

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER’S) CASE NO. IPC-E-19-17
APPLICATION FOR AUTHORITY TO)
MODIFY SCHEDULE 15, DUSK TO DAWN) ORDER NO. 34452
CUSTOMER LIGHTING, AND SCHEDULE)
41, STREET LIGHTING SERVICE, TO)
ALLOW FOR LIGHT-EMITTING DIODE)
TECHNOLOGY)

On May, 24 2019, Idaho Power Company (“Company” or Idaho Power”) applied to the Commission for an order allowing it to: 1) modify its Schedules 15 and 41, to allow for complete transition to Company-owned Light-Emitting Diode (“LED”) lighting, and elimination of Company-owned high-intensity discharge (“HID”) lighting in each Schedule, going forward, effective October 1, 2019, and 2) close Schedule 41 Option “B” (Company-owned, Company-maintained streetlight facilities) effective as of September 30, 2023. The Company also proposed to eliminate “Ornamental Lighting” from Schedule 41.

On June 21, 2019, the Commission issued a Notice of Application and Notice of Modified Procedure establishing an August 21, 2019 comment deadline and an August 28, 2019 Company reply comment deadline. Order No. 34357. Staff timely filed comments, to which the Company did not reply. The Commission received one set of public comments, to which the Company did reply.

With this Order we approve the Company’s Application to modify Schedule 15, Dusk to Dawn Customer Lighting, and Schedule 41, Street Lighting Service, to allow for LED technology effective October 1, 2019, and to eliminate Schedule 41 Option “B” as of September 30, 2023, and to remove Schedule 41 “Ornamental Lighting.”

THE APPLICATION

The Company’s proposed modifications are in response to changes in the lighting fixture industry where manufacturers are, and will foreseeably continue, producing more LED fixtures and fewer HID fixtures. Application at 3. The Company stated that the proposed changes “provide significant advantages over traditional HID lighting options. [And] . . . use less energy, reduce maintenance costs . . . and provide better lighting quality.” *Id* at 3-4. The Company estimates that if all Company-owned lighting facilities deployed under Schedule 15 and Schedule

41 Option “A” (Company-owned, Company-maintained) were converted to LED, those changes alone would cause 8,581 fewer Megawatt-Hours (“MWh”) in annual energy consumption. *Id* at 4. In four years, once all Company-owned lighting facilities have transitioned to LED, approximately 25% per year, the Company expects energy consumption attributed to these Schedules will decrease net power supply expenses by \$250,000 annually, which would flow back to the customer through the Power Cost Adjustment. *Id*.

The proposed modifications include: 1) replacing all Company-owned HID lighting fixtures with LED lighting fixtures, eliminating the opportunity for new Company-owned HID installations as of October 1, 2019, and 2) discontinuing Company maintenance of customer-owned HID streetlight facilities by eliminating Option “B” of Schedule 41, effective September 30, 2023, and moving those customers to either Option “A” or Option “C” (customer-owned, customer-maintained) of Schedule 41. *Id* at 4-5. The Company also proposed to eliminate “Ornamental Lighting” from Schedule 41, which was closed in 1981 and has no remaining customers. *Id* at 5.

THE COMMENTS

A. Commission Staff.

Staff filed comments recommending that the Commission approve the Company’s Application and proposed tariffs and that the Company be allowed to begin replacing Company-owned HID lights with LED lights on October 1, 2019. In its comments Staff discussed: 1) prudence, 2) planned accounting treatment, and 3) customer communications.

