

receive grants under the funding agreement are identified pursuant to OAR 860-001-0120.

When a public utility provides financial assistance under a funding agreement, ORS 757.072(4) states that the Commission must allow a public utility to defer inclusion of the funding provided in rates as provided in ORS 757.259.

Analysis

Background

On December 29, 2020, the Commission issued Order No. 20-493 in UM 2126 approving the Intervenor Funding Agreement (“Agreement”) between Idaho Power and the Citizens’ Utility Board of Oregon (“CUB”) dated January 1, 2021.

Per the terms of the Agreement, it is effective from January 1, 2021, until December 31, 2025. The Agreement sets forth the amount of funding available to CUB, the procedures for budget submittals and funding requests by CUB, Commission approval of budget submittals and funding requests, and payment of the grants by Idaho Power.

The Agreement provides that the Commission shall allow Idaho Power to recover all amounts paid under the Agreement and provides for amortization of amounts deferred under the Agreement. Idaho Power filed an application with the Commission in Docket No. UM 1507 for authorization to defer costs associated with intervenor funding grants for the 12-month period beginning October 20, 2010.

Reason for Deferral

ORS 757.072 authorizes the Commission to approve an agreement for intervenor funding between an energy utility and a customer organization that represents broad customer interests.

Proposed Accounting

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

Current Deferral Activity

Effective June 1, 2022, with Order No. 22-192, the Commission approved amortization of \$49,846 in CUB intervenor funding amounts, resulting in a balance of \$35,592 in the deferral account.

Estimated Deferral in Authorization Period

Idaho Power anticipates the maximum amount deferred during each calendar year will be \$64,500—consisting of \$33,000 for the CUB Fund and \$31,500 for the Issue Fund pursuant to Section 4.2 of the Agreement, plus any rollover amounts permitted by Section 4.3 of the Agreement.

Based on this estimate for the August 1, 2022, through July 31, 2023, time period and those expenses deferred since amortization of prior deferred intervenor funding amounts began on June 1, 2022, Idaho Power estimates the total of the account balances associated with intervenor funding paid to CUB will be approximately \$64,500.

Information Related to Future Amortization

- Earnings Review – None recommended to be applied
- Prudence Review – A prudence review will be performed prior to amortization
- Sharing – Non-Applicable
- Three Percent Test (ORS 757.259(6)) – The three percent test does not apply to amortization of this deferral.

Conclusion

The Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300 for deferred accounting, and the reason for the deferral—costs related to intervenor funding grants—is still valid. Therefore, Staff recommends the Commission approve Idaho Power's application.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's Application to defer the costs associated with Intervenor Funding Grants for the 12-month period beginning August 1, 2022, ending July 31, 2023.