

# McDowell Rackner & Gibson PC



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April 15, 2014

## VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 1088  
Salem, OR 97308-1088

**Re: UE 285 – Idaho Power Company’s 2013 Annual Power Supply Expense True-Up**

Attention Filing Center:

Enclosed in the above-referenced docket are an original and five copies of Idaho Power Supplemental Direct Testimony of Courtney Waites.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service. Please contact me with any questions.

Very truly yours,

Handwritten signature of Wendy McIndoo in blue ink.

Wendy McIndoo  
Office Manager

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

**DOCKET NO. UE 285**

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO IMPLEMENT A POWER )  
COST ADJUSTMENT TARIFF SCHEDULE )  
FOR ELECTRIC SERVICE TO CUSTOMERS )  
IN THE STATE OF OREGON. )  
)  
2013 ANNUAL POWER SUPPLY EXPENSE )  
TRUE-UP )  
\_\_\_\_\_ )

**IDAHO POWER COMPANY**  
**SUPPLEMENTAL DIRECT TESTIMONY**  
**OF**  
**COURTNEY WAITES**

**April 15, 2014**

1 **Q. Please state your name and business address.**

2 A. My name is Courtney Waites. My business address is 1221 West Idaho Street,  
3 Boise, Idaho 83702.

4 **Q. Are you the same Courtney Waites that previously filed direct testimony in this**  
5 **matter?**

6 A. Yes.

7 **Q. What is the scope and purpose of your supplemental direct testimony?**

8 A. My supplemental direct testimony will revise the calculation of the Annual Power  
9 Supply Expense True-up with use of the 2013 Oregon Results of Operations ("ROO")  
10 report to determine the deferral deadbands and the Oregon allocation percentage.  
11 However, as I will show later in my testimony, neither of these revisions will change  
12 the deferral amount proposed to be added to the Annual Power Supply Expense  
13 True-Up Balancing Account ("True-Up Balancing Account"). With this testimony I am  
14 also filing revised Exhibits 201, 202, 203, and 204.

15 **Q. Please explain the revision to the calculation of the Annual Power Supply**  
16 **Expense True-Up you are making.**

17 A. Order No. 09-373 clarifies which year's ROO report should be relied upon in  
18 calculating the deferral deadbands and the Earnings Test components of the Power  
19 Cost Adjustment Mechanism ("PCAM"). As directed in Order No. 09-373, the Idaho  
20 Power Company's ("Company") initial February filing included the quantification of  
21 the dollar balance proposed to be added to the True-Up Balancing Account based on  
22 the 2012 ROO report. The results represented a preliminary estimate at the time,  
23 with this final determination being filed now that the 2013 ROO report has been  
24 completed.

25 **Q. What are the power supply expense deadbands based on the 2013 ROO**  
26 **report?**

1 A. Using the Company's authorized Return on Equity ("ROE") in effect in 2013 and the  
2 Company's 2013 Oregon rate base of \$124,406,283, the Upper Deadband of 250  
3 basis points equals \$2,652,359 and the Lower Band of 125 Basis Points equals a  
4 negative \$1,326,180 (please see Exhibit 202).

5 **Q. Does the use of the 2013 ROO report impact any other areas of the initial**  
6 **filing?**

7 A. Yes. In addition to changing the deadbands, the 2013 ROO report computes the  
8 Oregon allocation percentage used to calculate Oregon's share of the excess net  
9 power supply expenses and customer benefits from the sale of SO<sub>2</sub> Allowances and  
10 Renewable Energy Credits ("REC"). Exhibit 201, the Oregon PCAM quantification  
11 for 2013, reflects the revised deadbands and the revised Oregon allocation  
12 percentage. Using the Oregon allocation percentage of 4.41 percent from the 2013  
13 ROO report slightly increases the total customer benefit of SO<sub>2</sub> Allowance sales and  
14 REC sales to \$964.88 and \$23,015.05, respectively (please see Exhibit 203 and  
15 204).

16 **Q. How do the supplemental computations you describe above impact the**  
17 **amount you proposed be added to the True-up Balancing Account?**

18 A. The total customer benefit of REC sales of \$23,015.05 does not impact the proposed  
19 amount to be added to the True-Up Balancing Account because the benefit will be  
20 applied as a credit to the power cost deferral currently in amortization. The customer  
21 benefit of \$964.88 from the SO<sub>2</sub> Allowance sales is added to the Oregon Allocated  
22 Power Cost Deviation creating a deviation of \$1,798,340.15 which is less than the  
23 Upper Deadband of \$2,652,360. Therefore, the dollar amount to be considered to  
24 add to the True-Up Balancing Account is zero.

