

McDowell Rackner & Gibson PC



WENDY MCINDOO
Direct (503) 595.3922
wendy@mcd-law.com

April 15, 2015

VIA ELECTRONIC MAIL

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

Re: UE 295 – Idaho Power Company's 2014 Annual Power Supply Expense True-Up

Attention Filing Center:

Attached for filing in the above-referenced docket is an electronic copy of Idaho Power Company's Supplemental Direct Testimony of Courtney Waites.

Please contact me with any questions.

Very truly yours,

Handwritten signature of Wendy McIndoo in black ink.

Wendy McIndoo
Office Manager

Attachment

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

DOCKET NO. UE 295

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.)
)
2014 ANNUAL POWER SUPPLY EXPENSE)
TRUE-UP)
_____)

IDAHO POWER COMPANY
SUPPLEMENTAL DIRECT TESTIMONY
OF
COURTNEY WAITES

April 15, 2015

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 2014 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 Idaho Power previously proposed be added to the Annual Power
13 Supply Expense True-Up Balancing Account ("True-Up Balancing Account"). With
14 this testimony I am also filing revised Exhibit Nos. 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 2013 ROO report. The results represented a preliminary estimate at the time,
23 with this final determination being filed now that the 2014 ROO report has been
24 completed.

25 **Q. What are the power supply expense deadbands based on the 2014 ROO**
26 **report?**

1 A. Using the Company's authorized Return on Equity ("ROE") in effect in 2014 and the
2 Company's 2014 Oregon rate base of \$126,684,604, the Upper Deadband of 250
3 basis points equals \$2,769,163 and the Lower Band of 125 Basis Points equals a
4 negative \$1,384,581 (please see Exhibit No. 202).

5 **Q. Does the use of the 2014 ROO report impact any other areas of the initial**
6 **filing?**

7 A. Yes. In addition to changing the deadbands, the 2014 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 SO₂ Allowances and
10 Renewable Energy Credits ("REC"). Exhibit No. 201, the Oregon PCAM
11 quantification for 2014, reflects the revised deadbands and the revised Oregon
12 allocation percentage. Using the Oregon allocation percentage of 4.44 percent from
13 the 2014 ROO report slightly increases the total customer benefit of SO₂ Allowance
14 sales and REC sales to \$666.15 and \$133,734.54, respectively (please see Exhibit
15 Nos. 203 and 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 \$133,734.54 does not impact the
19 proposed amount to be added to the True-Up Balancing Account because the
20 benefit will be applied as a credit to the power cost deferral currently in amortization.
21 The customer benefit of \$666.15 from the SO₂ Allowance sales is added to the
22 Oregon Allocated Power Cost Deviation creating a deviation of \$405,952.55 which is
23 less than the Upper Deadband of \$2,769,163. Therefore, the dollar amount to be
24 considered to 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**

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Account. Does the use of the 2014 ROO report change the need for an Earnings Test?

A. No. Using the 2014 ROO report still results in a zero deferral amount to be added to the True-Up Balancing Account and therefore does not require an Earnings Test to be performed.

