

RECEIVED

2010 AUG 26 PM 4: 04

IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-10-23  
AUTHORITY TO MODIFY SPECIAL )  
CONTRACT ELIGIBILITY BY REDUCING )  
THE UPPER LIMIT OF POWER )  
REQUIREMENTS FOR LARGE LOAD )  
CUSTOMERS. )  

---

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

MICHAEL J. YOUNGBLOOD

1 Q. Please state your name and business address.

2 A. My name is Michael J. Youngblood. My  
3 business address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what  
5 capacity?

6 A. I am employed by Idaho Power Company ("Idaho  
7 Power" or "Company") as the Manager of Rate Design in the  
8 Regulatory Affairs Department.

9 Q. Please describe your educational background.

10 A. In May of 1977, I received a Bachelor of  
11 Science Degree in Mathematics and Computer Science from the  
12 University of Idaho. From 1994 through 1996, I was a  
13 graduate student in the Executive MBA program of Colorado  
14 State University. Over the years, I have attended numerous  
15 industry conferences and training sessions, including  
16 Edison Electric Institute's "Electric Rates Advanced  
17 Course."

18 Q. Please describe your work experience with  
19 Idaho Power.

20 A. I began my employment with Idaho Power in  
21 1977. During my career, I have worked in several  
22 departments and subsidiaries of the Company, including  
23 Systems Development, Demand Planning, Strategic Planning,  
24 and IDACORP Solutions. Most relevant to this testimony

1 though is my experience within the Regulatory Affairs  
2 Department. From 1981 to 1988, I worked as a Rate Analyst  
3 in the Rates and Planning Department where I was  
4 responsible for the preparation of electric rate design  
5 studies and bill frequency analyses. I was also  
6 responsible for the validation and analysis of the load  
7 research data used for cost-of-service allocations.

8           From 1988 through 1991, I worked in Demand Planning  
9 and was responsible for the load research and load  
10 forecasting functions of the Company, including sample  
11 design, implementation, data retrieval, analysis, and  
12 reporting. I was responsible for the preparation of the  
13 five-year and twenty-year load forecasts used in revenue  
14 projections and resource plans as well as the presentation  
15 of these forecasts to the public and regulatory  
16 commissions.

17           In 2001, I returned to the Regulatory Affairs  
18 Department and have worked on special projects related to  
19 deregulation, the Company's Integrated Resource Plan, and  
20 filings with both the Idaho Public Utilities Commission  
21 ("IPUC") and the Oregon Public Utility Commission ("OPUC").  
22 Specifically in Oregon, I have provided testimony to the  
23 Commission in Docket Nos. UE 123/UE 131, UM 1198, UM 1261,  
24 and UE 195.

1           In 2008, I was promoted to my current position of  
2 Manager of Rate Design for Idaho Power. It is in this  
3 position that I am currently responsible for the management  
4 of the rate design strategies of the Company as well as the  
5 oversight of all tariff administration.

6           Q.       What is the purpose of your testimony in  
7 this case?

8           A.       My testimony will provide the Company's  
9 rationale for changing the eligibility requirements for  
10 service under Schedule 19, Large Power Service, and  
11 Schedule 24, Agricultural Irrigation Service, and the Point  
12 of Delivery Service requirement in Rule C, Service and  
13 Limitations.

14          Q.       What change in the eligibility requirements  
15 for Schedule 19 and Schedule 24 is the Company proposing?

16          A.       Currently, if the aggregate power  
17 requirement of a customer who receives service at one or  
18 more points of delivery on the same premise exceeds 25,000  
19 kW, the customer is required to make special contract  
20 arrangements with the Company. Idaho Power is proposing  
21 that the level at which a customer is required to make  
22 special contract arrangements with the Company be lowered  
23 to 20,000 kW.

