

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY’S APPLICATION FOR APPROVAL OF AMENDMENTS TO AGREEMENTS FOR DELIVERY OF POWER AND ENERGY WITH KING HILL IRRIGATION DISTRICT)))))))	CASE NO. IPC-E-23-21 ORDER NO. 36021
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On September 11, 2023, Idaho Power Company (“Company”) applied to the Commission for an order approving amendments to separate, but related, agreements entered into in 1979 (collectively the “1979 Agreements”) by the Company and King Hill Irrigation District (“KHID”) (collectively the “Parties”). Generally, the 1979 Agreements allow the Company to use KHID’s water for power generation and sets the terms and conditions for the Company supplying energy to KHID.

On October 5, 2023, the Commission issued a Notice of Application and established public comment and party reply deadlines. Order No. 35948. Commission Staff (“Staff”) filed the only comments in this case.

With this Order, we approve each of the Company’s proposed amendments to the 1979 Agreements.

BACKGROUND

The 1979 Agreements were entered into on February 5, 1979, (“February Agreement”) and April 11, 1979, (“April Agreement”) respectively.

The February Agreement allows the Company to use KHID’s water to generate 22,108 megawatt hours of power under median water conditions. *See* Application at 3 citing Order No. 14439. In return, the Company made an initial non-refundable lump sum payment to KHID of \$1 million. Further, the Company agreed to provide an annual credit to KHID to offset KHID’s energy consumption at its river pumping stations once constructed. The annual credit amount is based on 14,000,000 kilowatt hours (“Credit Amount”). In 1988, the Parties entered into an amendment to the February Agreement to provide that the Credit Amount would be adjustable to reflect changes in the Company’s rates or charges in the rate schedule applicable to KHID’s pumping stations. Application at 5-6.

The April Agreement incorporated the February Agreement by reference and provided the terms and conditions for the Company to supply electric service to the pumping stations identified in the February Agreement and for the allocation of the Credit Amount to the pumping station accounts. The April Agreement provided further clarifications that were absent from the February Agreement regarding the pumping stations' points of delivery, voltage, account information, and other relevant terms; the April Agreement also limited the horsepower ("HP") of the river pumping stations to 10,000 HP.

THE APPLICATION

The proposed second amendment to the February Agreement ("February Amendment") updates the number of listed pumping stations by adding another station (the "Hammett Station"). Thus, under the proposed February Amendment, the Parties would utilize five pumping stations with the option to add a sixth.

The Company's proposed first amendment to the April Agreement ("April Amendment") would update information regarding the Hammett Station and other aspects of the existing pumping stations. The April Amendment would also raise the limit of the HP of the pumping stations from 10,000 HP to 10,100 HP.

STAFF COMMENTS

Staff reviewed the Application and determined that approval of the Parties' proposed Amendments would not increase costs for the Company's customers. Staff noted that KHID would bear the financial costs arising from the additional pump station. Likewise, Staff stated that the proposed Amendments will not change the Credit Amount the Company pays KHID each year. Staff also noted that adding 100 HP to the system will only require the Company to supply approximately 75 kilowatts of additional power; Staff believed this was a negligible amount. Finally, Staff stated that the Amendments are consistent with the overall intent of the 1979 Agreements and ultimately strengthen cooperation between the Parties.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

The Commission has reviewed the record including the Application, the April Agreement and February Agreement with their respective Amendments, and Staff's comments. The purpose of the proposed Amendments ensure that the descriptions of the relevant pumping stations and associated facilities in the 1979 Agreements are both accurate and comply with previous Commission rulings. The Commission finds it is in the public interest to approve the proposed Amendments to ensure that the February and April Agreements accurately describe the pumping stations and the HP limit of those pumping stations. The Commission finds that it is reasonable to approve the Company's proposed Amendments to the 1979 Agreements accordingly.

ORDER

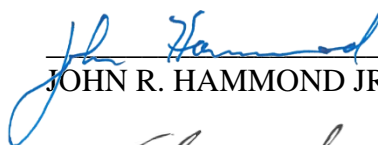
IT IS HEREBY ORDERED that the Company's Application to approved the February Amendment and the April Amendment to the 1979 Agreements is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.

DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of December 2023.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Interim Commission Secretary

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