Q. Does this conclude your testimony?

A. Yes, it does.

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 2014 through December 2014

April 15, 2015

2014 PCAM
Twelve Months Ended December 31, 2014

OREGON PCAM (Schedule 56)		January	January YTD	February	February YTD	March	March YTD	April	April YTD	May
ACTUAL POWER COSTS										
Actual NPSE Costs										
Actual Sales - Includes Unbilled	MWh	1,220,232	1,220,232	996,968	2,217,200	969,231	3,186,431	977,681	4,164,112	1,169,649
Fuel	\$	24,904,410.68	24,904,410.68	20,680,890.28	45,585,300.96	9,742,077.04	55,327,378.00	8,750,434.18	64,077,812.18	11,445,353.56
Purchased Power	\$	4,550,819.57	4,550,819.57	5,268,701.72	9,819,521.29	4,211,782.34	14,031,303.63	5,493,403.13	19,524,706.76	8,922,534.95
Oregon Solar Pilot		745.96	745.96	545.34	1,291.30	979.22	2,270.52	1,223.69	3,494.21	3,541.06
Surplus Sales	\$	(8,385,471.11)	(8,385,471.11)	(9,811,088.00)	(18,196,559.11)	(10,813,741.54)	(29,010,300.65)	(5,134,613.49)	(34,144,914.14)	(2,669,393.02)
Total Non-QF	\$	21,070,505.10	21,070,505.10	16,139,049.34	37,209,554.44	3,141,097.06	40,350,651.50	9,110,447.51	49,461,099.01	17,702,036.55
QF - Includes Net Metering and Liquidated Damages	\$	10,211,639.95	10,211,639.95	10,487,132.96	20,698,772.91	9,422,320.41	30,121,093.32	13,641,769.77	43,762,863.09	14,515,106.79
Total Actual Power Costs Incurred	\$	31,282,145.05	31,282,145.05	26,626,182.30	57,908,327.35	12,563,417.47	70,471,744.82	22,752,217.28	93,223,962.10	32,217,143.34
Actual Power Cost per Unit	\$/MWh	\$25.64	\$25.64	\$26.71	\$26.12	\$12.96	\$22.12	\$23.27	\$22.39	\$27.54
POWER COSTS COLLECTED IN RATES										
Actual Sales	MWh	1,220,232	1,220,232	996,968	2,217,200	969,231	3,186,431	977,681	4,164,112	1,169,649
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.06	\$25.06	\$24.97	\$25.02	\$24.67	\$24.91	\$24.54	\$24.83	\$25.65
Total Power Costs Collected in Rates	\$	30,579,013.92	30,579,013.92	24,894,290.96	55,473,304.88	23,910,928.77	79,384,233.65	23,992,291.74	103,376,525.39	30,001,496.85
CHANGE FROM FORECAST										
Actual Power Cost per Unit	\$/MWh	\$25.64	\$25.64	\$26.71	\$26.12	\$12.96	\$22.12	\$23.27	\$22.39	\$27.54
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.06	\$25.06	\$24.97	\$25.02	\$24.67	\$24.91	\$24.54	\$24.83	\$25.65
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$0.58	\$0.58	\$1.74	\$1.10	(\$11.71)	(\$2.80)	(\$1.27)	(\$2.44)	\$1.89
Deviation from Forecast	\$	703,131.13	703,131.13	1,731,891.34	2,435,022.47	(11,347,511.30)	(8,912,488.83)	(1,240,074.46)	(10,152,563.29)	2,215,646.49
Oregon Allocation	%		4.44%		4.44%		4.44%		4.44%	
Oregon Allocated Power Cost Deviation (before DB)	\$		31,219.02		108,115.00		(395,714.50)		(450,773.81)	
Deadband - Over 250 Basis Points	\$		2,769,162.59		2,769,162.59		2,769,162.59		2,769,162.59	
Deadband - Under 125 Basis Points	\$		(1,384,581.30)		(1,384,581.30)		(1,384,581.30)		(1,384,581.30)	
True-Up (+)	\$		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00	
Portion of True-up Change Allowed	%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	\$		0.00		0.00		0.00		0.00	
Total Deferred Balance	\$		0.00		0.00		0.00		0.00	

2014 PCAM
Twelve Months Ended December 31, 2014

OREGON PCAM (Schedule 56)		May YTD	June	June YTD
ACTUAL POWER COSTS				
Actual NPSE Costs				
Actual Sales - Includes Unbilled	MWh	5,333,761	1,429,629	6,763,390
Fuel	\$	75,523,165.74	14,247,345.79	89,770,511.53
Purchased Power	\$	28,447,241.71	8,183,557.52	36,630,799.23
Oregon Solar Pilot		7,035.27	2,712.52	9,747.79
Surplus Sales	\$	(36,814,307.16)	(3,491,506.39)	(40,305,813.55)
Total Non-QF	\$	67,163,135.56	18,942,109.44	86,105,245.00
QF - Includes Net Metering and Liquidated Damages	\$	58,277,969.88	18,011,870.30	76,289,840.18
Total Actual Power Costs Incurred	\$	125,441,105.44	36,953,979.74	162,395,085.18
Actual Power Cost per Unit	\$/MWh	\$23.52	\$25.85	\$24.01
POWER COSTS COLLECTED IN RATES				
Actual Sales	MWh	5,333,761	1,429,629	6,763,390
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.01	\$26.88	\$25.40
Total Power Costs Collected in Rates	\$	133,378,022.24	38,428,427.52	171,806,449.76
CHANGE FROM FORECAST				
Actual Power Cost per Unit	\$/MWh	\$23.52	\$25.85	\$24.01
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.01	\$26.88	\$25.40
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	(\$1.49)	(\$1.03)	(\$1.39)
Deviation from Forecast	\$	(7,936,916.80)	(1,474,447.78)	(9,411,364.58)
Oregon Allocation	%	4.44%		4.44%
Oregon Allocated Power Cost Deviation (before DB)	\$	(352,399.11)		(417,864.59)
Deadband - Over 250 Basis Points	\$	2,769,162.59		2,769,162.59
Deadband - Under 125 Basis Points	\$	(1,384,581.30)		(1,384,581.30)
True-Up (+)	\$	0.00		0.00
True-Up (-)	\$	0.00		0.00
OREGON DEFERRAL before sharing	\$	0.00		0.00
Portion of True-up Change Allowed	%	90%		90%
OREGON DEFERRAL w/ SHARING (90/10)	\$	0.00		0.00
Interest Rate	%	7.757%		7.757%
Interest Accrued to date	\$	0.00		0.00
Total Deferred Balance	\$	0.00		0.00