24          Q.       When was the level of 25,000 kW established?

1           A.       Prior to October 1, 1981, the loads  
2 applicable to Schedule 19 were from 750 kW to 15,000 kW in  
3 size. Then, pursuant to Commission Order No. 16688, issued  
4 in Case No. U-1006-159, Schedule 19 became available for  
5 loads from 750 kW to 25,000 kW. Loads above 25,000 kW were  
6 subject to special contract agreement.

7           Q.       Why does Idaho Power now want to reduce the  
8 upper limit of power requirement for Large Power Service  
9 and Agricultural Irrigation Service from 25,000 kW to  
10 20,000 kW?

11          A.       For many years, Idaho Power had excess  
12 generation and transmission capacity that could be  
13 available for new large loads. In recent years, excess  
14 capacity has diminished to the point that new large loads  
15 will often drive the need to add new generation and/or new  
16 transmission. In order to assist the Company in its  
17 planning and management of new generation and/or new  
18 transmission to serve new large loads, and also to provide  
19 more protection to other retail customers from the system  
20 impacts large loads may impose on system costs, Idaho Power  
21 is proposing to lower the upper limit of eligibility for  
22 large power supply and agricultural customers. At a time  
23 when the ability of the Company's system to serve existing  
24 loads is constrained, the sheer size and operating

1 characteristics of the new large load customers can be  
2 expensive to serve. By reducing the upper limit of  
3 eligibility for additional large loads to be served under a  
4 tariff schedule, Idaho Power can address these incremental  
5 costs within the terms of a special contract. This allows  
6 for specific cost-of-service information to be determined  
7 and reviewed during regulatory proceedings. It also allows  
8 for the unique characteristics of customers of this size to  
9 be captured within the terms of a contractual agreement.

10 Q. Other than current special contract  
11 customers, does Idaho Power currently have any retail  
12 tariff customer in its Idaho jurisdiction whose power  
13 requirement is greater than 20,000 kW?

14 A. No. In fact, upon review of the highest  
15 monthly kW demand of Idaho Power's largest ten retail  
16 tariff customers, other than special contract customers,  
17 within the Idaho jurisdiction for the previous five years,  
18 the largest customer's maximum monthly billing demand was  
19 just over 16,000 kW. Exhibit No. 1 shows the annual  
20 maximum billing demand for the ten largest Idaho retail  
21 customers, other than special contract customers, from 2005  
22 to 2009.

1           Q.       Is the Company proposing any additional  
2 changes for customers whose power requirement exceeds  
3 20,000 kW?

4           A.       No. Any future customer who applies for  
5 service over 20,000 kW of aggregate load would adhere to  
6 the same interconnection procedures as currently required  
7 for new customers with total aggregate load over 25,000 kW.

8           Q.       If the Company's proposal is adopted, what  
9 will happen to any existing customer whose power  
10 requirement grows to exceed 20,000 kW?

11          A.       Any existing customer whose power  
12 requirements grow and exceed a new cap of 20,000 kW will no  
13 longer be eligible for service under Schedule 19 or  
14 Schedule 24. They would be required to make special  
15 contract arrangements with the Company, just as is  
16 currently required if a customer's power requirements  
17 exceed 25,000 kW.

18          Q.       Will the reduction in the upper limit of the  
19 power demanded as an eligibility requirement for Schedules  
20 19 and 24 improve the Company's ability to effectively  
21 manage the impacts of new large load customers?

22          A.       Yes. The ability to evaluate the additional  
23 costs of serving specific large loads and capture those  
24 costs in the provisions of a special contract as a result

1 of the reduction in the power requirement eligibility limit  
2 is consistent with Idaho Power's regulatory goals for large  
3 load service. These goals, which are the same goals  
4 previously stated in Company witness Ric Gale's direct  
5 testimony in the Hoku Materials special contract case, Case  
6 No. IPC-E-08-21, are:

7           1. Provide requested service consistent  
8 with system capability and the reliability needs of  
9 existing customers;

10           2. Provide options to the customer when  
11 the Company is unable to provide service as requested;

12           3. Mitigate the rate impact on existing  
13 customers by developing a rate structure that includes a  
14 marginal price component for an initial term of the service  
15 agreement;

16           4. Require upfront contributions to  
17 capital expenditures associated with facilities that  
18 specifically serve the large load customer; and

19           5. Provide a means to quantify known and  
20 measurable amounts of additional load for Integrated  
21 Resource Planning.

