities charge rate for facilities installed 31 years or less?

A. Decreases in the Company’s requested overall rate-of-return and income and property tax rates are the primary drivers for the reduction in the proposed facilities charge rate for facilities installed 31 years or less.

Q. What cost components have driven the proposed increase in the facilities charge rate for facilities installed more than 31 years?

A. Increased working capital costs; and slightly elevated administrative and general expenses, and distribution-related operations and maintenance costs; have driven the proposed increase in the facilities charge rate for facilities installed more than 31 years.

Q. What is the estimated change in the Company’s revenue from the proposed facilities charge rates?

A. Overall, the Company estimates that its proposed facilities charge rates will result in a reduction in revenue received through facilities charges of approximately $184,400 per year.

IV. SCHEDULE 72, GENERATOR INTERCONNECTIONS TO PURPA QUALIFYING FACILITY SELLERS

Q. What is the purpose of Schedule 72, Generator Interconnections to Public Utility Regulatory Policies Act of 1978 (“PURPA”) Qualifying Facility Sellers?

A. Similar to how Rule H of the Company’s tariff outlines the requirements for customers seeking to interconnect to the Company’s distribution system, Schedule 72 details the Idaho Commission’s process and requirements for non-utility generators contracting, or seeking to contract, with the Company to interconnect a PURPA-qualifying generation facility in order to sell electric energy to the Company.

Q. What updates does the Company propose within Schedule 72?

A. Outside of the various edits intended to better clarify Schedule 72’s existing provisions, the Company is proposing to modify Schedule 72’s vested interest provisions so that they are consistent with provisions currently existing for the same within Rule H of the Company’s tariff.

Q. Why do the vested interest provisions in Schedule 72 and Rule H currently differ?

A. Prior to Case No. IPC-E-94-05, the bulk of the Company’s existing Rule H practices were included within its tariff under Schedule 71 which, in many respects, was very similar to Schedule 72 as it currently exists. However, as part of Case No. IPC-E-95-18, the Commission approved modifications to Rule H’s vested interest provisions to achieve greater simplicity of administration.

Similar vested interest modifications were, however, not simultaneously incorporated into Schedule 72.

Q. What challenges do the existing Schedule 72 vested interest provisions present?

A. The existing vested interest provisions under Schedule 72 require the Company to collect a vested interest charge not only for the entity that originally funded the interconnection facilities' construction cost, but also for all "Additional Applicants" that have subsequently connected and who also hold a vested interest. This practice is not only complex to administer, but it often results in numerous and minimal vested interest refund checks being sent to "Additional Applicants."

Q. What vested interest provisions does Idaho Power now seek to add to or update within Schedule 72?

A. Idaho Power proposes to update Schedule 72's vested interest provisions to allow for only one seller, person or entity to hold a vested interest at a time in a section of interconnection facilities. Additionally, the Company proposes to add an option for an "Additional Applicant" to pay the current vested interest so that they may in-turn hold a vested interest in the interconnection facilities and therefore be eligible to receive refunds. Finally, the Company proposes to limit the total amount and number of refunds that a Schedule 72 vested interest holder is eligible to receive to be no more than 80 percent of their original interconnection cost, until receipt of four vested interest refunds has occurred, or until eligibility to receive vested interest refunds has expired, which is 5 years after the date the Company completes construction of its portion of the interconnection facilities. These proposed updates will allow for Schedule 72 and Rule H’s vested interest provisions to be applied and administered in a consistent manner.

V. SCHEDULE 95, ADJUSTMENT FOR MUNICIPAL FRANCHISE FEES

Q. Please explain the updates being proposed within Schedule 95.

A. Schedule 95 lists all franchise fees that Idaho Power currently pays to Idaho municipalities, which range from 1 percent to 3 percent of amounts billed for electric service to customers residing within the corporate limits of each listed municipality. When there is a change to a municipality’s franchise fee amount, the Company files a tariff advice with the Commission to update the franchise fee rate listed in Schedule 95.

Schedule 95 also lists the municipal ordinance number for the municipality’s franchise agreement with Idaho Power. When an existing franchise agreement expires and the Company enters into a new franchise agreement with the municipality, the new franchise agreement will contain a new number for the municipal ordinance that approved the new franchise agreement. In these cases, if the franchise fee rate under the new franchise agreement did not change, the Company has not historically filed a tariff advice with the Commission merely to update the ordinance number. Instead, the Company has typically only filed a tariff advice if a municipality's franchise fee rate changes as part of a new franchise agreement.

