

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ROBERT Z. THOMPSON

1 Q. Please state your name and business address.

2 A. My name is Robert Z. Thompson. I go by my  
3 middle name, and therefore, Zack Thompson is my preferred  
4 name. My business address is 1221 West Idaho Street, Boise,  
5 Idaho 83702.

6 Q. By whom are you employed, and in what  
7 capacity?

8 A. I am employed by Idaho Power Company ("Idaho  
9 Power" or "Company") as a Regulatory Analyst in the  
10 Regulatory Affairs Department.

11 Q. Please describe your educational background.

12 A. In May of 2008, I received a Bachelor of Arts  
13 degree in Business, Organizations, and Society with a minor  
14 in Economics from Franklin & Marshall College in Lancaster,  
15 Pennsylvania. In May of 2014, I received a Master of  
16 Business Administration degree with a specialization in  
17 Finance from Louisiana State University in Baton Rouge,  
18 Louisiana. I have also attended "The Basics: Practical  
19 Regulatory Training for the Electric Industry," an electric  
20 utility ratemaking course offered through the New Mexico  
21 State University's Center for Public Utilities, "Electric  
22 Utility Fundamentals and Insights," an electric utility  
23 course offered by Western Energy Institute, and "Electric  
24 Rates Advanced Course," an electric utility ratemaking  
25 course offered through Edison Electric Institute.

1 Q. Please describe your work experience with  
2 Idaho Power.

3 A. In 2020, I was hired as a Regulatory Analyst  
4 in the Company's Regulatory Affairs Department. My primary  
5 responsibilities include supporting activities associated  
6 with demand-side management as well as rate design for the  
7 small general service, large general secondary service,  
8 lighting, and irrigation customer classes.

9 Q. What is the purpose of your testimony?

10 A. The purpose of my testimony is to describe  
11 proposed changes and updates to Schedule 7, Small General  
12 Service ("Schedule 7"), Schedule 9, Large General Secondary  
13 Service ("Schedule 9S"), Schedule 24, Agricultural  
14 Irrigation Service ("Schedule 24"), Schedule 15, Dusk to  
15 Dawn Customer Lighting ("Schedule 15"), Schedule 41, Street  
16 Lighting Service ("Schedule 41"), Schedule 42, Traffic  
17 Control Signal Lighting Service ("Schedule 42"), and  
18 Schedule 40, Non-metered General Service ("Schedule 40").

19 Q. Are you sponsoring any exhibits?

20 A. Yes. I am sponsoring the following exhibits:

<u>Exhibit</u>	<u>Description</u>
21 Exhibit No. 57	Calculation of Proposed Rates
22 Exhibit No. 58	Typical Monthly Billing Comparison



1 is proposing to make three updates. The first update is  
2 increasing the service charge to \$20.00, or an increase of  
3 \$15.00, to move closer to the class cost of service. The  
4 second update is "flattening" the inclining energy block  
5 tiers to move closer towards flat energy rates. The third  
6 update is moving the summer seasonal rates from June 1 to  
7 August 31 to June 1 to September 30, or a three-month  
8 summer season to a four-month summer season, as explained  
9 by Company Witness Ms. Connie Aschenbrenner in her  
10 testimony.

11 Q. What did Idaho Power consider in making its  
12 \$20.00 service charge proposal for Schedule 7 customers?

13 A. Beyond moving closer to cost of service, a  
14 primary focus was placed on maintaining a smooth transition  
15 if customers move from Schedule 7 to Schedule 9S because  
16 they exceed the eligibility criteria for continued service  
17 under Schedule 7.

18 Q. Have you prepared an exhibit that illustrates  
19 the rate design proposal for revenue recovery under  
20 Schedule 7?

21 A. Yes, the rate design proposal for Schedule 7  
22 is included on page 1 of Exhibit No. 57.

23 Q. Have you prepared an exhibit that illustrates  
24 the impact of the proposed rate adjustments on Small  
25 General Service customers?