22           Q. How does reducing the power requirement  
23 limit to 20,000 kW help mitigate the rate impact of  
24 potential new large load customers on existing customers?



1           A.       Because the new load will be required to  
2 make special contract arrangements with the Company, Idaho  
3 Power can more accurately price the new load based on its  
4 unique characteristics. This will enable the Company to  
5 more accurately assign the costs of servicing new large  
6 load customers, thus mitigating the impact on existing  
7 customers. For example, under a special contract, the  
8 parties can negotiate a price that reflects a blend of  
9 marginal and embedded costs, or the flexibility to offer  
10 the new customer pass through access to market rates,  
11 depending on the resources required to serve the new load.  
12 Or, the parties could agree to allow the Company to shape  
13 the load or service requirements in response to resource  
14 limitations or transmission constraints during system  
15 peaks.

16           Q.       Does Idaho Power have a similar tariff  
17 eligibility provision in its Oregon jurisdiction?

18           A.       Yes. As part of the 2009 Oregon General  
19 Rate Case, UE 213, Idaho Power proposed to lower the  
20 special contract eligibility requirement from 25,000 kW to  
21 20,000 kW, as is being proposed in this filing for the  
22 Idaho jurisdiction. There were no objections to this  
23 proposal in the settlement among parties in the case and

1 the provision was adopted in Oregon Public Utility  
2 Commission Order No. 10-064 and Advice No. 10-06.

3 Q. Have you prepared proposed tariff sheets  
4 that reflect the proposed changes you recommend?

5 A. Yes. The changes required to reduce the  
6 eligibility requirement for Large Power Service from 25,000  
7 kW to 20,000 kW have been made to Schedule 19, Schedule 24,  
8 and Rule C. These proposed changes are shown in Exhibit  
9 Nos. 2 and 3, final and legislative format, respectively.

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

12 A. Yes, it does.

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-10-23**

**IDAHO POWER COMPANY**

**YOUNGBLOOD, DI**  
**TESTIMONY**

**EXHIBIT NO. 1**

**Idaho Power Company  
List of Ten Largest Customers  
2005-2009 and Five-Year Maximum  
Annual Maximum Billing Demand (kW)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Five-Year Maximum</b>
1	<b>16,176</b>	15,597	16,053	14,762	15,348	<b>16,176</b>
2	<b>15,754</b>	15,380	13,795	13,454	12,045	<b>15,754</b>
3	8,924	10,736	13,991	12,830	<b>15,733</b>	<b>15,733</b>
4	12,420	14,169	15,323	13,989	<b>15,367</b>	<b>15,367</b>
5	<b>14,620</b>	13,763	13,580	12,716	12,928	<b>14,620</b>
6	12,876	<b>13,428</b>	13,156	12,440	13,260	<b>13,428</b>
7	11,642	11,645	11,960	<b>13,427</b>	12,227	<b>13,427</b>
8	11,598	12,096	12,000	12,136	<b>12,196</b>	<b>12,196</b>
9	8,280	8,235	8,565	<b>9,529</b>	8,701	<b>9,529</b>
10	9,004	8,872	<b>9,008</b>	8,864	8,756	<b>9,008</b>

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-10-23**

**IDAHO POWER COMPANY**

**YOUNGBLOOD, DI**  
**TESTIMONY**

**EXHIBIT NO. 2**

RULE C  
SERVICE AND LIMITATIONS  
(Continued)

5. Point of Delivery Service Requirements (Continued)

Where separate Points of Delivery exist for supplying service to a Customer at a single Premises or separate meters are maintained for measurement of service to a Customer at a single Premises, the meter readings will not be combined or aggregated for any purpose except for determining if the Customer's total power requirements exceed 20,000 kW. Special contract arrangements will be required when a Customer's aggregate power requirement exceeds 20,000 kW.