Idaho Power is proposing to update all ordinance numbers listed in Schedule 95 where the currently listed ordinance number has been replaced by a new franchise agreement with a new ordinance number, but the new ordinance number was not previously updated in Schedule 95 because the new franchise agreement did not include a change in the franchise fee rate.

Going forward, the Company intends to include updated municipal ordinance numbers as part of any tariff advice where it provides new or updated franchise fee rates.

VI. IDAHO POWER'S GENERAL RULES AND REGULATIONS

Q. How did you arrive at the proposed changes to the Company's General Rules and Regulations?

A. The changes I propose to the Company's General Rules and Regulations are the result of collaborative efforts between representatives from various business units within the Company, as well as from guidance by Company Witness Ms. Connie Aschenbrenner.

Q. Do you intend to discuss each of the proposed changes to the tariff?

A. No. While a number of the changes I discuss are substantive in nature, a significant number of other changes are "form" or "housekeeping" in nature only and do not materially change the scope, effect, or application of the respective rules and regulations. The specific changes to the service provisions I address are detailed within Attachment 2 to the Company's application. These revisions are shown in legislative format within Attachment 2 so that parties reviewing them will be able to readily identify the proposed changes.

Rule B

Q. What changes is the Company proposing be made to Rule B (Definitions) of its tariff?

A. Rule B of the Company's tariff has been modified to better clarify the Company's definition of a "Premises."

Q. Why does the Company believe modification to its definition of "Premises" is required?

A. With the recent increase in the number of prospective developments constructed in the Company's service area, some developers have expressed confusion regarding the Company’s service requirements - specifically regarding what constitutes a “Premises” and whether such Premises can be served at more than one Point of Delivery. By more thoroughly detailing the criteria that the Company uses to define a Premises, developers are provided a clearer understanding of the Company’s existing service requirements, which are in place to serve customers most cost-effectively. This modification will further enable developers to initially design and construct their buildings in conformance with the Company’s service requirements, thereby reducing possible post-construction confusion and retrofits.

Rule C

Q. What change is the Company proposing to Rule C (Service and Limitations) of its tariff?

A. The Company proposes that Section 2 of Rule C, Supplying of Service, be clarified to highlight that the construction of any necessary line extensions or the installation of service facilities will only be performed in conformance with the Company’s construction standards. While not a change in existing practice and already implied given the Company’s ownership and ongoing responsibility for the operation and maintenance of all such facilities, the proposed language simply makes the requirement explicitly clear in instances where a customer may desire use of an alternative construction standard.

Rule D

Q. What changes is the Company proposing be made to Rule D (Metering) of its tariff?

A. Aside from relocating reference to certain services' funding mechanism from Schedule 66 to within Rule D itself, the Company is proposing to eliminate its optional, Off-site Meter Reading Service offering. Second, the Company proposes to update how costs are recovered for certain customers requesting receipt of optional, Load Profile Metering services, as well as including a general waiver and release of liability for such services. Finally, the Company seeks to remove offering its optional, Surge Protection Device Service and update certain meter reading-related verbiage to reflect technological advancements.

Q. Why is the Company proposing to require work order costs within Rule D for the installation of Secondary Service voltage transformers?

A. Secondary Service voltage transformers are infrequently installed and are typically only requested when a customer prefers to be served at a non-standard voltage. Because the cost and type of voltage transformer installed for each request may differ, the Company believes it reasonable to require work order costs for these installations to better recover the cost of installation from the customer requesting the service be provided.

Q. Why is the Company proposing to eliminate its optional, Off-site Meter Reading Service?

A. Following the Company's installation of AMI meters throughout its service area, as approved by the Commission in IPC-E-08-16, nearly all customers' meters innately contain the capability to be remotely read. Because of the Company's standardization of installing AMI meters, the need for a subscription-based offsite meter reading offering has become obsolete.

Q. How does the Company currently recover costs when customers request to receive Load Profile Metering services?

A. Under the current monthly subscription-based model, customers requesting to receive Load Profile Metering services pay a fixed upfront charge for the installation of the new metering equipment and an ongoing monthly charge thereafter. The ongoing monthly charge intends to recoup the installed facilities' incremental costs over a levelized three-year period. In the event a customer receiving Load Profile Metering service cancels such service within the first three years, the customer is required to pay a fixed removal fee.

Q. How does the Company propose it recover costs going forward when requested to provide Load Profile Metering services?

A. The Company proposes that work order cost be assessed for the installation and removal, if requested, of Load Profile Metering services. Using a work order cost approach is more consistent with the Company’s tariff for other installations that customers may request, such as those provided for under Rule H, and is better aligned with cost causation principles by removing the Company’s current risk of not recovering the cost of its investment should a customer cancel receipt of Load Profile Metering services within the first 3 years after installation.

