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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF)	
IDAHYDRO, SHOROCK HYDRO, INC.,)	CASE NO. IPC-E-18-07
J.R. SIMPLOT COMPANY, AND)	
RENEWABLE ENERGY COALITION FOR)	IDAHO POWER COMPANY'S
MODIFICATION OF THE 90/110)	ANSWERS AND RESPONSES
PERFORMANCE BAND AND)	TO IDAHYDRO AND SHOROCK
CALCULATION OF OPERATION AND)	HYDRO, INC.'S FIRST SET OF
MAINTENANCE CHARGES FOR PURPA)	INTERROGATORIES, REQUESTS
QUALIFYING FACILITIES)	FOR ADMISSION, AND REQUESTS
)	FOR PRODUCTION OF
)	DOCUMENTS
)	

COMES NOW, Idaho Power Company ("Idaho Power" or "Company"), and in answer and response to Idahydro and Shorock Hydro, Inc.'s First Set of Interrogatories, Requests for Admission, and Requests for Production of Documents to Idaho Power Company dated May 23, 2018, herewith submits the following information:

REQUEST FOR ADMISSION

REQUEST FOR ADMISSION NO. 1: Please admit the purpose of charges by you under Schedule 72 for O&M is to reimburse you for the cost to you of the actual cost to you of the operation and maintenance of interconnection facilities of PURPA projects.

RESPONSE TO REQUEST FOR ADMISSION NO. 1: Deny. The purpose of the operations and maintenance (“O&M”) charge under Schedule 72 is to hold retail customers of Idaho Power neutral by charging Public Utility Regulatory Policies Act of 1978 (“PURPA”) projects a reasonable rate for what the Company may expect to spend on O&M over the life of the interconnection facilities required by the Qualifying Facility (“QF”) projects.

The response to this Request for Admission is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORIES

INTERROGATORY NO. 1: If you denied RFA 1, please define exactly what is the purpose of the O&M charges.

ANSWER TO INTERROGATORY NO. 1: Please see Idaho Power's response to Idahydro and Shorock Hydro, Inc.'s ("Idahydro and Shorock") Request for Admission No. 1.

The answer to this Interrogatory is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORY NO. 2: Please identify how you calculated the O&M charges.

ANSWER TO INTERROGATORY NO. 2: As described in Section 3 of the Company's Schedule 72 tariff, O&M charges are "equal to a percentage of the Construction Cost and Transfer Cost paid by the Seller." The percentage changes annually on the anniversary of the First Energy Date in accordance with Tables 1 and 2 in Schedule 72, p. 72-18. Please see the Company's response to Renewable Energy Coalition's ("REC") Request for Production No. 1.2 for additional information about the calculation of the percentages in Tables 1 and 2.

The answer to this Interrogatory is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORY NO. 3: Please identify how the O&M charges correspond to actual cost to you of operation and maintenance of PURPA interconnection facilities.

ANSWER TO INTERROGATORY NO. 3: As stated in Idaho Power's response to J.R. Simplot Company's Request for Production No. 15, Idaho Power does not separately track actual costs incurred for O&M expenses on QF interconnections. Once these projects are placed into service, they are deemed a part of Idaho Power's plant, the same as any other plant that is non-customer funded, and the cost of maintaining (or replacing) this equipment is paid for by all Idaho Power customers, with an offsetting revenue credit for the amounts collected through the O&M charge assessed to QF interconnections.

The answer to this Interrogatory is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORY NO. 4: Please define “original interconnection investment” and what components are incorporated in original interconnection investment as the phrase is used in Schedule 72.

ANSWER TO INTERROGATORY NO. 4: For purposes of the O&M charge, original interconnection investment represents the sum of the Construction Cost and Transfer Cost paid by the Seller. Please also see the Company’s response to REC’s Request for Production No. 1.6. Per Schedule 72, p. 72-17, “For all projects not interconnecting as a Schedule 6, Schedule 8, or Schedule 84 customer, the Seller will pay the Company a monthly operation and maintenance charge equal to a percentage of the Construction Cost and Transfer Cost paid by the Seller.”

The answer to this Interrogatory is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORY NO. 5: Because “original interconnection investment” is the multiplicand in the calculation of O&M, please identify how each component of “original interconnection investment” identified in Interrogatory 4 relates to the actual cost to you of operation and maintenance of interconnection facilities.

ANSWER TO INTERROGATORY NO. 5: Please see Idaho Power’s response to Idahydro and Shorock’s Interrogatory No. 3.

The answer to this Interrogatory is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

INTERROGATORY NO. 6: Please identify how you track or account for both payments taken in for O&M and actual cost to you for O&M.

ANSWER TO INTERROGATORY NO. 6: The Company tracks O&M payments received through an internally developed software system that manages all information related to generators from whom the Company purchases energy. Once construction for an interconnection is complete, the costs are reconciled and reviewed by a project manager. These reconciled costs then become the basis for the O&M charge calculation, which is input into the software and automatically calculated/tracked each month.

