



# Oregon

Kate Brown, Governor

**Public Utility Commission**

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May 8, 2020



BY EMAIL

Idaho Power Company

Lisa Nordstrom

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RE: Advice No. 19-13 (UE 373)

At the public meeting on May 5, 2020, the Commission adopted Staff's recommendation in this matter docketed as UE 373. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: May 5, 2020**

REGULAR  CONSENT  EFFECTIVE DATE June 1, 2020

**DATE:** April 24, 2020

**TO:** Public Utility Commission

**FROM:** John Fox

**THROUGH:** Bryan Conway, Mike Dougherty, John Crider, and Marianne Gardner **SIGNED**

**SUBJECT:** IDAHO POWER COMPANY:  
(Docket No. UE 373/Advice No. 19-13)  
Application to Decrease Rates for Electric Service of Costs Associated  
with Tax Reform.

**STAFF RECOMMENDATION:**

Approve Idaho Power's Application to Decrease Rates for Electric Service of Costs Associated with Tax Reform.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve amortization of Oregon-jurisdictional tax benefits in the amount of \$1,519,887 in base rates beginning June 1, 2020, and the related proposal that this amount remain in customer rates until the Company's next general rate case or other proceeding where the then current tax expenses and other tax related revenue requirement components are reflected in rates.

Applicable Rule

Under ORS 757.205(1), a public utility must file schedules showing all rates, tolls, and charges for services that have been established and are in force at the time. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules,

including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral. ORS 757.259(4); OAR 860-027-0300(9).

## Analysis

### *Background*

In Order No. 18-199 the Commission:

Directed Idaho Power to file an application to reauthorize the deferral of Tax Act benefits for the calendar year 2019, no later than December 31, 2018, for the annual revenue requirement amount of \$1,483,736, consistent with the Term Sheet agreed to by Idaho Power, Staff, and the Citizens' Utility Board (CUB).

Approved amortization of the 2018 ratepayer benefits associated with the Tax Act beginning June 1, 2018 and ending May 31, 2019, consistent with the Term Sheet agreed to by Idaho Power, Staff, and CUB.

Approved Idaho Power's request to recover the incremental revenue requirement of \$2,498,886 related to the accelerated depreciation of Valmy Unit 1, beginning June 1, 2018 and ending December 31, 2019.

Directed Idaho Power to file updated base rate tariff sheets which reflect the net impact of all rate changes to go into effect on June 1, 2018.

Furthermore, in the Term Sheet agreed to by Idaho Power, Staff, and CUB approved by the Commission in Order No. 18-199, Idaho Power agreed to forgo the application of an earnings test for deferred Tax Act benefits for 2018 and 2019.

A compliance filing occurred on May 31, 2018, revising base rates effective June 1, 2018 inclusive of the 2018 Tax Act benefits as approved by the Commission.

In Order No. 19-166 the Commission:

Approved Idaho Power Company's application for an accounting order reauthorizing the Company to defer Tax Act benefits for the period between January 1, 2019 and December 31, 2019, calculated to be \$1,483,736, consistent with the Term Sheet agreed to by Idaho Power, Staff, and CUB.

In Order No. 19-182 the Commission:

Approved Idaho Power Company's application for an order approving amortization of deferred amounts associated with the income tax provisions of H.R.1, also known as the U.S. Tax Cuts and Jobs Act ("Tax Act"), for the June 1, 2019 through May 31, 2020, time period.

In Order No. 20-134 the Commission:

Approved Idaho Power Company's application for an accounting order reauthorizing the Company to defer Tax Act benefits for the period between January 1, 2020 and December 31, 2020, calculated to be \$1,519,887, consistent with the Term Sheet agreed to by Idaho Power, Staff, and CUB.

#### *Application to Decrease Rates*

In this application, UE 373, the Company seeks to increase the annual amount returned to ratepayers from \$1,483,736 to \$1,519,887, resulting in a decrease of Oregon base rate revenue from \$55.829 million dollars to \$55.793 million, or 0.06 percent.