Q. Why is the Company seeking to add a general waiver and release of liability for Load Profile Metering services?

A. Though the Company does not promote the utilization of Load Profile Metering data for customers to automate their operations, the Company has become aware of some customers desiring to use the service for that purpose. As a result of technological advancements allowing for such automation options, and the numerous factors that may impede the Company’s ability to provide Load Profile Metering data reliably or on a prescribed cadence, such as an outage or routine maintenance, the Company believes it prudent to include a general waiver and release of liability as part of customers' receipt of Load Profile Metering services to minimize the risk of damages being sought by customers using the services in an unadvised manner.

Q. Why is the Company proposing to remove the option for customers to request Surge Protection Device Services?

A. This is no longer a service the Company is positioned to offer. While the provision has been included in the Company's tariff since 1999, the Company has not had recent success in receiving an acceptable indemnification agreement from surge protection device vendors, as required under the offering's current provisions. Because third-party providers exist that can install whole-house surge protection in a more time-efficient manner, the Company believes it reasonable to remove this optional service offering from its tariff in order to prevent customer confusion and frustration that may occur as a result of customers requesting a service that the Company is not currently positioned to deliver.

Q. Please describe the changes proposed under Rule D's Section 2, Measurement of Energy, and Section 6, Meter Reading.

A. The verbiage being proposed to these sections incorporates changes to the Company's meter reading practices made possible through technological advancements. Specifically, the existing verbiage contemplates the Company manually reading meters, typically on an interval of once per billing period. However, because technological advancements in metering equipment have allowed for customers' meters to be remotely read and at greater interval frequency, the Company has updated the sections' verbiage to also indicate that multiple meter readings can occur during a customer's billing period, as well as clarifying the threshold amount of unscaled hourly meter reads required during a customer's billing period before their bill will be designated as an estimate.

Q. Under what circumstances is the Company unable to obtain remote meter readings?

A. While infrequent, the Company may not be able to remotely obtain customers' meter readings due to situations resulting from, but not limited to, a communication outage at the substation, line interference, or maintenance work.

Q. Please explain what you mean by "unscaled hourly meter reads."

A. An unscaled hourly meter read is an estimate of a customer's usage during the respective hour and occurs when the Company is unable to infer a customer's missing hourly usage data based on other known meter readings and usage patterns for such customer at the same premises. Conversely, a scaled hourly read occurs when an hourly meter read is unable to be obtained but, because the delta of unrecorded energy is known, the Company can proportion the total unrecorded amount of consumed energy over any missing intervals based on customers' historical usage patterns at the premises.

Rule E

Q. What changes is the Company proposing be made to Rule E (Master Metering Standards) of its tariff?

A. Rule E of the Company's tariff has historically adopted most of the language found in IDAPA 31.26.01, which contains the Commission's Master-Metering Rules for Electric Utilities ("Commission's Master Metering Rules"). As such, most of the proposed updates to Rule E are to simply align the Company's master-metering rules to the Commission's Master Metering Rules. Should any of the Commission's Master Metering Rules be revised as part of the efforts currently taking place within Case No. RUL-U-23-03, the Company will modify the proposed language within Rule E accordingly.

Q. Are there any notable differences in the Company's Rule E compared to the Commission's Master-Metering Rules?

A. No. However, under Section 2(b) of the Company's Rule E, there is reference to Schedule 3 – Master-Metered Mobile Home Park - Residential Service. This reference is in conformance with Commission Order No. 30754 which approved such rate schedule to be used in instances where eligible park operators bill master-metered tenants for electric service.

Rule H

Q. What changes is the Company proposing be made to Rule H (New Service Attachments and Distribution Line Installations or Alterations) of its tariff?

A. First, the Company is proposing to update Section 7 of Rule H's verbiage regarding the provision of Company-funded allowances. This section has been updated to better clarify that Rule H's allowances only offset the cost of installed terminal facilities, which is comprised of a transformer and service attachment.

Second, the Company is proposing that existing customers be eligible to receive a Company-funded allowance when such customers increase their load and are responsible for upgrading terminal facilities that currently serve two or more customers taking residential, general service or irrigation service.

Finally, the Company is proposing a handful of edits within Rule H for streamlining and clarity purposes, as well as updating the provisions governing unusual conditions and irrevocable letters of credit to better align with current construction and work order reconciliation timelines.