Staff reviewed the Company’s work papers for prudence and believes, even though there will be upfront obsolescence costs associated with removing HID lighting from inventory, these initial costs will be offset by the long-term benefits realized through reduced energy demand, fewer technician hours required for replacement and maintenance, and smaller inventory associated with LED lighting. Staff Comments at 3. Staff verified that the Company’s Net Present Value (“NPV”) and Direct Consumer Benefit Analyses, upon which it based its decision to transition to LED, were both reasonable and prudent. *Id*. Staff agreed with the Company’s analysis and position that LED lights use less than half the energy of comparable HID lights and last up to 5X longer, which should save 8,581 MWh of energy per year once all HID lights in Schedule 41 Option “B” have been converted to LED lights. *Id*. This energy savings should save the Company \$250,000 per year on a levelized basis. *Id*. Staff verified that the net benefit to the Company over

five years is \$550,000, ten (10) years is \$990,000, and 20 years is \$2.3 million based on the Company's NPV calculations. *Id.*

Staff will conduct an additional prudence evaluation for implementation, actual capital expenditures, and cost savings when the Company seeks recovery through base rates.

It was Staff's opinion that the Company's calculations and assumptions were reasonable, and the Company's proposed accounting treatment for adding LED lighting to plant in service, and depreciation treatment for removing HID lighting, were proper. *Id.* at 4.

Staff reviewed the Company's efforts to communicate the proposed changes to affected customers in Schedules 15 and 41 and found efforts taken by the Company were reasonable.

B. Public Comments.

The Commission received one public comment, from the City of Nampa ("City"), on this matter. The City did not specify support or opposition to the Company's Application. The City requested a different billing format for Schedule 41 Option "C," to be more in-line with Options "A" and "B".

C. Reply Comments of Idaho Power.

In its reply, the Company stated it could not present the billing information as sought by the City. The Company noted:

[T]he structure for [Schedule 41] Options A and B consist of a category for each bulb type and wattage with a count of fixtures under each category and all fixtures are charged the same fixed rate. Conversely, the structure for Option C consists of a single entry for each fixture where the wattage information and burn-hours are stored independently under each fixture to subsequently calculate the number of kilowatt-hours per fixture for billing.

COMMISSION FINDINGS AND DISCUSSION

The Company is an electric corporation and public utility. The Commission has jurisdiction over the Company and this matter under Title 61 of Idaho Code. Having reviewed the record, including the Company's Application, attachments, Staff and public comments, and Company reply comments, the Commission finds the Company's proposal to modify Schedules 15 and 41 are fair, just, and reasonable and should be approved as filed, effective October 1, 2019.

Additionally, the Commission finds that the Company's request to close Schedule 41 Option "B" on September 30, 2023 is fair, just, and reasonable. Because no customers remain on

Schedule 41 “Ornamental Lighting,” the Commission also finds it appropriate to close this Option effective October 1, 2019.

The Commission directs the Company to collaborate with the City regarding the Schedule 41 Option “A” modified billing format requested by the City. We are confident that the parties can come up with an agreeable solution for both the Company and the City.

ORDER

IT IS HEREBY ORDERED that the proposed modifications to Idaho Power’s Schedules 15 and 41, permitting the transition from HID lighting to LED lighting, are approved, effective on October 1, 2019.

IT IS FURTHER ORDERED that as of September 30, 2023, Idaho Power’s Schedule 41 Option “B” will close and customers will have the ability to receive service under Schedule 41 Option “A” or “C.”

IT IS FURTHER ORDERED that Idaho Power’s Schedule 41 “Ornamental Lighting” is now closed and any language referencing it may be removed from the Company’s tariffs.

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 with regard to 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. *See Idaho Code § 61-626.*

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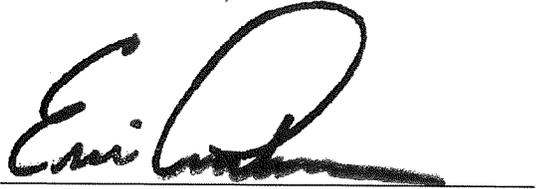
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of September 2019.



PAUL KJELLANDER, PRESIDENT

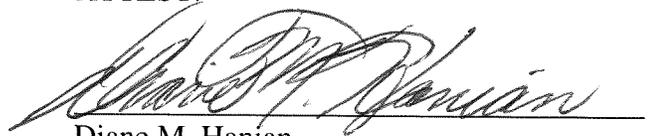


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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