

## APPENDIX B

### IDAHO POWER COMPANY NATIVE LOAD PRIORITY MONITORING PROGRAM

1. Idaho Power Company (AIdaho Power®) and its employees shall monitor Idaho Power's use of the native load priority for non-firm transmission under Idaho Power's Open Access Transmission Tariff (AOATT®) in accordance with these procedures.
2. Idaho Power shall provide a copy of these procedures to every employee with responsibility for (a) submitting schedules to Idaho Power's Delivery business unit (ADelivery®) for non-firm transmission from Idaho Power's non-Network Resources to serve Idaho Power Native Load Customers, or (b) accepting, approving, or implementing schedules for non-firm transmission from Idaho Power's non-Network Resources to serve Idaho Power Native Load Customers.<sup>1</sup> Idaho Power shall obtain written verification that every such employee has read, understands, and agrees to follow these procedures.
3. Idaho Power shall appoint a person whose duty shall be to monitor observance of these procedures and compliance with the native load priority provisions of Idaho Power's OATT (ACompliance Officer®). The Compliance Officer will be responsible for:
  - a. establishing training programs for existing and new employees, and ensuring that all employees shall have received adequate training;
  - b. meeting on a periodic basis with scheduling personnel to address the native load priority provisions of Idaho Power's OATT, and such personnel's compliance with these provisions;

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<sup>1</sup> ANetwork Resources® and ANative Load Customers® are as defined in Idaho Power's OATT.

- c. reviewing, as necessary, the invocation of the native load priority to ensure compliance with the native load priority provisions of Idaho Power's OATT; and
- d. recommending the implementation of corrective actions for any non-compliance with the native load priority provisions of Idaho Power's OATT.

4. In order to invoke the native load priority for non-firm transmission from non-Network

Resources to serve Native Load Customers for any period in which Idaho Power also expects to make a wholesale sale of power from Idaho Power's Network Resources to serve non-Native Load Customers, the Idaho Power department performing the wholesale marketing function (A Merchant Group) will determine (i) the purchase price of the non-Network Resource that Idaho Power seeks to use to serve Native Load Customers (APurchase Price), and (ii) the incremental cost of the displaced resource that Idaho Power would have used to serve such Native Load Customers from its Network Resources (ADisplaced Resource Incremental Cost). Native load priority for non-firm transmission for the purchase will be invoked only when the Merchant Group determines that (i) the Purchase Price of the non-Network Resource is less than the Displaced Resource Incremental Cost or (ii) when the non-Network Resource is needed to supplement Idaho Power's own resources to serve Native Load Customers.

5. Idaho Power will retain the supporting documentation for the calculations above for a period of three years. Idaho Power's internal audit personnel will audit compliance with the native load priority requirements under Idaho Power's OATT on an annual basis.

6. These procedures shall be effective thirty days after the approval of the Settlement Agreement, and shall remain in effect until modified or terminated by the Commission for good cause shown.

On or before the effective date of these procedures, Idaho Power will conduct a comprehensive training session for (i) all Merchant Group personnel and (ii) all personnel engaged in transmission system operations, system reliability functions, or transmission service request processing that will focus on the native load priority provisions in Idaho Power's OATT and Idaho Power's monitoring program requirements. This training session will be coordinated by

the Compliance Officer, and will include a presentation by at least one senior executive discussing Idaho Power's commitment to full compliance.

7. Any general questions concerning these procedures shall be directed to the Compliance Officer.