The Company is also requesting that this amount remain in customer rates until its next general rate case or other proceeding where the then current tax expenses and other tax related revenue requirement components are reflected in rates.<sup>1</sup>

#### *Staff Review*

The Company responded to a number of Staff data requests necessary to clarify and supplement the figures in the Company's application. Furthermore, telephone

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<sup>1</sup> The Company's testimony (Idaho Power/100, Waites/6-7) also indicates the intent that the \$1.152 million figure will not be updated until the next GRC and that the Company's intent to continue to file annual requests for reauthorization of deferred accounting of the Tax Reform benefits in Docket No. UM 1928.

workshops including representatives of the Company, Staff, and CUB occurred on March 10 and March 27, 2020, to discuss the particulars.

Staff's review focused on comparing the confidential results underlying the total proposed \$1,519,887 refund (Idaho Power/201, Marchioro/1) to the \$1,483,736 refund amount previously determined in 2018 (Order No. 18-199, Attachment C). The components of the proposal are summarized in the Company's application and testimony as follows:

- Continued quantification of annual tax reform benefits in the amount of \$1,158,335 based on 2017 results.
- Remove tax benefits in the amount of \$68,545 associated with the cessation of operations and full depreciation of Valmy Unit 1 on December 31, 2019.
- Increase the amount of other income tax benefits from \$283,999 to \$388,695.<sup>2</sup>

As noted in testimony, Idaho Power uses flow through accounting for ratemaking purposes.<sup>3</sup> The Company also provided the following additional information:

Significant flow-through items that would cause tax expense reported for regulatory purposes to vary from year to year include capitalized repair costs, capitalized overhead costs, avoided cost interest, Allowance for Funds Used During Construction - Borrowed, removal costs, bond redemption costs, depreciation (reversing flow-through plant adjustments), and state tax adjustments.<sup>4</sup>

Staff's preferred method of evaluating adequacy of tax reform benefits is to compare the change in the tax rate on a normalized ratemaking basis. This approach is problematic in the case of Idaho Power because of variances in tax expense from year to year as noted above.

Alternatively, the Company has provided the income tax analysis in Attachment A to this memo, which asserts a reduction in income tax of 44 percent compared to Idaho Power's most recent general rate case.<sup>5</sup> Staff has reviewed the Company's display

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<sup>2</sup> Includes expense reduction and rate base increase associated with protected EDIT amortization. See Idaho Power/200 Marchioro/6 and Idaho Power/202 Marchioro/1.

<sup>3</sup> Idaho Power/200, Marchioro/5.

<sup>4</sup> IDAHO POWER COMPANY'S RESPONSE TO STAFF'S DATA REQUEST NO. 7.

<sup>5</sup> See In the Matter of IDAHO POWER COMPANY Request for a General Rate Revision, Docket No. UE 233, Order No. 12-055, Feb 23, 2012.

comparing it to the income tax amounts underlying Order No. 12-055 and concurs with the Company's analysis. Staff's calculations were also reviewed by CUB prior to the March 27, 2020, workshop.

#### *Compliance Filing*

Idaho Power will have other base rate changes associated with the APCU in UE 366 (in addition to rate changes for Schedule 56 (UE 376) and Schedule 92 (Adv No. 20-02)) effective for the same time period, June 1, 2020, - May 31, 2021, the Company is proposing one compliance filing that incorporates the impacts of all four rate changes.

#### Conclusion

Staff concludes that the Company's proposal represents a fair, just, and reasonable return of Tax Act benefits to Idaho Power's Oregon ratepayers and recommends the Commission approve the revised tariffs.

#### **PROPOSED COMMISSION MOTION:**

Approve amortization of Oregon-jurisdictional tax benefits in the amount of \$1,519,887 in base rates beginning June 1, 2020, and the related proposal that this amount remain in customer rates until Idaho Power's next general rate case or other proceeding where the then current tax expenses and other tax related revenue requirement components are reflected in rates.

**IDAHO POWER COMPANY**  
**UE 233**  
**Income Tax Expense Analysis**

Total Income Tax Expense from 2011 Settled Test Year	32,405,509
Oregon Allocation Factor from Test Year	6.4470%
Oregon Allocated Tax Expense	2,089,182
Gross-Up Factor	1.642
Income Taxes in Oregon Base Rates	3,430,437
Proposed Tax Expense Reduction for Rate & Law Changes (incl gross-up)	(1,158,335)
Additional Net Reduction for Valmy and ARAM (incl gross-up)	(361,552)
Total Proposed Tax Expense Reduction	(1,519,887)
<b>Revised Oregon Base Rate Tax Expense</b>	<b>1,910,550</b>
<b>Reduction in Oregon Income Taxes</b>	<b>44.31%</b>

