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December 28, 2018

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Tariff Advice No. 18-14
Update to Substation Allowance Amount Under Schedule 19, Large Power Service

Attention Filing Center:

Pursuant to ORS § 757.205, 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 filing updates the Substation Allowance amount contained within Schedule 19 as approved by Public Utility Commission of Oregon Advice No. 18-09. The following tariff sheet identifies the proposed modification:

First Revised Sheet No. 19-6 Cancelling Original Sheet No. 19-6

The cost estimation methodology the Company used in this tariff advice is the same methodology the Company presented in Case Nos. IPC-E-13-09 and IPC-E-14-01. The updated Substation Allowance reflects updated material costs, labor rates, and the stations overhead rate. The Substation Allowance amount increased \$8,173 to \$72,559, or 12.7 percent. The primary driver for the increase in the Substation Allowance is attributed to increased material costs; most notably, the cost of the 30 MVA transformer and 4-unit metalclad increased 18 percent and 24 percent, respectively. The overall increase in the material costs was offset by a decrease in the general overhead rate from 11.48 percent to 9.81 percent.

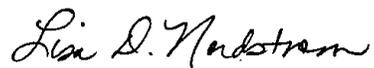
The Company is providing the workpapers used to calculate the per megawatt Substation Allowance and the stations overhead rate in hard copy by U.S. mail as confidential attachments to this tariff advice. Please note that information in the workpapers is commercially sensitive and if disclosed freely could subject Idaho Power or its customers to risk of competitive disadvantage or other business injury. The undersigned attorney, in accordance with OAR 860-001-0070, certifies that the workpapers contain information that is a trade secret as described in ORS § 192.345 (2) and (5), and as such are exempt from public inspection, examination, or copying.

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The Company respectfully requests that the proposed updates are approved January 29, 2018, and become effective February 1, 2019.

If you have any questions regarding this tariff advice, please contact Regulatory Analyst Grant Anderson at 388-6498 or ganderson@idahopower.com.

Sincerely,



Lisa D. Nordstrom

LDN:kkt

Enclosures

SCHEDULE 19
LARGE POWER SERVICE
(Continued)

SPECIAL ARRANGEMENTS FOR SUBSTATION ALLOWANCES

Definitions

Substation Allowance is the portion of the cost of the Substation Facilities funded by the Company.

Substation Facilities include those facilities and related equipment that transform the voltage of energy from a 44 kilovolt or higher rating to a 34.5 kilovolt or lower rating.

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 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 \$72,559 per MW, but will not exceed the actual cost of the Substation Facilities funded by the Customer. (l)
- 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, and will equal the per MW Substation Allowance times the new or added load as measured in MW, with the product divided by five.

The Substation Allowance for the subsequent years will equal the Substation Allowance from the previous year if there is no change in load from the previous year. If there is a change in load from the previous year, the refund will be based on the following adjustment, which will be added to or subtracted from the Substation Allowance received in 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. The Company may, at its sole discretion, provide the full Substation Allowance as an upfront lump sum to the Customer.