1           A.       Yes, page 1 of Exhibit No. 58 shows the  
2 billing comparison between Schedule 7 existing rates and  
3 proposed rates for typical billing levels.

4 **B.     *Schedule 9, Large General Service***

5           Q.       What is the revenue requirement to be  
6 recovered from customers taking Secondary Service under  
7 Schedule 9?

8           A.       The annual revenue requirement to be recovered  
9 from customers taking Secondary Service under Schedule 9 is  
10 \$272,747,096 as shown on page 5 of Mr. Goralski's Exhibit  
11 No. 48, which represents a 1.08 percent increase in overall  
12 collection from the class.

13 ***Standard Service Rate Design***

14          Q.       What is the current rate structure for  
15 Schedule 9S?

16          A.       The current rate structure for Schedule 9S  
17 includes a two-tier declining block Energy Charge along  
18 with a block Demand Charge and a block Basic Charge. Under  
19 this rate structure, the first block Energy Charge applies  
20 to the first 2,000 kWh of usage per month and the second  
21 block Energy Charge applies to all usage greater than 2,000  
22 kWh per month.

23                 Under the Demand Charge, the first rate block  
24 applies to the first 20 kilowatts ("kW") of Billing Demand  
25 and the second block applies to all additional kW. For the

1 Basic Charge, the first rate block applies to the first 20  
2 kW of Basic Load Capacity and the second block applies to  
3 all additional kW.

4 Q. Have you prepared an exhibit that illustrates  
5 the rate design proposal for revenue recovery under  
6 Schedule 9 Secondary Service?

7 A. Yes, the rate design proposal for Schedule 9  
8 Secondary Service is included on page 3 of Exhibit No. 57.

9 Q. What changes is the Company proposing to the  
10 Schedule 9S structure?

11 A. The Company is proposing to: (1) change the 0-  
12 20 kW basic load capacity charge ("BLC") and demand charge  
13 blocks to assess a single rate for all kW, and (2) move  
14 from declining block energy rates to flat energy rates for  
15 both the summer and non-summer seasons.

16 Q. What other changes is the Company proposing  
17 for Schedule 9S?

18 A. The Company is proposing to increase the  
19 service charge to \$25.00, or an increase of \$9.00, to move  
20 closer to the class cost of service. The Company is also  
21 proposing moving the summer seasonal rates from June 1 to  
22 August 31 to June 1 to September 30, or a three-month  
23 summer season to a four-month summer season, as explained  
24 by Ms. Aschenbrenner in her testimony. Finally, for all  
25 non-service charge rate components, the Company is

1 proposing rates that represent a 30 percent incremental  
2 movement towards the costs to serve that rate component.

3 Q. Have you prepared an exhibit that shows the  
4 bill impact for the proposed Schedule 9S rate design?

5 A. Yes. Pages 2 through 4 of Exhibit No. 58 show  
6 the billing comparison between the Schedule 9S existing  
7 rates and proposed rates for typical billing levels. As  
8 can be seen from this exhibit, generally for each Demand  
9 level, the higher load factor customers will see a decrease  
10 in their overall bills as compared to low load factor  
11 customers that will see an increase. For the Demand levels  
12 below 20 kW, customers will generally see bill decreases  
13 based on the removal of the 0-20 kW BLC and Demand blocks.

14 ***Optional Time-of-Use Service Schedule***

15 Q. How did you develop the proposed optional  
16 Schedule 9S time-of-use ("TOU") service offering?

17 A. The optional Schedule 9S TOU service offering  
18 will incorporate the same structure as the proposed  
19 Schedule 9S standard service offering described above  
20 except that instead of seasonal flat energy charges there  
21 will be seasonal time-differentiated energy rates which  
22 include on-, mid-, and off-peak blocks for the summer and  
23 non-summer seasons. Ms. Aschenbrenner explains in greater  
24 detail in her testimony the rationale for offering  
25 customers the optional TOU Service under Schedule 9S.