Service delivered at low voltage (600 volts or under) will be supplied from the Company's distribution system to the outside wall of the Customer's building or service pole, unless an exception is granted by the Company and the City or State Electrical Inspector.

The Customer's facilities will be installed and maintained in accordance with the requirements of the National Electrical Code.

6. Limitation of Use. A Customer will not resell electricity received from the Company to any person except where the Customer is owner, lessee, or operator of a commercial building, shopping center, apartment house, mobile home court, or other multi-family dwelling where the use has been sub-metered prior to July 1, 1980, and the use is billed to tenants at the same rates that the Company would charge for service, unless the Commission authorizes alternative procedures.

A Customer's wiring will not be extended or connected to furnish service to more than one building or place of use through one meter, even though such building, property, or place of use is owned by the Customer. This rule is not applicable where the Customer's residence or business consists of one or more adjacent buildings or places of use located on the same Premises or operated as an integral unit, under the same name and carrying on parts of the same residence or business.

7. Rights of Way. The Customer shall, without cost to the Company, grant the Company a right of way for the Company's lines and apparatus across and upon the property owned or controlled by the Customer, necessary or incidental to the supplying of Electric Service and shall permit access thereto by the Company's employees at all reasonable hours.

**SCHEDULE 19**  
**LARGE POWER SERVICE**

**AVAILABILITY**

Service under this schedule is available at points on the Company's interconnected system within the State of Idaho where existing facilities of adequate capacity and desired phase and voltage are available. If additional distribution facilities are required to supply the desired service, those facilities provided for under Rule H will be provided under the terms and conditions of that rule. To the extent that additional facilities not provided for under Rule H, including transmission and/or substation facilities, are required to provide the requested service, special arrangements will be made in a separate agreement between the Customer and the Company.

**APPLICABILITY**

Service under this schedule is applicable to and mandatory for Customers who register a metered Demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods. Customers whose initial usage, based on information provided by the Customer, is expected to be 1,000 kW or more per Billing Period for three or more Billing Periods during 12 consecutive Billing Periods may, at the Customer's request, take service under this schedule prior to meeting the metered Demand criterion. This schedule will remain applicable until the Customer fails to register a metered demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods.

Deliveries at more than one Point of Delivery or more than one voltage will be separately metered and billed. If the aggregate power requirement of a Customer who receives service at one or more Points of Delivery on the same Premises exceeds 20,000 kW, the Customer is ineligible for service under this schedule and is required to make special contract arrangements with the Company.

This schedule is not applicable to service for resale, to shared or irrigation service, to standby or supplemental service, unless the Customer has entered into a Uniform Standby Service Agreement or other standby agreement with the Company, or to multi-family dwellings.

**Contract Option.** Customers for which this schedule is applicable may optionally take service under a mutually agreed upon individual special contract between the Customer and the Company provided the Customer contracts for firm electric Demand of 10,000 kW to 20,000 kW and the special contract terms, conditions, and rates are approved by the Idaho Public Utilities Commission without change or condition.

**TYPE OF SERVICE**

The Type of Service provided under this schedule is three-phase at approximately 60 cycles and at the standard service voltage available at the Premises to be served.

SCHEDULE 24  
AGRICULTURAL IRRIGATION  
SERVICE

AVAILABILITY

Service under this schedule is available at points on the Company's interconnected system within the State of Idaho for loads up to 20,000 kW where existing facilities of adequate capacity and desired phase and voltage are adjacent to the Premises to be served, and additional investment by the Company for new transmission, substation or terminal facilities is not necessary to supply the desired service. If the aggregate power requirement of a Customer who receives service at one or more Points of Delivery on the same Premises exceeds 20,000 kW, special contract arrangements will be required.

