

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)	NOTICE OF APPLICATION
THE UPPER LIMIT OF POWER)	
REQUIREMENTS FOR LARGE LOAD)	NOTICE OF
CUSTOMERS)	MODIFIED PROCEDURE
)	
)	NOTICE OF
)	COMMENT/PROTEST DEADLINE

YOU ARE HEREBY NOTIFIED that on August 26, 2010, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for an Order authorizing reducing the upper limit for large power service under Schedule 19, agricultural irrigation service under Schedule 24 and point of delivery service requirements in Rule C (Service and Limitations) from 25,000 kW to 20,000 kW of aggregate load. Under the Company's proposal service at levels exceeding 20,000 kW will require special contract arrangements. The Company requests that the tariff modifications become effective on or before January 1, 2011.

BACKGROUND

Schedule 19, Large Power Service, is currently available and mandatory for customers who register a meter demand of 1,000 kW or more per billing period for 3 or more consecutive billing periods during the most recent 12 consecutive months, up to a maximum demand of 25,000 kW. Schedule 24, Agricultural Irrigation Service, is applicable to agricultural use customers operating water pumping or water delivery systems used to irrigate agricultural crops or pasturage for loads up to 25,000 kW. A customer is not eligible for Schedule 19 or Schedule 24 service if its aggregate power requirement at one or more points of delivery on the same premises exceeds 25,000 kW. Point of Delivery Service requirements in Rule C state that a special contract is required when an aggregate power requirement exceeds 25,000 kW.

APPLICATION

The Company, with this Application, proposes to reduce the 25,000 kW eligibility limit to 20,000 kW for Schedules 19 and 24 and Rule C. Idaho Power has filed this request in response to the continued high interest from potential large industrial load customers to take service from Idaho Power and responsible planning and development on the part of the Company, which has a lack of capacity and other constraints on its system. At a time when the ability of Idaho Power's generation and transmission system to serve new load is constrained, the size and operating characteristics of potential large loads, the Company contends, can be very expensive to serve. In recent years, excess capacity has diminished to the point that new large loads will often drive the need to add new generation and/or new transmission. By lowering the size limit, the Company can address service to growing or new load within a special contract, allowing for specific cost-of-service information as well as the unique operating characteristics of customers of this size to be considered and captured within the terms of the contractual agreement. Special contracts can provide some protection to the Company's customers from unintended system impacts that large loads may impose because of their size and their time, nature, and pattern of use.

Idaho Power represents that the proposed change will not affect any current Schedule 19 or 24 customers of Idaho Power. The Company currently has approximately one hundred ten (110) Schedule 19, Large Power Service, customers in its Idaho service territory. The Company also currently has four special contract customers: (1) Micron Technology, Inc.; (2) the United States Department of Energy's Idaho National Laboratory; (3) the JR Simplot Company; and (4) Hoku Materials, Inc. These four customers range in size from 30 to 85 MWs of load. Currently, the Company has approximately 75 potential new customers system-wide with loads greater than 1 MW and one potentially at 240 MW that have expressed interest in obtaining service from Idaho Power. Of the larger ones, a single customer with a load of about 60 MW appears likely at this time to require service.

The most recent special contract, Hoku Materials, Inc., approved by the Commission on March 16, 2009, by Order No. 30748 in Case No. IPC-E-08-21 was developed with several regulatory goals for large load service in mind. These goals, as stated in Company witness Ric Gale's testimony in the aforementioned case, strive to meet the Company's obligation to serve large load customers in its service territory while protecting the Company and its many other

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large load customers in its service territory while protecting the Company and its many other retail customers from adverse system impacts that new large loads could impose in an environment when system capacity is limited and/or constrained. These goals are to: (1) provide requested service consistent with system capability and the reliability needs of existing customers; (2) provide options to the customer when the Company is unable to provide service as requested; (3) mitigate the rate impact on existing customers by developing a rate structure that includes a marginal price component for an initial term of the service agreement; (4) require upfront contributions to capital expenditures associated with facilities that specifically serve the large load customer; and (5) provide a means to quantify known and measurable amounts of additional load for Integrated Resource Planning. The Company's request in this case, it states, better enables it to manage the impacts of potential new large loads on its system in satisfaction of these goals. The Company's Application is supported and accompanied by the prefiled testimony of Michael Youngblood, Manager of Rate Design in the Regulatory Affairs Department.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-10-23. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in Case No. IPC-E-10-23 is **Friday, November 12, 2010**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-10-23 should be mailed to the Commission and the Company at the addresses reflected below.

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Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Lisa D. Nordstrom, Lead Counsel
Donovan E. Walker, Senior Counsel
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: lnordstrom@idahopower.com
dwalker@idahopower.com

Gregory W. Said
Michael J. Youngblood
Darlene Nemnich
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: gsaid@idahopower.com
myoungblood@idahopower.com
dnemnich@idahopower.com

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-10-23 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 W. Idaho Street, Boise, Idaho.


DATED at Boise, Idaho this 23rd day of September 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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