SCHEDULE 1  
RESIDENTIAL SERVICE  
(Continued)

RESIDENTIAL SPACE HEATING (Continued)

Individual resistance-type units for space heating larger than 1,650 watts shall be designed to operate at 240 or 208 volts, and no single unit shall be larger than 6 kW. Heating units of two kW or larger shall be controlled by approved thermostatic devices. When a group of heating units, with a total capacity of more than 6 kW, is to be actuated by a single thermostat, the controlling switch shall be so designed that not more than 6 kW can be switched on or off at any one time. Supplemental resistance-type heaters, that may be used with a heat exchanger, shall comply with the specifications listed above for such units.

MONTHLY CHARGE

The Monthly Charge is the sum of the Service Charge and the Energy Charge at the following rates, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

Service Charge, per month	\$ 8.00	
Energy Charge, per kWh		
0-1000 kWh	8.4766¢	(R)
Over 1000 kWh	9.9951¢	(R)

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.



SCHEDULE 5  
RESIDENTIAL SERVICE  
TIME-OF-DAY PILOT PLAN  
(OPTIONAL)  
(Continued)

TIME PERIODS (Continued)

Holidays are New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If New Year's Day, Independence Day, or Christmas Day falls on Saturday, the preceding Friday will be designated a holiday. If New Year's Day, Independence Day, or Christmas Day falls on Sunday, the following Monday will be designated a holiday.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

Service Charge, per month	\$8.00	
Energy Charge, per kWh		
Summer		
Peak	13.0916¢	(R)
Off-Peak	12.9588¢	(R)
Non-summer		
Peak	8.0044¢	(R)
Off-Peak	7.9017¢	(R)

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 7  
SMALL GENERAL SERVICE  
(Continued)

MONTHLY CHARGE (Continued)

	<u>Summer</u>	<u>Non-Summer</u>	
Energy Charge, per kWh			
0-500 kWh	8.3179¢	8.3179¢	(R)
Over 500 kWh	10.9693¢	9.1427¢	(R)

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 9  
LARGE GENERAL SERVICE  
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the Service Charge and the Energy Charge at the following rates, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-Summer</u>	
Service Charge, per month			
Single Phase Service	\$ 10.25	\$ 10.25	
Three Phase Service	\$ 17.35	\$ 17.35	
Basic Charge, per kW of			
Basic Load Capacity	\$ 0.78	\$ 0.78	
Demand Charge, per kW of			
Billing Demand	\$ 6.29	\$ 4.73	
Energy Charge, per kWh	6.2772¢	5.8422¢	(R)
<u>Facilities Charge</u>			
None			
 <u>PRIMARY SERVICE</u>	 <u>Summer</u>	 <u>Non-Summer</u>	
Service Charge, per month	\$202.00	\$202.00	
Basic Charge, per kW of			
Basic Load Capacity	\$ 1.31	\$ 1.31	
Demand Charge, per kW of			
Billing Demand	\$ 6.23	\$ 5.08	
On-Peak Demand Charge, per kW of			
On-Peak Billing Demand	\$ 0.92	n/a	
Energy Charge, per kWh			
On-Peak	6.2204¢	n/a	(R)
Mid-Peak	5.8839¢	5.4216¢	(R)
Off-Peak	5.6678¢	5.2832¢	(R)
<u>Facilities Charge</u>			

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.41 percent.

SCHEDULE 9  
LARGE GENERAL SERVICE  
 (Continued)

MONTHLY CHARGE (Continued)

<u>TRANSMISSION SERVICE</u>	<u>Summer</u>	<u>Non-Summer</u>	
Service Charge, per month	\$200.00	\$200.00	
Basic Charge, per kW of Basic Load Capacity	\$ 0.34	\$ 0.34	
Demand Charge, per kW of Billing Demand	\$ 4.07	\$ 4.36	
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$ 0.78	n/a	
Energy Charge, per kWh			
On-Peak	5.5596¢	n/a	(R)
Mid-Peak	5.2540¢	4.8169¢	(R)
Off-Peak	5.0541¢	4.6893¢	(R)

Facilities Charge

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.41 percent.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 15  
DUSK TO DAWN CUSTOMER LIGHTING  
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the per Unit Charge and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), and Schedule 95 (Adjustment for Municipal Exactions).

