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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )	
IDAHO POWER COMPANY FOR DEFERRAL )	CASE NO. IPC-E-16-19
AND RECOVERY COSTS ASSOCIATED )	COMMENTS OF THE INDUSTRIAL
WITH PARTICIPATION IN AN ENERGY )	CUSTOMERS OF IDAHO POWER
IMBALANCE MARKET. )	
_____ )	

COMES NOW, The Industrial Customers of Idaho Power (ICIP), an Intervenor herein, and pursuant to the Idaho Public Utilities Commission's (Commission) Notice of Modified Procedure and Notice of Comment Deadline issued in Commission Order No. 33627 on October 14, 2016, and hereby lodges its Comments for the Commission's consideration.

IDAHO POWER'S APPLICATION

Idaho Power Company ("Company") filed its Application in this matter with the Commission on August 19, 2016. It asks the Commission to issue an order:

- (1) acknowledging the potential for long-term benefits related to Idaho Power's participation in the western EIM [Energy Imbalance Market]
- (2) authorizing the establishment of a regulatory deferral account to tract necessary incremental costs associated with EIM participation, and
- (3) authorizing the Company to recover, in a future rate proceeding, the estimated incremental costs of joining the EIM.

Application at p. 7.

The Company anticipates beginning participation in the western EIM in April of 2018, and anticipates annual savings from such participation to be in the range of four to five million dollars. It also anticipates incurring incremental costs of almost sixteen million dollars. Incremental costs include start up costs associated with software, metering and associated labor and software fees.

Specifically the Company asks the Commission to:

Issue an order acknowledging the expected customer benefits resulting from its participation in the Western EIM, authorizing the Company to defer its Idaho jurisdictional share of incremental costs related to participation in the western EIM, and authorizing the Company to recover, in a future rate proceeding, the estimated incremental costs of joining the EIM.

Application at p. 5.

#### ICIP RECOMMENDATIONS

The ICIP does not oppose the issuance of an order by this Commission “authorizing the Company to defer its Idaho jurisdictional share of incremental costs related to participation in the western EIM.” Nor does the ICIP oppose the issuance of an order by this Commission “acknowledging the expected benefits resulting from its [Idaho Power’s] participation in the Western EIM.” Certainly, implicit in any order from this Commission authorizing deferral of costs related to a new endeavor such as the EIM is an assumption (if not a hope) that such costs will result in benefits to the ratepayers. That said, the ICIP strongly opposes any order from this Commission authorizing rate recovery of any costs in a future proceeding that have yet to be proven to have been prudently incurred.

The ICIP agrees that the Commission may enter a deferred account order to permit the Company to begin to defer its jurisdictional share of EIM- related operations and maintenance expenses and depreciation expenses related to capital investments necessary to implement EIM

for *potential* recovery from customers pursuant to a Commission order in a future rate case. The prudence of the deferred EIM costs can only be determined in such future rate case, and the ICIP reserves the right to contest said costs to be recovered notwithstanding its position relative to the deferred accounting treatment of those expenses

DATED this 15<sup>h</sup> day of December, 2016



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Peter J. Richardson  
RICHARDSON ADAMS, PLLC

#### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of December, 2016, a true and correct copy of the within and foregoing COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER in Docket No. IPC-E-16-19 was served electronically and by U.S. Mail, to:

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