APPLICABILITY

Service under this schedule is applicable to power and energy supplied to agricultural use customers operating water pumping or water delivery systems used to irrigate agricultural crops or pasturage at one Point of Delivery and through one meter. Water pumping or water delivery systems include, but are not limited to, irrigation pumps, pivots, fertilizer pumps, drainage pumps, linears, and wheel lines.

TYPE OF SERVICE

The type of service provided under this schedule is single- and/or three-phase, alternating current, at approximately 60 cycles and at the standard voltage available at the Premises to be served.

SERVICE CONNECTION AND DISCONNECTION

The Company will routinely keep service connected throughout the calendar year unless the Customer requests service be disconnected. Customer requested service disconnections will be made at no charge during the Company's normal business hours. The Company's termination practices as specified under Rule F will continue to apply with the exception that service terminations will not be made during the Irrigation Season.

Service Connection Charge. A Service Connection Charge as specified in Schedule 66 will be assessed when service is reconnected.

Service Establishment Charge. A Service Establishment Charge as specified in Schedule 66 will be assessed when service that is currently energized at the Point of Delivery is established for the Customer.

SEASONAL DEFINITION

The Irrigation Season will begin with the Customer's meter reading for the May Billing Period and end with the Customer's meter reading for the September Billing Period. The beginning cycles of a Billing Period may actually be based on meter readings taken not more than 7 days prior to the start of the corresponding calendar month.

**Exhibit No. 2**  
**Case No. IPC-E-10-23**  
**M. Youngblood, IPC**  
**Page 3 of 3**



**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-10-23**

**IDAHO POWER COMPANY**

**YOUNGBLOOD, DI**  
**TESTIMONY**

**EXHIBIT NO. 3**

RULE C  
SERVICE AND LIMITATIONS  
(Continued)

5. Point of Delivery Service Requirements (Continued)

Where separate Points of Delivery exist for supplying service to a Customer at a single Premises or separate meters are maintained for measurement of service to a Customer at a single Premises, the meter readings will not be combined or aggregated for any purpose except for determining if the Customer's total power requirements exceed 250,000 kW. Special contract arrangements will be required when a Customer's aggregate power requirement exceeds 250,000 kW.

Service delivered at low voltage (600 volts or under) will be supplied from the Company's distribution system to the outside wall of the Customer's building or service pole, unless an exception is granted by the Company and the City or State Electrical Inspector.

The Customer's facilities will be installed and maintained in accordance with the requirements of the National Electrical Code.

6. Limitation of Use. A Customer will not resell electricity received from the Company to any person except where the Customer is owner, lessee, or operator of a commercial building, shopping center, apartment house, mobile home court, or other multi-family dwelling where the use has been sub-metered prior to July 1, 1980, and the use is billed to tenants at the same rates that the Company would charge for service, unless the Commission authorizes alternative procedures.

A Customer's wiring will not be extended or connected to furnish service to more than one building or place of use through one meter, even though such building, property, or place of use is owned by the Customer. This rule is not applicable where the Customer's residence or business consists of one or more adjacent buildings or places of use located on the same Premises or operated as an integral unit, under the same name and carrying on parts of the same residence or business.

7. Rights of Way. The Customer shall, without cost to the Company, grant the Company a right of way for the Company's lines and apparatus across and upon the property owned or controlled by the Customer, necessary or incidental to the supplying of Electric Service and shall permit access thereto by the Company's employees at all reasonable hours.