1. Monthly Per Unit Charge on existing facilities:

AREA LIGHTING

<u>High Pressure Sodium Vapor</u>	<u>Average Lumens</u>	<u>Monthly Base Rate</u>	
100 Watt	8,550	\$ 11.04	(R)
200 Watt	19,800	\$ 13.11	(R)
400 Watt	45,000	\$ 17.74	(R)

FLOOD LIGHTING

<u>High Pressure Sodium Vapor</u>	<u>Average Lumens</u>	<u>Monthly Base Rate</u>	
200 Watt	19,800	\$ 15.75	(R)
400 Watt	45,000	\$ 18.55	(R)
<u>Metal Halide</u>			
400 Watt	28,800	\$ 13.70	(R)
1,000 Watt	88,000	\$ 21.67	(R)

2. For New Facilities Installed Before August 8, 2005. The Monthly Charge for New Facilities installed, prior to August 8, 2005 such as overhead secondary conductor, poles, anchors, etc., shall be 1.51 percent of the estimated installed cost thereof.
3. For New Facilities Installed On or After August 8, 2005. The non-refundable charge for New Facilities to be installed, such as underground service, overhead secondary conductor, poles, anchors, etc., shall be equal to the work order cost.

PAYMENT

The monthly bill for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 19  
LARGE POWER SERVICE  
 (Continued)

POWER FACTOR ADJUSTMENT

Where the Customer's Power Factor is less than 90 percent, as determined by measurement under actual load conditions, the Company may adjust the kW measured to determine the Billing Demand by multiplying the measured kW by 90 percent and dividing by the actual Power Factor.

TEMPORARY SUSPENSION

When a Customer has properly invoked Rule G, Temporary Suspension of Demand, the Basic Load Capacity, the Billing Demand, and the On-Peak Billing Demand shall be prorated based on the period of such suspension in accordance with Rule G. In the event the Customer's metered demand is less than 1,000 kW during the period of such suspension, the Basic Load Capacity and Billing Demand will be set equal to 1,000 kW for purposes of determining the Customer's monthly Minimum Charge.

MONTHLY CHARGE

The Monthly Charge is the sum of the Service Charge and the Energy Charge at the following rates, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-Summer</u>	
Service Charge, per month	\$222.00	\$222.00	
Basic Charge, per kW of Basic Load Capacity	\$ 0.64	\$ 0.64	
Demand Charge, per kW of Billing Demand	\$ 5.36	\$ 5.23	
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$ 0.87	n/a	
Energy Charge, per kWh			
On-Peak	7.4439¢	n/a	(R)
Mid-Peak	6.0668¢	5.7812¢	(R)
Off-Peak	5.4718¢	5.3220¢	(R)
<u>Facilities Charge</u>			
None			

SCHEDULE 19  
LARGE POWER SERVICE  
 (Continued)

MONTHLY CHARGE (Continued)

<u>PRIMARY SERVICE</u>	<u>Summer</u>	<u>Non-Summer</u>	
Service Charge, per month	\$208.00	\$208.00	
Basic Charge, per kW of Basic Load Capacity	\$ 1.32	\$ 1.32	
Demand Charge, per kW of Billing Demand	\$ 6.37	\$ 5.15	
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$ 0.93	n/a	
Energy Charge, per kWh			
On-Peak	6.5545¢	n/a	(R)
Mid-Peak	5.3761¢	5.1443¢	(R)
Off-Peak	4.8672¢	4.7506¢	(R)

Facilities Charge

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.41 percent.

SCHEDULE 19  
LARGE POWER SERVICE  
 (Continued)

MONTHLY CHARGE (Continued)

<u>TRANSMISSION SERVICE</u>	<u>Summer</u>	<u>Non-Summer</u>	
Service Charge, per month	\$215.00	\$215.00	
Basic Charge, per kW of Basic Load Capacity	\$ 0.35	\$ 0.35	
Demand Charge, per kW of Billing Demand	\$ 5.20	\$ 4.90	
On-Peak Demand Charge, per kW of On-Peak Demand	\$ 1.00	n/a	
Energy Charge, per kWh			
On-Peak	6.4940¢	n/a	(R)
Mid-Peak	5.4113¢	5.1816¢	(R)
Off-Peak	4.9415¢	4.8201¢	(R)

Facilities Charge

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.41 percent.