Q. Please describe the Company's current practice for providing allowances pursuant to Rule H.

A. Currently, if installation of a new service conductor is required to serve a new request for service, a Company-funded allowance or salvage credit, whichever is greater, is provided to offset a portion of the new or upgraded terminal facilities' cost of installation. The amount of the Company-funded allowance provided in these instances is dependent upon the then effective cost of "Standard Terminal Facilities," whether the request is for single phase or three phase service, and the extent of terminal facilities required to be installed.

For example, if a new customer's service request only requires the installation of a new overhead service conductor, such service conductor's installation cost will be offset by up to the then effective and applicable allowance amount. Similarly, if a new customer's service request requires the installation of transformation and overhead service conductor, these facilities' installation cost will be offset by up to the then effective and applicable allowance amount.

Any installation costs in excess of a customer's eligible allowance or salvage credit remains the requesting customer's responsibility to fund.

Q. Are existing customers currently eligible to receive an allowance if their load request requires terminal facilities to be upgraded?

A. No. Existing customers increasing their load and necessitating upgraded terminal facilities are currently financially responsible for funding the entire cost, less any applicable salvage credit, of the required upgraded terminal facilities.

Q. Why is the Company proposing that existing customers also be eligible to receive a Company-funded allowance under certain circumstances?

A. As the Commission noted within Order No. 30955, "[d]epending on the geographic configuration of customer locations, transformers can serve multiple customers." While it is certainly most economical to serve, when possible, multiple customers taking Secondary Service from a single transformer, each customer connected to such "shared" transformer may have otherwise been afforded the entirety of an allowance if not but for the geographic configuration that allowed for such sharing of transformation to occur. Further, if each of these customers were served from individual terminal facilities, the need to upgrade said terminal facilities as a result of adding load may have been avoided.

Recognizing these factors, the Company believes it reasonable to begin contributing, in qualifying circumstances, towards a portion of the upgraded terminal facilities' costs, up to the financially responsible customer's effective allowance amount, given the upgraded terminal facilities will continue serving multiple customers.

Q. Why is the Company removing the definition of Point of Delivery within Rule H?

A. Defining "Point of Delivery" within Rule H is duplicative of the same definition also existing within Rule B of the Company's tariff. Because Point of Delivery is frequently used throughout the Company's tariff, its broad definition is most appropriately included within Rule B to limit potential confusion.

Q. Why is the Company proposing to remove reference to a 200-amperage meter base within Rule H's definition of Standard Terminal Facilities?

A. Customers are responsible for providing an acceptable meter base to accommodate their requested level of service. Removal of the existing “to serve a 200-amperage meter base” verbiage within the definition of “Standard Terminal Facilities” helps eliminate any ambiguity of this requirement and better specifies the facilities installed by the Company and used in determining allowance amounts.

Q. Why is the Company proposing to remove “meter” from the definition of Terminal Facilities?

A. In accordance with Rule D of the Company’s tariff, meters are typically provided at no cost to customers, unless a customer requests a meter type not required by the Company or necessitates more than one primary voltage meter. As a result, the Company recommends removing reference of a meter within the definition of Terminal Facilities in order to eliminate potential confusion as to which facilities’ costs are offset via a Company-funded allowance.

Q. Please explain the Company’s proposed revision regarding Rule H’s Unusual Conditions.

A. Because the Company’s reconciliation of a project’s work order can be dependent on external parties’ timely submission of information, a 90-day timeframe to return unencountered unusual conditions amounts can often be difficult to achieve. As such, the Company is proposing to adjust the reconciliation timing language to provide flexibility for various types of scenarios while simultaneously also ensuring that once such reconciliation of work order costs has been completed, customers are refunded any eligible amounts within 30 days.

Q. Are there any other notable modifications being proposed to Rule H?

A. Though infrequently used by customers, the Company is proposing the Commission give Idaho Power latitude to determine, on a case-by-case basis, when the Company will accept an irrevocable letter of credit for the estimated cost of unusual conditions. Because of the length of time that it may take to complete the construction and reconciliation of actual costs for certain projects, a customer-provided irrevocable letter of credit could expire, thereby putting the Company at risk of not being able to collect the cost of unusual conditions associated with customer-requested construction work. By having the flexibility of being able to determine when to accept an irrevocable letter of credit, the Company may be able to limit risk of not being able to collect the cost of unusual conditions seemingly “guaranteed” by an irrevocable letter of credit.

Q. Is the Company proposing to change Rule H’s fixed charges, credits or overhead rate as part of its Application?

A. In keeping with Commission Order Nos. 30853, 30955 and 32472, the Company submits for the Commission’s review updated Rule H charges, credits and the general overhead rate prior to January 1st of each year. To avoid duplicative efforts and potential customer confusion, and in recognition that the existing charges, credits and general overhead rate were just updated on March 15, 2023, the Company believes it reasonable at this time to defer updating these Rule H charges and credits until its routine annual compliance filing.

