

**CONNIE ASCHENBRENNER**  
Rate Design Senior Manager  
[caschenbrenner@idahopower.com](mailto:caschenbrenner@idahopower.com)

December 28, 2022

**VIA ELECTRONIC FILING**

[PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

Re: Tariff Advice No. 22-09  
Update the Substation Allowance Amount contained within 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 proposes to update the Substation Allowance amount within Schedule 19 as contained in the following tariff sheet be approved:

Fifth Revised Sheet No. 19-6 Cancelling Fourth Revised Sheet No. 19-6

The cost estimation methodology the Company used in this tariff advice is the same methodology the Company has relied on in previous annual updates<sup>1</sup> and is based on the standard terminal facilities equivalent required to service Schedule 19 customers, applied on a per megawatt (“MW”) basis.

The proposed Substation Allowance amount reflects updated material costs, labor rates, and the stations overhead rate, which in total results in the proposed per megawatt Substation Allowance amount increasing from \$57,640 to \$79,444, or by 38 percent. The primary drivers attributed to the increased Substation Allowance amount being proposed are the approximate 12 percent and 88 percent increase in the cost of the 138kV/13.09kV, 44.8 MVA transformer and the 4-unit metalclad switchgear, respectively, the latter of which has recently experienced significant production cost increases due to elevated material and labor costs. Other material costs also generally increased, partially offset by a decrease in the stations overhead rate from 8.63 percent to 6.57 percent.

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<sup>1</sup> Advice Nos. 18-09, 20-04, and 21-14.

The workpapers used to calculate the per megawatt Substation Allowance and the stations overhead rate are provided 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 person, 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.

The Company respectfully requests that the proposed update is approved February 7, 2023, and become effective February 8, 2023.

If you have any questions regarding this tariff advice, please contact Regulatory Analyst Riley Maloney at 208-388-5418 or [rmaloney@idahopower.com](mailto:rmaloney@idahopower.com).

Sincerely,



Connie Aschenbrenner

CA:sg  
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 \$79,444 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.