PAYMENT

The monthly bill for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.



SCHEDULE 24  
AGRICULTURAL IRRIGATION SERVICE  
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

<u>SECONDARY SERVICE</u>	<u>In-Season</u>	<u>Out-of-Season</u>	
Service Charge, per month	\$ 16.85	\$ 3.00	
Demand Charge, per kW of Billing Demand	\$ 8.14	\$ 0.00	(R)
Energy Charge, per kWh			
In Season			
First 164 kWh per kW of Demand	7.8104¢	n/a	(R)
All Other kWh	7.4360¢	n/a	(R)
Out-of-Season			
All kWh	n/a	8.1083¢	(R)

Facilities Charge  
 None

<u>TRANSMISSION SERVICE</u>	<u>In-Season</u>	<u>Out-of-Season</u>	
Service Charge, per month	\$144.00	\$ 3.00	
Demand Charge, per kW of Billing Demand	\$ 7.75	\$ 0.00	(R)
Energy Charge, per kWh			
In Season			
First 164 kWh per kW of Demand	7.6755¢	n/a	(R)
All Other kWh	7.3102¢	n/a	(R)
Out-of-Season			
All kWh	n/a	7.9642¢	(R)

Facilities Charge

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.41 percent.

SCHEDULE 40  
NONMETERED GENERAL SERVICE  
(Continued)

MONTHLY CHARGE

The average monthly kWh of energy usage shall be estimated by the Company, based on the Customer's electric equipment and one-twelfth of the annual hours of operation thereof. Since the service provided is nonmetered, failure of the Customer's equipment will not be reason for a reduction in the Monthly Charge. The Monthly Charge shall be computed at the following rate and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), and Schedule 95 (Adjustment for Municipal Exactions).

Energy Charge, per kWh	7.225¢	(R)
Minimum Charge, per month	\$ 1.50	

ADDITIONAL CHARGES

Applicable only to municipalities or agencies of federal, state, or county governments with an authorized Point of Delivery having the potential of intermittent variations in energy usage.

Intermittent Usage Charge, per unit, per month	\$ 1.00
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PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 41  
STREET LIGHTING SERVICE  
 (Continued)

SERVICE OPTIONS (Continued)

"A" - Idaho Power-Owned, Idaho Power-Maintained System (Continued)

Accelerated Replacement of Existing Fixtures

In the event a Customer requests the Company perform an accelerated replacement of existing fixtures with the cut-off fixture, the following charges will apply:

1. The designed cost estimate which includes labor, time, and mileage costs for the removal of the existing street lighting fixtures.
2. \$132.00 per fixture removed from service.

The total charges identified in 1 and 2 above must be paid prior to the beginning of the fixture replacement and are non-refundable. The accelerated replacement will be performed by the Company during the regularly scheduled working hours of the Company and on the Company's schedule.

Monthly Charges

The Monthly Charges are as follows, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), and Schedule 95 (Adjustment for Municipal Exactions).

Lamp Charges, per lamp (41A)

<u>Standard High Pressure Sodium Vapor</u>	<u>Average Lumens</u>	<u>Monthly Base Rate</u>
70 Watt	5,540	\$ 9.10
100 Watt	8,550	\$ 9.47
200 Watt	19,800	\$ 12.49
250 Watt	24,750	\$ 13.57
400 Watt	45,000	\$ 15.40

(R)  
|  
(R)

Pole Charges

For Company-owned poles required to be used for street lighting only:

Wood pole	\$ 1.90 per pole
Steel pole	\$ 7.39 per pole

Facilities Charge

Customers assessed a monthly facilities charge prior to August 8, 2005 for the installation of underground circuits will continue to be assessed a monthly facilities charge equal to 1.21 percent of the estimated cost difference between overhead and underground circuits.

SCHEDULE 41  
STREET LIGHTING SERVICE  
 (Continued)

SERVICE OPTIONS(Continued)

"A" - Idaho Power-Owned, Idaho Power-Maintained System (Continued)

Monthly Charges (Continued)

Payment

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

"B" - Customer-Owned, Idaho Power-Maintained System – No New Service

The Customer's lighting system, including posts or standards, fixtures, initial installation of lamps and underground cables with suitable terminals for connection to the Company's distribution system, is installed and owned by the Customer and maintained by Idaho Power. Customer-owned lighting systems receiving maintenance under Option B must have Idaho Power standard wattage high pressure sodium vapor lamps installed in all street lighting fixtures.

