



RECEIVED
2023 December 29, PM 2:00
IDAHO PUBLIC
UTILITIES COMMISSION

CONNIE ASCHENBRENNER
Rate Design Senior Manager
caschenbrenner@idahopower.com

VIA ENCRYPTED ELECTRONIC MAIL

Tariff Advice No. IPC-TAE-23-03

December 29, 2023

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

Re: Tariff Advice No. 23-03
Annual Compliance Filing to Update the Substation Allowance Amount under
Schedule 19, Large Power Service

Dear Commission Secretary,

Idaho Power Company ("Idaho Power" or "Company") hereby submits its proposed update to the Substation Allowance amount outlined in Schedule 19, Large Power Service ("Schedule 19"). This is the annual compliance filing to update the Substation Allowance amount contained within Schedule 19, as required by Idaho Public Utilities Commission ("Commission") Order Nos. 32893 and 32914. The following tariff sheet identifies the proposed modification:

Tenth Revised Sheet No. 19-6 Cancelling Ninth Revised Sheet No. 19-6

The cost estimation methodology the Company used in this tariff advice is the same methodology approved by the Commission in Case No. IPC-E-13-09 and subsequent annual filings.

The proposed Substation Allowance amount reflects updated material costs, labor rates, and the stations overhead rate, which in total results in the proposed per megawatt Substation Allowance amount decreasing from \$79,444 to \$71,006, or by approximately 11 percent. The primary driver attributed to the decreased Substation Allowance amount being proposed is the approximate 42 percent decrease in the cost of the 4-unit metalclad switchgear, which more than offset the approximate 33 percent cost increase

Commission Secretary
December 29, 2023
Page 2 of 3

of the 138kV/13.09kV, 44.8 MVA transformer. Another factor contributing to the decrease in the Substation Allowance was a reduction in the stations overhead rate from 6.57 percent to 4.7 percent.

The workpapers used to calculate the per megawatt Substation Allowance amount and the stations overhead rate are provided as confidential attachments to this tariff advice. Please note that information in the workpapers is commercially sensitive and, if disclosed freely, could subject Idaho Power or its customers to risk of competitive disadvantage or other business injury.

The Company respectfully requests that the proposed updates are approved and become effective by February 1, 2024.

If you have any questions regarding this tariff advice, please contact Regulatory Analyst Ashley Herrera at 208-388-2656 or aherrera@idahopower.com.

Sincerely,



Connie Aschenbrenner

CA:sg
Enclosures

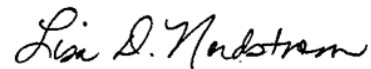
CERTIFICATE OF ATTORNEY

ASSERTION THAT MATERIALS REQUESTED AND PROVIDED DURING THE COURSE OF AN IDAHO PUBLIC UTILITIES COMMISSION PROCEEDING ARE PROTECTED FROM PUBLIC INSPECTION

Tariff Advice No. 23-03

The undersigned attorney, in accordance with RP 67, believes that the attachments to Idaho Power Company's Tariff Advice No. 23-03 filing contain information that Idaho Power Company claims is a trade secret as described in *Idaho Code* § 74-101, *et seq.*, and § 48-801, *et seq.*, or otherwise protected from public disclosure, and as such is exempt from public inspection, examination, or copying.

DATED this 29th day of December 2023.



Lisa D. Nordstrom
Counsel for Idaho Power Company

SCHEDULE 19
LARGE POWER SERVICE
 (Continued)

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES AND/OR TRANSMISSION VESTED INTEREST (Continued)

Definitions (Continued)

Transmission Vested Interest Portion is that part of the Company's transmission system in which a Transmission Vested Interest is held.

Substation Allowance

If a Schedule 19 Customer's request for service requires the installation of new or upgraded transformer capacity in Substation Facilities, the following considerations will be included in the separate agreement between the Customer and the Company:

The Customer will initially pay for the cost of new or upgraded Substation Facilities required because of the Customer's request. The Customer will be eligible to receive a one-time Substation Allowance based upon subsequent sustained usage of capacity by the Customer.

a. Substation Allowance: The maximum possible allowance will be determined by multiplying the Customer's actual increase in load by \$71,006 per MW, but will not exceed the actual cost of the Substation Facilities.

b. Substation Allowance Refunds: The Substation Allowance will be refunded to the Customer over a five-year period, with annual payments based on the Customer's Basic Load Capacity at the time of refund. The first refund will be paid one year following the first month energy is delivered through the new Substation Facilities.

The refunds will occur based on the following adjustment, which will be added to the Substation Allowance received in the previous year. If there is no change in load from the previous year, the Substation Allowance for that year is equal to the Substation Allowance from the previous year:

$$\frac{((\text{Change in load from the previous year as measured in MW}) \times (\text{Substation Allowance per MW}))}{\text{Number of Substation Allowance Refunds remaining in five-year period}}$$

The Customer's annual refunds will be made in accordance with the Substation Allowance amount stated in the separate construction agreement between the Customer and the Company.

Transmission Vested Interest

If a Schedule 19 Customer's request for service requires the installation of new or upgraded capacity in Transmission Facilities, and those Transmission Facilities are serving the Customer by a radial feed, the following considerations will be included in the separate agreement between the Customer and the Company:

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES AND/OR TRANSMISSION VESTED INTEREST (Continued)

Definitions (Continued)

Transmission Vested Interest Portion is that part of the Company's transmission system in which a Transmission Vested Interest is held.

Substation Allowance

If a Schedule 19 Customer's request for service requires the installation of new or upgraded transformer capacity in Substation Facilities, the following considerations will be included in the separate agreement between the Customer and the Company:

The Customer will initially pay for the cost of new or upgraded Substation Facilities required because of the Customer's request. The Customer will be eligible to receive a one-time Substation Allowance based upon subsequent sustained usage of capacity by the Customer.

a. Substation Allowance: The maximum possible allowance will be determined by multiplying the Customer's actual increase in load by \$~~79,444,710~~71,006 per MW, but will not exceed the actual cost of the Substation Facilities.

b. Substation Allowance Refunds: The Substation Allowance will be refunded to the Customer over a five-year period, with annual payments based on the Customer's Basic Load Capacity at the time of refund. The first refund will be paid one year following the first month energy is delivered through the new Substation Facilities.

The refunds will occur based on the following adjustment, which will be added to the Substation Allowance received in the previous year. If there is no change in load from the previous year, the Substation Allowance for that year is equal to the Substation Allowance from the previous year:

$$\frac{((\text{Change in load from the previous year as measured in MW}) \times (\text{Substation Allowance per MW}))}{\text{Number of Substation Allowance Refunds remaining in five-year period}}$$

The Customer's annual refunds will be made in accordance with the Substation Allowance amount stated in the separate construction agreement between the Customer and the Company.

Transmission Vested Interest

If a Schedule 19 Customer's request for service requires the installation of new or upgraded capacity in Transmission Facilities, and those Transmission Facilities are serving the Customer by a radial feed, the following considerations will be included in the separate agreement between the Customer and the Company: