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July 28, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301

Re: Docket UM 1621(4)
In the Matter of Idaho Power Company's Request for Authorization for
Deferral of Costs Associated with Intervenor Funding Grants

Attention Filing Center:

Enclosed for filing in Docket No. UM 1621(4) is an electronic copy of Idaho Power Company's Application for Reauthorization of Deferred Accounting. The Notice of Application for Reauthorization of Deferred Costs Associated with Intervenor Funding Grants is attached to the Application as Attachment A. The Application and Notice have been served on the parties in Docket No. UM 1621 and Idaho Power Company's last general rate case.

If you have any questions, please do not hesitate to contact me or Regulatory Analyst Courtney Waites at (208) 388-5612.

Very truly yours,

A handwritten signature in black ink that reads "Lisa D. Nordstrom".

Lisa D. Nordstrom
OSB No. 97352

LDN/kkt

Enclosures

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1621(4)

In the Matter of

IDAHO POWER COMPANY

Request for Authorization for Deferral of
Costs Associated with Intervenor Funding
Grants.

**APPLICATION FOR
REAUTHORIZATION OF
DEFERRED ACCOUNTING**

I. INTRODUCTION

Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or "Company") applies to the Public Utility Commission of Oregon ("Commission") for an order reauthorizing the Company to defer costs associated with intervenor funding grants pursuant to ORS 757.072 and ORS 757.259(3). Idaho Power requests reauthorization of the deferral of all costs incurred beginning August 1, 2016, and ending July 31, 2017.

In support of this Application, Idaho Power states:

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

Communications regarding this Application should be addressed to:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Regulatory Dockets
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
dockets@idahopower.com

1 **II. DEFERRAL HISTORY**

2 On February 5, 2016, the Commission issued Order No. 16-028 in UM 1757
3 approving the Intervenor Funding Agreement (“Agreement”) between Idaho Power and the
4 Citizens’ Utility Board of Oregon (“CUB”) dated January 1, 2016. Per the terms of the
5 Agreement, it is effective from January 26, 2016, until December 31, 2020. The
6 Agreement sets forth the amount of funding available to CUB, the procedures for budget
7 submittals and funding requests by CUB, Commission approval of budget submittals and
8 funding requests, and payment of the grants by Idaho Power. The Agreement provides
9 that the Commission shall allow Idaho Power to recover all amounts paid under the
10 Agreement and provides for amortization of amounts deferred under the Agreement.

11 Idaho Power filed an application with the Commission in Docket No. UM 1507 for
12 authorization to defer costs associated with intervenor funding grants for the 12-month
13 period beginning October 20, 2010. The Commission approved the request in Order No.
14 10-483. In addition, Idaho Power filed an application with the Commission in UM 1621 for
15 authorization to defer costs associated with the 12-month period beginning October 20,
16 2011. The application was approved and adopted by the Commission effective October
17 20, 2011, in Order No. 12-378. The table below summarizes Idaho Power’s deferred
18 accounting requests associated with intervenor funding grant costs since a funding
19 agreement has been in place.

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Filing Date	Deferral Period	Order No.	Approval Date
09/28/10		10-396*	10/13/10
10/20/10	10/20/10 – 10/19/11	10-483	12/20/10
07/30/12	10/20/11 – 08/01/13	12-378	10/08/12
07/30/13	08/01/13 – 07/31/14	13-323	09/03/13
07/24/14	08/01/14 – 07/31/15	14-298	09/02/14
07/31/15	08/01/15 – 07/31/16	15-371	11/17/15

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25 *CUB Intervenor Funding Agreement approved in UM 1504.

1 Pursuant to the Commission Orders listed above, Idaho Power respectfully
2 requests an order reauthorizing the deferral for later ratemaking treatment of all payments
3 made by Idaho Power to CUB between August 1, 2016, and July 31, 2017.

4 **III. OREGON ADMINISTRATIVE RULE 860-027-0300 REQUIREMENTS**

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

6 **A. Description of Utility Expense or Revenue**

7 For the 12-month period of August 1, 2016, through July 31, 2017, Idaho Power
8 seeks reauthorization from the Commission to continue accruing, for future amortization
9 as set forth in the Agreement between Idaho Power and CUB, costs associated with
10 providing intervenor funding pursuant to ORS 757.072 and Order No. 16-028 to the CUB
11 Fund and the Issue Fund.

12 **B. Reasons for Deferral**

13 **1. Statutory Authority**

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

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

20 Amounts deferred under this provision are not subject to the amortization caps or earnings
21 review set forth in Subsections 5, 6, 7, 8, and 10 of ORS 757.259.

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

23 Idaho Power will continue to incur intervenor funding expenses until December 31,
24 2020, pursuant to the Agreement approved by Commission Order No. 16-028. Idaho
25 Power wishes to continue to use the deferral mechanism as approved. Idaho Power
26

1 requests that the deferral continue and that the additional amounts the Company is
2 required to pay to CUB during the period of August 1, 2016, through July 31, 2017, be
3 treated similarly.

4 **C. Proposed Accounting**

5 Idaho Power proposes to record payment of intervenor funding grants in Federal
6 Energy Regulatory Commission (“FERC”) Account 182.3, Other Regulatory Assets. In the
7 absence of a deferred accounting order from the Commission, Idaho Power would
8 continue to record costs associated with the intervenor funding expenses to FERC
9 Account 928.3, Regulatory Commission Expenses.