**SCHEDULE 19**  
**LARGE POWER SERVICE**

**AVAILABILITY**

Service under this schedule is available at points on the Company's interconnected system within the State of Idaho where existing facilities of adequate capacity and desired phase and voltage are available. If additional distribution facilities are required to supply the desired service, those facilities provided for under Rule H will be provided under the terms and conditions of that rule. To the extent that additional facilities not provided for under Rule H, including transmission and/or substation facilities, are required to provide the requested service, special arrangements will be made in a separate agreement between the Customer and the Company.

**APPLICABILITY**

Service under this schedule is applicable to and mandatory for Customers who register a metered Demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods. Customers whose initial usage, based on information provided by the Customer, is expected to be 1,000 kW or more per Billing Period for three or more Billing Periods during 12 consecutive Billing Periods may, at the Customer's request, take service under this schedule prior to meeting the metered Demand criterion. This schedule will remain applicable until the Customer fails to register a metered demand of 1,000 kW or more per Billing Period for three or more Billing Periods during the most recent 12 consecutive Billing Periods.

Deliveries at more than one Point of Delivery or more than one voltage will be separately metered and billed. If the aggregate power requirement of a Customer who receives service at one or more Points of Delivery on the same Premises exceeds 250,000 kW, the Customer is ineligible for service under this schedule and is required to make special contract arrangements with the Company.

This schedule is not applicable to service for resale, to shared or irrigation service, to standby or supplemental service, unless the Customer has entered into a Uniform Standby Service Agreement or other standby agreement with the Company, or to multi-family dwellings.

**Contract Option.** Customers for which this schedule is applicable may optionally take service under a mutually agreed upon individual special contract between the Customer and the Company provided the Customer contracts for firm electric Demand of 10,000 kW to 250,000 kW and the special contract terms, conditions, and rates are approved by the Idaho Public Utilities Commission without change or condition.

**TYPE OF SERVICE**

The Type of Service provided under this schedule is three-phase at approximately 60 cycles and at the standard service voltage available at the Premises to be served.

SCHEDULE 24  
AGRICULTURAL IRRIGATION  
SERVICE

AVAILABILITY

Service under this schedule is available at points on the Company's interconnected system within the State of Idaho for loads up to 250,000 kW where existing facilities of adequate capacity and desired phase and voltage are adjacent to the Premises to be served, and additional investment by the Company for new transmission, substation or terminal facilities is not necessary to supply the desired service. If the aggregate power requirement of a Customer who receives service at one or more Points of Delivery on the same Premises exceeds 250,000 kW, special contract arrangements will be required.

APPLICABILITY

Service under this schedule is applicable to power and energy supplied to agricultural use customers operating water pumping or water delivery systems used to irrigate agricultural crops or pasturage at one Point of Delivery and through one meter. Water pumping or water delivery systems include, but are not limited to, irrigation pumps, pivots, fertilizer pumps, drainage pumps, linears, and wheel lines.

TYPE OF SERVICE

The type of service provided under this schedule is single- and/or three-phase, alternating current, at approximately 60 cycles and at the standard voltage available at the Premises to be served.

SERVICE CONNECTION AND DISCONNECTION

The Company will routinely keep service connected throughout the calendar year unless the Customer requests service be disconnected. Customer requested service disconnections will be made at no charge during the Company's normal business hours. The Company's termination practices as specified under Rule F will continue to apply with the exception that service terminations will not be made during the Irrigation Season.

Service Connection Charge. A Service Connection Charge as specified in Schedule 66 will be assessed when service is reconnected.

Service Establishment Charge. A Service Establishment Charge as specified in Schedule 66 will be assessed when service that is currently energized at the Point of Delivery is established for the Customer.

SEASONAL DEFINITION

The Irrigation Season will begin with the Customer's meter reading for the May Billing Period and end with the Customer's meter reading for the September Billing Period. The beginning cycles of a Billing Period may actually be based on meter readings taken not more than 7 days prior to the start of the corresponding calendar month.

**Exhibit No. 3**  
**Case No. IPC-E-10-23**  
**M. Youngblood, IPC**  
**Page 3 of 3**