Customer-owned systems constructed, operated, or modified in such a way as to allow for the potential or actual variation in energy usage, such as through, but not limited to, the use of wired outlets or useable plug-ins, are required to be metered in order to record actual energy usage.

Energy and Maintenance Service

Energy and Maintenance Service includes operation of the system, energy, lamp renewals, cleaning of glassware, and replacement of defective photocells which are standard to the Company-owned street light units. Service does not include the labor or material cost of replacing cables, standards, broken glassware or fixtures, painting, or refinishing of metal poles. Individual lamps will be replaced on burnout as soon as reasonably possible after notification by the Customer and subject to the Company's operating schedules and requirements.

Monthly Charges

The Monthly Charges are as follows, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), and Schedule 95 (Adjustment for Municipal Exactions).

Non-Metered Service, per lamp (41B)

<u>Standard High Pressure Sodium Vapor Energy and Maintenance Charges</u>	<u>Average Lumens</u>	<u>Monthly Base Rate</u>
70 Watt	5,540	\$ 2.86
100 Watt	8,550	\$ 3.35
200 Watt	19,800	\$ 4.61
250 Watt	24,750	\$ 5.56
400 Watt	45,000	\$ 7.63

(R)

SCHEDULE 41  
STREET LIGHTING SERVICE  
 (Continued)

Payment

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

"C" - Customer-Owned, Customer-Maintained System

The Customer's lighting system, including posts or standards, fixtures, initial installation of lamps and underground cables with suitable terminals for connection to the Company's distribution system, is installed, owned, and maintained by the Customer. The Customer is responsible for notifying the Company of any changes or additions to the lighting equipment or loads being served under Option C – Non-Metered Service. Failure to notify the Company of such changes or additions will result in the termination of non-metered service under Option C and the requirement that service be provided under Option C - Metered Service.

All new Customer-owned lighting systems installed outside of Subdivisions on or after January 1, 2012 are required to be metered in order to record actual energy usage.

Customer-owned systems installed prior to June 1, 2004 that are constructed, operated, or modified in such a way as to allow for the potential or actual variation in energy usage may have the estimated annual variations in energy usage charged the Non-Metered Service - Energy Charge until the street lighting system is converted to Metered Service, or until the potential for variations in energy usage has been eliminated, whichever is sooner.

Monthly Charges

The monthly charges are as follows, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees). For non-metered service, the average monthly kWh of energy usage shall be estimated by the Company based on the total wattage of the Customer's lighting system and 4,059 hours of operation.

Non-Metered Service (41C)

Energy Charge, per kWh	5.160¢	(R)
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Metered Service (41CM)

Service Charge, per meter	\$2.88	
Energy Charge, per kWh	5.160¢	(R)

SCHEDULE 42  
TRAFFIC CONTROL SIGNAL  
LIGHTING SERVICE

APPLICABILITY

Service under this schedule is applicable to Electric Service required for the operation of traffic control signal lights within the State of Oregon. Traffic control signal lamps are mounted on posts or standards by means of brackets, mast arms, or cable.

CHARACTER OF SERVICE

The traffic control signal fixtures, including posts or standards, brackets, mast arm, cable, lamps, control mechanisms, fixtures, service cable, and conduit to the point of, and with suitable terminals for, connection to the Company's underground or overhead distribution system, are installed, owned, maintained and operated by the Customer. Service is limited to the supply of energy only for the operation of traffic control signal lights.

The installation of a meter to record actual energy consumption is required for all new traffic control signal lighting systems installed on or after August 8, 2005. For traffic control signal lighting systems installed prior to August 8, 2005 a meter may be installed to record actual usage upon the mutual consent of the Customer and the Company.

MONTHLY CHARGE

The monthly kWh of energy usage shall be either the amount estimated by the Company based on the number and size of lamps burning simultaneously in each signal and the average number of hours per day the signal is operated, or the actual meter reading as applicable. The Monthly Charge shall be computed at the following rate, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), and Schedule 95 (Adjustment for Municipal Exactions).

Energy Charge, per kWh	9.941¢	(R)
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PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.