10 **D. Estimate of Amounts Subject to Deferral**

11 The Company anticipates the maximum amount deferred during each calendar
12 year will be \$63,000—consisting of \$31,500 for the CUB Fund and \$31,500 for the Issue
13 Fund pursuant to Section 4.2 of the Agreement, plus any rollover amounts permitted by
14 Section 4.3 of the Agreement. Deferred amounts will accrue interest at Idaho Power’s
15 authorized rate of return. Based on this estimate for the August 1, 2016, through July 31,
16 2017, time period and those expenses deferred since January 1, 2016, when amortization
17 of prior deferred intervenor funding amounts began, Idaho Power estimates the total of the
18 account balances associated with intervenor funding paid to CUB will be approximately
19 \$95,400. The following table summarizes the deferred amounts to date and the estimated
20 amounts through July 31, 2017:

Docket/Order No.	Order Date	Fund Type	Deferred Amount as of June 30, 2016
UM 1757(1)	02/05/16	CUB Fund	\$32,395.68
8/1/15 – 7/31/16*		CUB Fund/Issue Fund	\$63,000.00
Total			\$95,395.68

24 *Estimate of funding.

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1 The Agreement permits CUB to request grants from the funds at any time during
2 the calendar year, though the deferral period runs August 1 to July 31. Amounts will be
3 debited to the deferral account as the funds are actually disbursed. Balances in the CUB
4 Fund and the Issue Fund may rollover into the following year if CUB does not use the
5 entire amount available, and the CUB Fund permits CUB to request advances from future-
6 year funds. Pursuant to the terms of the Agreement, the CUB Fund Grants will be
7 charged to and paid for by the residential customer class.

8 **E. Notice**

9 A copy of the Notice of Application for Reauthorization of Deferred Costs
10 Associated with Intervenor Funding Grants and a list of persons served with the Notice are
11 attached to this Application pursuant to OAR 860-027-0300 as Attachment A.

12 **IV. OREGON ADMINISTRATIVE RULE 860-027-0300(4) REQUIREMENTS**

13 **A. Entries in the Deferred Account as of June 30, 2016**

14 Effective January 1, 2016, with Order No. 15-399, the Commission approved
15 amortization of \$272,716 in CUB intervenor funding amounts, leaving a balance of
16 \$5,472.81 in the deferral account. Attached to this Application as Attachment B is a
17 description and explanation of the entries in this deferred account as of June 30, 2016.

18 **B. Reason for Continuation of Deferred Accounting**

19 Idaho Power is seeking approval to continue the intervenor funding deferral pursuant
20 to Commission Order No. 16-028 as described in Section II above.

21 **V. SUMMARY OF FILING CONDITIONS**

22 The following is information related to future amortization:

23 **A. Earnings Review**

24 None required. Amounts deferred under ORS 757.259 are not subject to the
25 amortization caps or earnings review set forth in Subsections 5, 6, 7, 8, and 10 of ORS
26 757.259.

1 **B. Prudence**

2 A prudence review will be performed prior to amortization.

3 **C. Sharing (Percents)**

4 None applicable.

5 **D. Rate Spread/Rate Design**

6 Please see Section III.D above.

7 **VI. CONCLUSION**

8 Idaho Power respectfully requests that, consistent with ORS 757.259(3) and Order
9 No. 16-028, the Commission authorize the Company to record and defer additional
10 intervenor funding grants incurred by the Company pursuant to the Agreement beginning
11 August 1, 2016, and ending July 31, 2017.

12 DATED: July 28, 2016.

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LISA D. NORDSTROM
Attorney for Idaho Power Company

ATTACHMENT A

**Notice of Application for Reauthorization
of Deferred Costs Associated with
Intervenor Funding Grants**

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1621(4)

In the Matter of

IDAHO POWER COMPANY

Request for Authorization for Deferral of
Costs Associated with Intervenor Funding
Grants.

**NOTICE OF APPLICATION FOR
REAUTHORIZATION OF DEFERRED
COSTS ASSOCIATED WITH
INTERVENOR FUNDING GRANTS**

On July 28, 2016, Idaho Power Company ("Idaho Power") filed an application with the Public Utility Commission of Oregon ("Commission") for an order authorizing deferral of intervenor funding grants pursuant to ORS 757.259(3), ORS 757.072, and Order No. 16-028.

Approval of Idaho Power's Application will not authorize a change in Idaho Power's rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Idaho Power's Application will be posted on the Commission website for persons who wish to obtain a copy or they may contact the following:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Any person who wishes to submit written comments to the Commission on Idaho Power's Application must do so no later than September 6, 2016.

DATED: July 28, 2016.



LISA D. NORDSTROM
Attorney for Idaho Power Company

ATTACHMENT B

Funding Grants Monthly Entries

INTERVENOR FUNDING DEFERRED ACCOUNT MONTHLY ENTRIES

Account	Date	Disbursement Description	Description	Total Amount
182385	12/31/2015	BALANCE OF INT FUNDING TO NEW ACCT	INT FUNDING TO NEW ACCT	\$ 5,472.81
182385	2/29/2016	CUB FUNDING INTEREST	CARRYING CHARGES	\$ 35.38
182385	2/29/2016	CUB FUND GRANT	CUB FUND GRANT	\$ 31,500.00
182385	3/31/2016	CUB FUNDING INTEREST	CARRYING CHARGES	\$ 137.30
182385	4/30/2016	CUB FUNDING INTEREST	CARRYING CHARGES	\$ 239.67
182385	5/31/2016	CUB FUNDING INTEREST	CARRYING CHARGES	\$ 240.89
182385	6/30/2016	CUB FUNDING INTEREST	CARRYING CHARGES	\$ 242.44
				<u>\$ 37,868.49</u>