1 Q. What definition for on-, mid-, and off-peak  
2 does the Company propose for Schedule 9S?

3 A. The proposed TOU periods will mirror those  
4 proposed for the other large general and large power  
5 service schedules, as described by Company Witness Mr.  
6 Grant Anderson. Accordingly, the proposed definition of the  
7 TOU periods for the summer season are:

- 8 • On-Peak: 7:00 p.m. to 11:00 p.m. Monday through  
9 Saturday, except holidays
- 10 • Mid-Peak: 3:00 p.m. to 7:00 p.m. and 11:00 p.m.  
11 to 12:00 a.m. Monday through Saturday, except  
12 holidays
- 13 • Off-Peak: 12:00 a.m. to 3:00 p.m. Monday through  
14 Saturday and all hours on Sunday and holidays

15 For the non-summer season, the Company proposes to change  
16 the definition of the TOU periods to the following:

- 17 • On-Peak: 6:00 a.m. to 9:00 a.m. and 5:00 p.m. to  
18 8:00 p.m. Monday through Saturday, except  
19 holidays
- 20 • Mid-Peak: 9:00 a.m. to 12:00 p.m., 4:00 p.m. to  
21 5:00 p.m., and 8:00 p.m. to 10:00 p.m. Monday  
22 through Saturday, except holidays
- 23 • Off-Peak: 10:00 p.m. to 6:00 a.m. and 12:00 p.m.  
24 to 4:00 p.m. Monday through Saturday and all  
25 hours on Sunday and holidays

1 Q. Have you prepared an exhibit that illustrates  
2 the rate design proposal for the optional TOU service under  
3 Schedule 9S?

4 A. Yes, the rate design proposal for the optional  
5 TOU service under Schedule 9S is included on page 4 of  
6 Exhibit No. 57.

7 **II. IRRIGATION**

8 **A. *Schedule 24, Agricultural Irrigation Service***

9 Q. What is the revenue requirement to be  
10 recovered from Schedule 24?

11 A. The annual revenue to be recovered from  
12 Schedule 24 customers is \$183,423,605, as shown on page 5  
13 of Mr. Goralski's Exhibit No. 48, which represents the  
14 capped 12.91 percent increase in overall collection from  
15 the class.

16 Q. What is the current rate structure for  
17 Schedule 24?

18 A. Service under Schedule 24 is classified as  
19 being either "in-season" or "out-of-season." The in-season  
20 for each customer begins with the customer's meter reading  
21 for the May billing period and ends with the customer's  
22 meter reading for the September billing period. The out-  
23 of-season encompasses all other billing periods.

24 For the in-season, customers pay a higher monthly  
25 Service Charge than during the out-of-season to encourage

1 customers to continue service throughout the out-of-season  
2 period.

3 Customers pay both an Energy Charge and a Demand  
4 Charge for metered usage in-season. The Energy Charge  
5 utilizes a load-factor pricing mechanism by separating  
6 charges into two energy blocks. The first block charges  
7 irrigation customers a monthly rate per kWh for the first  
8 164 kWh per kW of demand. The second block charges  
9 customers a lower monthly energy rate per kWh for all other  
10 energy use to encourage installation of energy efficient  
11 irrigation systems with reduced demand and longer hours of  
12 operation. Customers pay an in-season Demand Charge only.  
13 During the out-of-season, customers pay a flat Energy  
14 Charge per kWh for all energy use.

15 Both Secondary Service and Transmission Service are  
16 available under Schedule 24, although no customers are  
17 currently taking Transmission Service.

18 Q. What is Idaho Power's rate design proposal for  
19 Schedule 24?

20 A. The Company is proposing one structural change  
21 to the Schedule 24 rate design along with one update. The  
22 structural change includes removing the in-season load  
23 factor energy pricing and only charging a flat rate per  
24 kWh, which is the same structure as the out-of-season  
25 energy charge. The current in-season load factor energy

1 rate structure was intended to collect demand related costs  
2 in the first block rather than increasing the demand  
3 charge. This helped the Company collect some of its fixed  
4 costs as long as customers ran their pumps for about 7 days  
5 within a month. However, from a customer understandability  
6 standpoint, it has sometimes been a source of confusion,  
7 particularly because the out-of-season rate does not have  
8 the load factor pricing structure. Therefore, the Company  
9 is proposing both the in-season and out-of-season  
10 volumetric rates have the same structure.

