

McDowell Rackner & Gibson PC



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July 30, 2012

VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

**Re: UM ____ – Idaho Power Company's Application for an Accounting Order
Approving Deferral of Intervenor Funding Grants**

Attention Filing Center:

Enclosed in the above-referenced docket is an original and 5 copies of Idaho Power Company's Application for an Accounting Order Approving Deferral of Intervenor Funding Grants. A copy of the Notice of Application has been served on the parties to the UE 233 service list as indicated on the attached Certificate of Service.

Please contact this office with any questions.

Very truly yours,

A handwritten signature in blue ink that reads "Wendy McIndoo". The signature is fluid and cursive.

Wendy McIndoo
Office Manager

Enclosures

cc: Service List

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UM _____**

4 In the Matter of the Application of Idaho
5 Power for an Accounting Order Approving
6 Deferral of Intervenor Funding Grants.

7 **APPLICATION FOR DEFERRED**
8 **ACCOUNTING**

9 **I. INTRODUCTION**

10 Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho
11 Power" or the "Company") applies to the Public Utility Commission of Oregon ("Commission")
12 for an order authorizing the Company to defer costs associated with intervenor funding grants
13 pursuant to ORS 757.072 and ORS 757.259(3). Idaho Power requests a deferral of all costs
14 incurred since October 19, 2011.

15 Pursuant to OAR 860-027-0000(2), Idaho Power also requests a waiver of the provision
16 in OAR 860-027-0300(2) that states that an authorization to use a deferred account expires 12
17 months from the date the deferral begins.¹ A waiver will result in administrative efficiencies
18 because Idaho Power will not be required to annually file deferrals related to intervenor
19 funding grants and a waiver is consistent with the statutory requirements set forth in ORS
20 757.259.

21 In support of this Application, Idaho Power states:

- 22 1. Idaho Power is a public utility in the state of Oregon and its rates, services, and
23 accounting practices are subject to the regulation of the Commission.
- 24 2. This Application is filed pursuant to ORS 757.259(3), which allows for deferral of
25 amounts provided as financial assistance under an agreement entered into under
26 ORS 757.072 upon request of the public utility.

¹ OAR 860-027-0000(2) (allows waiver of Division 027 rules for good cause).

1 3. Idaho Power wishes to waive paper service in this docket. Communications regarding
2 this Application should be addressed to:

3 Lisa Nordstrom
4 Idaho Power Company
5 P.O. Box 70
6 Boise, Idaho 83707
7 Inordstrom@idahopower.com

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8 Regulatory Dockets
9 Idaho Power Company
10 P.O. Box 70
11 Boise, Idaho 83707
12 dockets@idahopower.com

13 II. OREGON ADMINISTRATIVE RULE 860-027-0300 REQUIREMENTS

14 The following information is provided pursuant to OAR 860-027-0300(3):

15 A. Description

16 With this deferral application, Idaho Power seeks authorization from the Commission
17 to accrue, for future amortization as set forth in the Intervenor Funding Agreement
18 (“Agreement”) between Idaho Power and the Citizens’ Utility Board of Oregon (“CUB”), costs
19 associated with providing intervenor funding pursuant to ORS 757.072 and Order No. 10-396.

20 Because a deferral request under ORS 757.259(3) is not subject to the requirement
21 that amounts may be deferred only from the date of the deferral application, the Company
22 requests that the Commission authorize the deferral of all costs incurred under the Agreement
23 since October 19, 2011.² In Order No. 10-483 the Commission authorized a deferral of costs
24 associated with intervenor funding beginning on October 20, 2010 through October 19, 2011.³
25 No other intervenor funding deferrals have been requested.

26 ² See ORS 757.259(4) (section (4) does not apply to deferrals under section (3)).

³ Re *Idaho Power Company*, Docket UM 1507, Order No. 10-483 (Dec. 20, 2010).

1 **B. Reasons for Deferral**

2 **1. Statutory Authority**

3 ORS 757.072 authorizes the Commission to approve an agreement for intervenor
4 funding between an energy utility and a customer organization that represents broad customer
5 interests. ORS 757.259(3) provides that:

6 Upon request of the public utility, the commission by order shall
7 allow deferral of amounts provided as financial assistance under
8 an agreement entered into under ORS 757.072 for later
 incorporation in rates.

9 Amounts deferred under this provision are not subject to the amortization caps or earnings
10 review set forth in subsections 5, 6, 7, 8, and 10 of ORS 757.259. Likewise, deferrals under
11 ORS 757.259(3) are not subject to the limitations set forth in ORS 757.259(4). Thus, the
12 Commission may authorize Idaho Power to defer amounts that were paid under the
13 Agreement prior to the date of this application.