Please also see Idaho Power's response to Idahydro and Shorock's Interrogatory No. 3.

The answer to this Interrogatory is sponsored by Aubrae Sloan, Accounting Manager, Idaho Power Company.

INTERROGATORY NO. 7: For each Project since its inception, please identify for each project all payments made to you by the Projects for O&M by year and all costs expended by you for each Project for O&M by corresponding year.

ANSWER TO INTERROGATORY NO. 7: Please see the Company's response to Idahydro and Shorock's Interrogatory No. 8.

The answer to this Interrogatory is sponsored by Aubrae Sloan, Accounting Manager, Idaho Power Company.

INTERROGATORY NO. 8: For all PURPA projects since 1978, inclusive of the Projects, please identify the sum of all payments made for O&M by all PURPA projects inclusive of the Projects by year and all costs expended by you for all PURPA projects inclusive of the Projects for O&M by corresponding year.

ANSWER TO INTERROGATORY NO. 8: Please see the Excel spreadsheet provided on the enclosed CD for the amount collected by Idaho Power for O&M payments made by PURPA projects since 1978. Please note that these collections also include O&M charges collected from contracts that were signed prior to the implementation of Schedule 72. Also, please note that there are several Projects listed in Exhibit A attached to Idahydro and Shorock's First Set of Interrogatories, Requests for Admission, and Requests for Production of Documents to Idaho Power Company that are not directly interconnected to Idaho Power and therefore are not included in the Excel spreadsheet.

For costs expended for all PURPA projects for O&M, please see Idaho Power's response to Idahydro and Shorock's Interrogatory No. 3.

The answer to this Interrogatory is sponsored by Aubrae Sloan, Accounting Manager, Idaho Power Company.

INTERROGATORY NO. 9: Does any prohibition or impediment exist preventing or inhibiting you from charging actual O&M costs as they occur? If so, please identify those prohibitions or impediments.

ANSWER TO INTERROGATORY NO. 9: Yes. Charging actual O&M costs for QF projects would mean that an entirely separate system of work order preparation and billing would have to be established just for QF projects. Idaho Power believes that such a requirement is both unreasonable and unnecessary. The present system of charging a percentage of construction costs reasonably approximates Idaho Power's O&M costs and provides the QF with a high level of predictability as to what its O&M costs will be over the life of the project. Further, Idaho Power is required to follow Idaho Public Utilities Commission ("Commission") orders and approved tariff schedules. Idaho Power charges the O&M fees authorized and required by the Commission through Schedule 72. Please also see Idaho Power's response to Idahydro and Shorock's Interrogatory No. 3.

The answer to this Interrogatory is sponsored by Aubrae Sloan, Accounting Manager, Idaho Power Company.

INTERROGATORY NO. 10: Please identify those persons in your company with actual knowledge which will either support or contradict your answers to this discovery.

ANSWER TO INTERROGATORY NO. 10: Each of Idaho Power's "answers to this discovery" identify the person sponsoring that response. See RP 228.02.

The answer to this Interrogatory is sponsored by Donovan E. Walker, Lead Counsel, Idaho Power Company.

INTERROGATORY NO. 11: Please identify those persons in your company whom you will identify at this time to depose in an I.R.C.P. Rule 30(b)(6) deposition to discuss each issue presented by this discovery.

ANSWER TO INTERROGATORY NO. 11: Please see Idaho Power's response to Idahydro and Shorock's Interrogatory No. 10.

The answer to this Interrogatory is sponsored by Donovan E. Walker, Lead Counsel, Idaho Power Company.

REQUESTS FOR PRODUCTION OF DOCUMENTS

REQUEST FOR PRODUCTION NO. 1: Please identify and produce all documents which track or account for both payments taken in by you for O&M of the Projects and the actual cost to you for O&M of the Projects.

RESPONSE TO REQUEST FOR PRODUCTION NO. 1: Please see Idaho Power's responses to Idahydro and Shorock's Interrogatories Nos. 3 and 6.

The response to this Request for Production is sponsored by Mark Annis, Senior Regulatory Analyst, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 2: Please identify and produce those documents in your possession or control or to which you have access which will support or contradict your answers to this discovery.

RESPONSE TO REQUEST FOR PRODUCTION NO. 2: Any requested documents were or will be produced in response to their related discovery requests.

The response to this Request for Production is sponsored by Donovan E. Walker, Lead Counsel, Idaho Power Company.

DATED at Boise, Idaho, this 13th day of June 2018.



DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of June 2018 I served a true and correct copy of IDAHO POWER COMPANY'S ANSWERS AND RESPONSES TO IDAHDRO AND SHOROCK HYDRO, INC.'S FIRST SET OF INTERROGATORIES, REQUESTS FOR ADMISSION, AND REQUESTS FOR PRODUCTION OF DOCUMENTS upon the following named parties by the method indicated below, and addressed to the following:

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