

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 5, 2024

REGULAR CONSENT EFFECTIVE DATE _____ N/A

DATE: January 31, 2024

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 1621(11))
Request for Authorization for Deferral of Costs Associated with Intervenor
Funding Grants

STAFF RECOMMENDATION:

Staff recommends the Commission approve Idaho Power Company's (Idaho Power, IPC, or Company) application for deferred accounting of costs associated with Intervenor Funding Grants for the 12-month period beginning August 1, 2023, and ending July 31, 2024.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's request for reauthorization to record and defer cost related to intervenor funding grants for 12-month period beginning August 1, 2023, and ending July 31, 2024.

Applicable Law

ORS 757.259(3) and OAR 860-027-0300 allow the deferral of expenses provided as financial assistance under an agreement entered into under ORS 757.072 for later incorporation in rates. ORS 757.072 is the statute that authorizes a utility to enter funding agreements with organizations that represent broad customer interests in Commission proceedings. Once a funding agreement is approved by the Commission, organizations eligible to 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 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. The Commission approved the request in Order No. 10-483.

Estimated Deferral in Authorization Period

Idaho 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.

Deferred amounts will accrue interest at Idaho Power’s authorized rate of return. Based on this estimate for the August 1, 2023, through July 31, 2024, time period, and those expenses deferred since amortization of prior deferred CUB intervenor funding amounts began on June 1, 2023, Idaho Power estimates the total of the account balances associated with intervenor funding paid to CUB will be approximately \$64,500.

The Agreement permits CUB to request grants from the funds at any time during the calendar year, though the deferral period runs August 1 to July 31. Amounts will be debited to the deferral account as the funds are actually disbursed. Pursuant to the

terms of the Agreement, the CUB Fund Grants will be charged to and paid for by the residential customer class.

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. ORS 757.259(3) provides that:

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

Amounts deferred under ORS 757.259(3) are not subject to the amortization caps or earnings review set forth in Subsections 5, 6, 7, 8, and 10 of ORS 757.259.

Proposed Accounting

Idaho Power proposes to record payment of CUB intervenor funding grants in Federal Energy Regulatory Commission (“FERC”) Account 182.3, Other Regulatory Assets.

Information Related to Future Amortization

- Earnings Review – None recommended to be applied
- Prudence Review – A prudence review is not required for deferrals under ORS 757.259(3).
- 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.

The Company has reviewed a draft of this memo and voiced no concerns.

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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, 2023, ending July 31, 2024.

IPC UM 1621(11) Intervenor Funding Deferral