14 **2. Commission Approval of the Intervenor Funding Agreement.**

15 On October 13, 2010, the Commission issued Order No. 10-396 approving the
16 Agreement between Idaho Power and CUB dated September 28, 2010, as modified by the
17 Commission at the public meeting on October 12, 2010. The Agreement is effective from
18 October 15, 2010, until December 31, 2015. The Agreement sets forth the amount of funding
19 available to CUB, the procedures for budget submittals and funding requests by CUB,
20 Commission approval of budget submittals and funding requests, and payment of the grants
21 by Idaho Power. The Agreement provides that the Commission shall allow Idaho Power to
22 recover all amounts paid under the Agreement and provides for annual amortization of
23 amounts deferred under the Agreement.

24 **C. Proposed Accounting**

25 Idaho Power proposes to record payment of Intervenor Funding grants in
26 Account 182.3—Other Regulatory Assets.

1 **D. Estimate of Amounts**

2 Since October 19, 2011, Idaho Power has paid CUB \$65,985 under the Agreement. In
3 addition, the Company anticipates that going forward the maximum amount deferred during
4 each year period will be \$60,000—consisting of \$30,000 for the CUB Fund and \$30,000 for
5 the Issue Fund, pursuant to Section 4.2 of the Agreement. Deferred amounts will accrue
6 interest at Idaho Power’s authorized rate of return.

7 **E. Notice**

8 A copy of the Notice of Application for Deferred Accounting and a list of persons
9 served with the Notice are attached to the Application as Attachment A.

10 **III. WAIVER OF OAR 860-027-0300(2)**

11 OAR 860-027-0000(2) authorizes the Commission to waive the requirements of any
12 rule in Division 027 for good cause shown. In this case, the Company requests a waiver of
13 the requirement in OAR 860-027-0300(2) that “[a]ny authorization to use a deferral account
14 shall expire 12 months from the date the deferral is authorized to begin.” The Company
15 requests this waiver for three reasons.

16 *First*, the 12 month limitation in OAR 860-027-0300(2) is based upon the statutory
17 limitation set forth in ORS 757.259(4).⁴ However, ORS 757.259(4) does not apply to deferrals
18 under ORS 757.259(3). Therefore, there is no statutory impediment to a waiver of OAR 860-
19 027-0300(2) and such a waiver is fully consistent with the statutory framework for deferrals.

20 *Second*, Section 7.8 of the Agreement clearly provides that the “Commission shall
21 allow Idaho Power to recover in rates all amounts paid for Intervenor Funding Grants under
22 this Agreement.” So there is no dispute that the Company can recover these funds.

23
24
25 ⁴ ORS 757.259(4) states: “The commission may authorize deferrals under subsection (2) of this section
26 beginning with the date of the application, together with interest established by the commission. A
deferral may be authorized for a period not to exceed 12 months beginning on or after the date of the
application. . .”

1 Moreover, the annual amounts paid under the Agreement will likely be the same so there is no
2 need to annually review the estimated amounts that will be deferred each year.

3 *Third*, granting this waiver will result in administrative efficiencies for both Idaho Power
4 and the Commission. Because a deferral under ORS 757.259(3) is not subject to the
5 requirement that the deferral begin with the date of the application, it makes sense to grant
6 Idaho Power a blanket deferral that will address both past amounts incurred since October 19,
7 2011, and future amounts that will be incurred until the Agreement is terminated. If this waiver
8 is not granted, Idaho Power will be required to annually file a deferral application, which the
9 Commission will then be required to process.

10 **IV. CONCLUSION**

11 Idaho Power respectfully requests that, consistent with ORS 757.259(3) and Order
12 No. 10-396, the Commission authorize the Company to record and defer Intervenor Funding
13 grants incurred by the Company pursuant to the Agreement, beginning with October 19, 2011,
14 through the termination of the Agreement.

15
16 DATED: July 30, 2012.

MCDOWELL RACKNER & GIBSON PC

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19 _____
Lisa Rackner
Adam Lowney

20 Of Attorneys for Idaho Power Company

21
22 **IDAHO POWER COMPANY**

23 Lisa Nordstrom
24 Lead Counsel
25 P.O. Box 70
26 Boise, Idaho 83707

Attachment A

**Notice of Application for
Deferred Accounting of Intervenor Funding Grants**

1 Any person who wishes to submit written comments to the Commission on Idaho
2 Power's application must do so no later than August 31, 2012.

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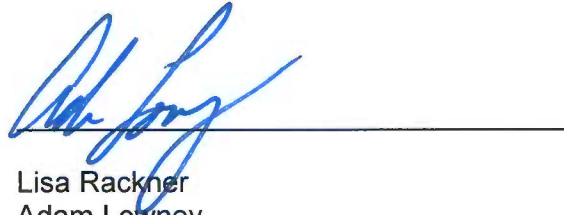
4 DATED: July 30, 2012.

MCDOWELL RACKNER & GIBSON PC

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Lisa Rackner
Adam Lowney
Of Attorneys for Idaho Power Company

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IDAHO POWER COMPANY

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Lisa Nordstrom
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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of Idaho Power Company's Application for an Accounting Order Approving Deferral of Intervenor Funding Grants on the parties in Docket UE 233 on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

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DATED: July 30, 2012

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Wendy McIndoo
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