Rule J

Q. What changes is the Company proposing be made to Rule J (Continuity, Curtailment and Interruption of Electric Service) of its tariff?

A. Rule J should be updated to include reference to the service voltage ranges described in the current edition of standard C84.1 of the American National Standards Institute – *American National Standard for Electric Power Systems and Equipment – Voltage Ratings (60Hz)*. Because the Company currently adheres to the referenced service voltage standard, inclusion of the reference will not result in a change to how the Company operates or designs its system; however, it will provide greater clarity and transparency to customers.

Rule L

Q. What changes are you proposing be made to Rule L (Deposits) of Idaho Power's tariff?

A. Rule L has been updated to provide the Company flexibility to return a large commercial or special contract customer's collected deposit, and any accrued interest, early if such customer establishes good credit prior to the deposit being held for 12 months. This change better aligns Rule L's deposit retention requirements with IDAPA 31.21.01.107.04, which allows for the early return of deposits and accrued interest to residential and small commercial customers.

Rule M

Q. What changes is the Company proposing be made to Rule M (Facilities Charge Service) of its tariff?

A. Section 4 of Rule M has been updated to plainly state that the monthly facilities charge amount assessed for Company-owned facilities installed at the customer's request on the customer's side of the Point of Delivery is independent of a customer's monthly energy usage. The Company also seeks to clarify that a facilities charge customer remains financially responsible for their monthly facilities charge bill until either another customer requests to assume responsibility for such facilities charge arrangement, and the Company is agreeable to providing Rule M services to such requesting customer, or the facilities charge customer pays the non-salvable cost associated with the removal of all Company-owned facilities beyond the Point of Delivery.

Q. Does the proposed verbiage update to Section 4 of Rule M change how the Company assesses facilities charges to customers?

A. No. The Company currently bills facilities charges in the manner described within the proposed verbiage within Section 4 of Rule M. This proposed update simply provides customers with greater transparency of the Company's practices associated with this optional service.

VII. MISCELLANEOUS SCHEDULE UPDATES

Q. What other schedules is the Company proposing to update as part of its application?

A. The Company is proposing to remove schedules that are no longer active, eliminate water and space heating provisions within its residential service schedules, update the past due threshold amount necessitating a Tier 2 deposit under Schedule 24, Agricultural Irrigation Service, and update the Company-provided payment amount under Schedule 61, Payment for Home Wiring Audit.

Q. What schedules is the Company proposing to remove from its tariff?

A. The Company is proposing to remove the below listed schedules from its tariff since the schedules are either suspended or unused by customers.

- Schedule 4, Residential Service Energy Watch Pilot Plan
- Schedule 60, Solar Photovoltaic Service Pilot Program
- Schedule 63, Community Solar Pilot Program

Q. Why is the Company proposing to remove the space and water heater provisions from its residential service schedules?

Q. The Company's proposal is intended to streamline and simplify its residential service schedules and their respective interconnection requirements. These provisions are also already generally covered within Rule K, Customer's Load and Operations, of the Company's tariff. Additionally, the Company's Customer Requirements for Electric Service document remains updated with relevant provisions, industry standards, and/or best practices.

Q. Please explain the update being proposed to Schedule 24's past due threshold amount necessitating a Tier 2 deposit.

A. The Company is proposing to increase Schedule 24’s past due threshold amount necessitating a Tier 2 deposit from $1,000 to $1,500 to better align with the amount of inflation that has materialized since Schedule 24’s Tier 2 deposit requirements were first authorized by Commission Order No. 29639, issued in Case No. IPC-E-04-20.

Q. Please explain the updated Company-provided payment amount being proposed within Schedule 61.

A. The Company proposes to raise the payment for customers who undergo a home wiring audit from $40 to $60. The proposed Company-provided payment amount of $60 is based on escalating the existing payment amount by the amount of inflation that has materialized since the existing payment amount was established as part of Case No. IPC-E-07-08.

Q. Does this conclude your direct testimony in this case?

A. Yes, it does.

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DECLARATION OF RILEY MALONEY

I, Riley Maloney, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Riley Maloney. I am employed by Idaho Power Company as a Regulatory Analyst in the Regulatory Affairs Department.

2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

3. To the best of my knowledge, my pre-filed direct testimony is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 1st day of June 2023, at Boise, Idaho.

Signed: ___________________________
RILEY MALONEY