25 **Q. In your initial filing, an Earnings Test was not performed because the Company**  
26 **was not proposing any deferral amounts be added to the True-Up Balancing**

1       **Account. Does the use of the 2013 ROO report change the need for an**  
2       **Earnings Test?**

3    A.    No. Using the 2013 ROO report still results in a zero deferral amount to be added to  
4        the True-Up Balancing Account and therefore does not require an Earnings Test to  
5        be performed.

6    **Q.    Does this conclude your testimony?**

7    A.    Yes, it does.

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Idaho Power/201  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Oregon PCAM Quantification  
January 2013 through December 2013

April 15, 2014







Idaho Power/202  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Determination of Power Supply Expense Deadbands  
Based on Idaho Power 2013 Results of Operation

April 15, 2014

**Determination of Oregon PCAM Deadbands  
 Based on Idaho Power 2013 Results of Operations**

	(A)	(B)
	<b>Total System</b>	<b>Oregon</b>
(1) Rate Base	<b>\$2,887,722,877</b>	<b>\$124,406,283</b>
(2) % Equity in cap structure	<b>51.937%</b>	<b>51.937%</b>
(3) Equity in rate base	\$1,499,796,631	\$64,612,891
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$14,997,966	\$646,129
(6) Net-to Gross Factor	<b>1.64200</b>	<b>1.64200</b>
(7) Revenue requirement	\$24,626,661	<b>\$ 1,060,944</b>
(8) <b>Upper Band of Basis Points</b>	<b>250</b>	\$2,652,359.18
(9) <b>Lower Band of Basis Points</b>	<b>125</b>	(\$1,326,179.59)

Idaho Power/203  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Oregon SO2 Emission Sales  
January 2013 through December 2013

April 15, 2014



Idaho Power/204  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Oregon Renewable Energy Credit Sales  
January 2013 through December 2013

April 15, 2014

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	2013														
	January	February	March	April	May	June	July	August	September	October	November	December	Totals		
1	Oregon Renewable Energy Credit Sales														
2	January 2013 thru December 2013														
3	\$	0.00	-	469,282.25	-	14,375.00	2,677.50	8,800.00	-	8,800.00	60,443.20	-	564,377.95		
4	\$	(223.86)	(200.31)	(2,993.48)	(321.33)	(179.69)	(249.87)	(275.63)	(329.95)	(430.29)	(700.54)	-	(3,873.71)		
5	\$	(223.86)	(200.31)	(299.08)	(1,105.88)	(191.81)	(249.87)	(275.63)	(329.95)	(430.29)	(1,994.17)	(329.01)	(5,951.19)		
6	\$	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%	4.41%		
7	\$	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%		
8	\$	(8.89)	(7.95)	(11.87)	(43.89)	555.80	96.35	338.33	(13.10)	332.19	2,292.04	(13.06)	22,010.21		
9	\$	-	(8.89)	(16.84)	(28.71)	18,421.65	18,977.45	19,073.80	19,412.13	19,399.04	19,731.23	22,023.27	22,010.21		
10	\$	(8.89)	(7.95)	(11.87)	(43.89)	555.80	96.35	338.33	(13.10)	332.19	2,292.04	(13.06)	22,010.21		
11	\$	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%		
12	\$	-	(0.06)	(0.11)	(0.17)	119.00	238.08	360.75	484.05	609.53	734.93	862.48	862.48		
13	\$	-	(0.06)	(0.11)	(0.17)	119.00	238.08	360.75	484.05	609.53	734.93	862.48	862.48		
14	\$	(8.89)	(16.90)	(28.88)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
15	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
16	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
17	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
18	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
19	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
20	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
21	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
22	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
23	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
24	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
25	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
26	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
27	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
28	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
29	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
30	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
31	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
32	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
33	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
34	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
35	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
36	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
37	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		
38	\$	-	(8.89)	(16.90)	18,540.65	19,215.53	19,434.55	19,896.18	20,008.57	20,466.16	22,885.75	23,015.05	23,015.05		

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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing document in Docket UE 285 on the following named person(s) on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

OPUC Dockets  
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DATED: April 15, 2014

  
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