11           The proposed update to the Schedule 24 rate design  
12 increases both the in-season and out-of-season service  
13 charges from \$22.00 and \$3.50 to \$30.00 and \$6.00,  
14 respectively, for an increase of \$8.00 for in-season and  
15 \$2.50 for out-of-season, to move closer to the class cost  
16 of service.

17           Consistent with the overall rate design objectives,  
18 the Company is proposing to move the other non-service  
19 charge rate components closer to their cost-of-service with  
20 rates that represent a 30 percent incremental movement  
21 towards the costs to serve that rate component.

22           Q.     Have you prepared an exhibit that illustrates  
23 the rate design proposal for revenue recovery under  
24 Schedule 24?

1           A.       Yes, the rate design proposal for Schedule 24  
2 is included on page 5 of Exhibit No. 57.

3           Q.       How were the rates for Transmission Service  
4 determined?

5           A.       Because no customers take Transmission Service  
6 under Schedule 24, once the percentage revenue changes for  
7 each rate component were determined for Secondary Service,  
8 the same percentage changes were applied to each component  
9 for Transmission Service to maintain the same relationship  
10 between the service levels that currently exists.

11          Q.       Have you prepared an exhibit that shows the  
12 billing impact of the rate design on Schedule 24 irrigation  
13 service customers?

14          A.       Yes, pages 5 through 7 of Exhibit No. 58 show  
15 the impact on customers' bills of the proposed rate  
16 adjustments for Schedule 24 Secondary Service. As can be  
17 seen page 7 from Exhibit No. 58, with the transition from  
18 load factor pricing to flat energy rate pricing and an  
19 increased demand charge, customers with the highest  
20 percentage increase in annual bills have the lowest average  
21 load factors. Because the rate design promotes using the  
22 system efficiently, the higher a customer's load factor,  
23 the more beneficial the rate structure tends to be.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**III. LIGHTING & NON-METERED**

Q. How have you organized the discussion of the rate design proposals for area lighting, unmetered service, street lighting and traffic control signal lighting?

A. The discussion of rate design proposals for lighting will address Schedules 15 (Dusk to Dawn Customer Lighting), 41 (Street Lighting Service), 42 (Traffic Control Signal Lighting Service), and 40 (Non-metered General Service), respectively.

**A. *Schedule 15, Dusk to Dawn Customer Lighting***

Q. What is the revenue requirement to be recovered from customers taking service under Schedule 15?

A. The annual revenue requirement to be recovered from Schedule 15 customers is \$1,327,038 as shown on page 5 of Mr. Goralski's Exhibit No. 48 which represents a zero percent increase in overall collection from the class.

Q. What is the current rate structure for Dusk to Dawn Customer Lighting under Schedule 15?

A. Customers taking service under Schedule 15 are charged on a per lamp basis. Lamps currently served under Schedule 15 include 100, 200, and 400 watt high pressure sodium vapor area lighting, 40, 85, and 200 watt Light Emitting Diode ("LED") area lighting; 200 and 400 watt high pressure sodium vapor flood lighting, 85, 150, and 300 watt

1 LED flood lighting, and 400 and 1,000 watt metal halide  
2 flood lighting.

3 Q. What is the status of the Company's LED  
4 conversion project authorized per Order No. 34452?

5 A. The Company is on schedule to complete its LED  
6 conversion project before September 30, 2023. At that time,  
7 all lighting fixtures under Schedules 15 and 41 will have  
8 been converted to LED fixtures and the Company will no  
9 longer support high pressure sodium vapor or metal halide  
10 fixtures.

11 Q. Have you prepared an exhibit that illustrates  
12 the rate design proposal for Schedule 15?

13 A. Yes. The rate design proposal for Schedule 15  
14 is included on page 7 of Exhibit No. 57 which includes base  
15 rate increases to recover the proposed revenue requirement.  
16 The Company proposes to allocate the class revenue  
17 requirement to the rate components based on a separate  
18 lighting cost-of-service study ("Lighting Study") conducted  
19 for both Schedules 15 and 41 for each fixture size offered  
20 under those schedules. The Lighting Study is contained in  
21 my workpapers.

22 Q. Is the Company proposing any other changes to  
23 Schedule 15?

24 A. As mentioned above, the Company will have  
25 completed its LED conversion project by September 30, 2023.

1 Therefore, the high pressure sodium vapor and metal halide  
2 options are being removed with only the LED area lighting  
3 and flood lighting rates remaining in the tariff.

4 **B. Schedule 41, Street Lighting Service**

5 Q. What is the revenue requirement to be  
6 recovered from customers taking service under Schedule 41?

7 A. The annual revenue requirement to be recovered  
8 from Schedule 41 is \$3,750,417 as shown on page 5 of Mr.  
9 Goralski's Exhibit No. 48, which represents a zero percent  
10 increase in overall collection from the class.

11 Q. What is the present rate structure for Street  
12 Lighting Service under Schedule 41?

13 A. The current rate structure for Schedule 41 has  
14 three service options for street lighting customers as  
15 follows:

- 16 • "A" - Idaho Power-Owned, Idaho Power-Maintained  
17 System
- 18
- 19 • "B"- Customer-Owned, Idaho Power-Maintained  
20 System
- 21
- 22 • "C" - Customer-Owned, Customer-Maintained  
23 System
- 24

25 Option "A" provides for Idaho Power-owned and Idaho  
26 Power-maintained street lighting systems. Street lighting  
27 systems under this option are not metered and customers pay  
28 monthly lamp charges based on high pressure sodium vapor  
29 lamps of 70, 100, 200, 250 or 400 watts or their LED



1 equivalents of 40, 85, 140, and 200 watts. The monthly lamp  
2 charges under Option "A" reflect the Company's cost to  
3 provide energy, install the street lighting system, and  
4 provide ongoing maintenance.

5 Option "B" provides for metered or unmetered  
6 Customer-Owned, Idaho Power-Maintained systems using 70,  
7 100, 200, 250, or 400 watt high pressure sodium vapor  
8 lamps. Option "B" is currently not open to new service and  
9 will close by September 30, 2023, per Order No. 34452.

10 Option "C" provides for customers choosing to own  
11 and install their own street lighting systems. Under this  
12 option, street lighting systems may be metered or non-  
13 metered. For metered and non-metered systems, maintenance  
14 is provided by the customer.

15 Q. Please describe the proposed updates to Option  
16 "A".

17 A. Beyond the proposed rate changes informed by  
18 the Lighting Study for Schedules 15 and 41 contained in my  
19 workpapers, the Company proposes to remove language  
20 referencing "the Accelerated Replacement of Existing  
21 Fixtures" as this charge was only related to the LED  
22 conversion project and allowed customers to convert to LED  
23 fixtures at an additional cost before the Company had them  
24 scheduled. The Company also proposes to update the Dark Sky  
25 Lighting option to remove the high-pressure sodium vapor

1 lens and replace with an LED shield with a cost of \$27.50  
2 for customers who want to alter their LED fixtures for dark  
3 sky lighting. The derivation of this value is shown in my  
4 workpapers.

5 Q. What changes are being proposed to Option "C"  
6 in Schedule 41?

7 A. Beyond the proposed rate changes informed by  
8 the Lighting Study for Schedules 15 and 41 contained in my  
9 workpapers, no other changes are being proposed for Option  
10 "C". There will continue to be metered and non-metered  
11 service for customer-owned, customer-maintained systems.

12 Q. Is the Company proposing any other changes to  
13 Schedule 41?

14 A. Yes, the Company proposes to remove all high-  
15 pressure sodium vapor language and wattages leaving the  
16 schedule to only reference LED fixtures and to remove all  
17 contents from the tariff associated with Option "B" as this  
18 option will be closed by September 30, 2023.

19 Q. Have you prepared an exhibit that illustrates  
20 the rate design proposal for Schedule 41?

21 A. Yes, the rate design proposal for Schedule 41  
22 is included on pages 8 through 11 of Exhibit No. 57.

23 **C. Schedule 42, Traffic Control Signal Lighting Service**

24 Q. What is the revenue requirement to be  
25 recovered from customers taking service under Schedule 42?

1           A.       The annual revenue requirement to be recovered  
2 from Schedule 42 customers is \$224,972 as shown on page 5  
3 of Mr. Goralski's Exhibit No. 48, which represents the  
4 capped 12.91 percent increase in overall collection from  
5 the class.

6           Q.       What is the present rate structure for Traffic  
7 Control Signal Lighting Service, Schedule 42?

8           A.       Customers taking service under Schedule 42 pay  
9 an Energy Charge for each kWh of estimated energy use for  
10 non-metered systems and for each kWh of actual usage for  
11 metered systems. For non-metered systems, usage is  
12 estimated based on the number and size of lamps burning  
13 simultaneously in each signal and the average number of  
14 hours per day the signal is operated. There is no minimum  
15 charge under Schedule 42.

16          Q.       Please describe the rate design proposal for  
17 Schedule 42.

18          A.       The rate design proposal for Schedule 42 is  
19 included on page 12 of Exhibit No. 57. The Company is  
20 proposing to increase the energy charge to target the  
21 proposed capped class revenue increase of 12.91 percent  
22 shown on page 5 of Mr. Goralski's Exhibit No. 48.

23       **D.        Schedule 40, Unmetered General Service**

24          Q.       What is the revenue requirement to be  
25 recovered from customers taking service under Schedule 40?

1           A.       The annual revenue requirement to be recovered  
2 from Schedule 40 customers is \$1,352,288 as shown on page 5  
3 of Mr. Goralski's Exhibit No. 48, which represents a 3.24  
4 percent increase in overall collection from the class.

5           Q.       What is the present rate structure for  
6 Unmetered General Service under Schedule 40?

7           A.       Customers taking service under Schedule 40 are  
8 non-metered but have energy loads and periods of operation  
9 which are fixed. Accordingly, a customer's estimated usage  
10 is charged a flat Energy Charge which recovers all costs  
11 assigned to the class. The minimum bill for service under  
12 Schedule 40 is \$1.50 per month. At the Company's  
13 discretion, an Intermittent Usage Charge, per unit, per  
14 month, may be charged to municipalities or agencies of  
15 federal, state, or county governments having the potential  
16 of intermittent variations in energy usage.

17          Q.       Please describe the rate design proposal for  
18 Schedule 40.

19          A.       The rate design proposal for Schedule 40 is  
20 included on page 13 of Exhibit No. 57. The Company is  
21 proposing to increase the Intermittent Usage Charge from  
22 \$1.00 to \$1.50, or an increase of \$0.50, as well as  
23 increase the energy charge to target the proposed class  
24 revenue increase of 3.24 percent as shown on page 5 of Mr.  
25 Goralski's Exhibit No. 48.

1           Q.     Are any other changes being proposed to  
2   Schedule 40?

3           A.     No.

4           Q.     Does this conclude your testimony?

5           A.     Yes, it does.

6           //

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19

**DECLARATION OF ROBERT Z. THOMPSON**

I, Robert Z. Thompson, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Robert Z. Thompson. 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 and Exhibit Nos. 57 through 58 in this matter.

3. To the best of my knowledge, my pre-filed direct testimony and exhibits are 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: \_\_\_\_\_  
ROBERT Z. THOMPSON