2014 PCAM
Twelve Months Ended December 31, 2014

OREGON PCAM (Schedule 56)		July	July YTD	August	August YTD	September	September YTD	October	October YTD	November
ACTUAL POWER COSTS										
Actual NPSE Costs										
Actual Sales - Includes Unbilled	MWh	1,651,717	8,415,107	1,385,325	9,800,432	1,129,263	10,929,695	980,444	11,910,139	1,058,380
Fuel	\$	22,848,904.83	112,619,416.36	23,002,694.63	135,622,110.99	21,236,546.41	156,858,657.40	15,010,326.00	171,868,983.40	14,725,373.03
Purchased Power	\$	11,637,738.35	48,268,537.58	11,243,926.15	59,512,463.73	3,244,408.05	62,756,871.78	4,776,734.64	67,533,606.42	8,904,540.93
Oregon Solar Pilot		3,968.73	13,716.52	3,964.14	17,680.66	3,729.91	21,410.57	3,256.65	24,667.22	1,976.05
Surplus Sales	\$	(1,968,749.32)	(42,274,562.87)	(6,959,881.57)	(49,234,444.44)	(6,061,171.70)	(55,295,616.14)	(6,949,603.80)	(62,245,219.94)	(6,938,248.03)
Total Non-QF	\$	32,521,862.59	118,627,107.59	27,290,703.35	145,917,810.94	18,423,512.67	164,341,323.61	12,840,713.49	177,182,037.10	16,693,641.98
QF - Includes Net Metering and Liquidated Damages	\$	15,401,801.77	91,691,641.95	14,289,625.94	105,981,267.89	14,506,601.92	120,487,869.81	13,549,700.74	134,037,570.55	13,956,378.42
Total Actual Power Costs Incurred	\$	47,923,664.36	210,318,749.54	41,580,329.29	251,899,078.83	32,930,114.59	284,829,193.42	26,390,414.23	311,219,607.65	30,650,020.40
Actual Power Cost per Unit	\$/MWh	\$29.01	\$24.99	\$30.01	\$25.70	\$29.16	\$26.06	\$26.92	\$26.13	\$28.96
POWER COSTS COLLECTED IN RATES										
Actual Sales	MWh	1,651,717	8,415,107	1,385,325	9,800,432	1,129,263	10,929,695	980,444	11,910,139	1,058,380
Combined Rate (Recoverd in Rates)	\$/MWh	\$27.05	\$25.73	\$ 27.38	\$25.96	\$ 26.49	\$26.01	\$ 25.58	\$25.98	\$ 25.21
Total Power Costs Collected in Rates	\$	44,678,944.85	216,485,394.61	37,930,198.50	254,415,593.11	29,914,176.87	284,329,769.98	25,079,757.52	309,409,527.50	26,681,759.80
CHANGE FROM FORECAST										
Actual Power Cost per Unit	\$/MWh	\$29.01	\$24.99	\$30.01	\$25.70	\$29.16	\$26.06	\$26.92	\$26.13	\$28.96
Combined Rate (Recoverd in Rates)	\$/MWh	\$27.05	\$25.73	\$27.38	\$25.96	\$26.49	\$26.01	\$25.58	\$25.98	\$25.21
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$1.96	(\$0.73)	\$2.63	(\$0.26)	\$2.67	\$0.05	\$1.34	\$0.15	\$3.75
Deviation from Forecast	\$	3,244,719.51	(6,166,645.07)	3,650,130.79	(2,516,514.28)	3,015,937.72	499,423.44	1,310,656.71	1,810,080.15	3,968,260.60
Oregon Allocation	%		4.44%		4.44%		4.44%		4.44%	
Oregon Allocated Power Cost Deviation (before DB)	\$		(273,799.04)		(111,733.23)		22,174.40		80,367.56	
Deadband - Over 250 Basis Points	\$		2,769,162.59		2,769,162.59		2,769,162.59		2,769,162.59	
Deadband - Under 125 Basis Points	\$		(1,384,581.30)		(1,384,581.30)		(1,384,581.30)		(1,384,581.30)	
True-Up (+)	\$		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00	
Portion of True-up Change Allowed	%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	\$		0.00		0.00		0.00		0.00	
Total Deferred Balance	\$		0.00		0.00		0.00		0.00	

2014 PCAM
Twelve Months Ended December 31, 2014

OREGON PCAM (Schedule 56)		November YTD	December	December YTD	Annual
ACTUAL POWER COSTS					
Actual NPSE Costs					
Actual Sales - Includes Unbilled	MWh	12,968,519	1,123,849	14,092,368	14,092,368
Fuel	\$	186,594,356.43	14,646,649.54	201,241,005.97	201,241,005.97
Purchased Power	\$	76,438,147.35	8,213,270.36	84,651,417.71	84,651,417.71
Oregon Solar Pilot		26,643.27	1,160.37	27,803.64	27,803.64
Surplus Sales	\$	(69,183,467.97)	(6,395,431.04)	(75,578,899.01)	(75,578,899.01)
Total Non-QF	\$	193,875,679.08	16,465,649.23	210,341,328.31	210,341,328.31
QF - Includes Net Metering and Liquidated Damages	\$	147,993,948.97	15,448,614.89	163,442,563.86	163,442,563.86
Total Actual Power Costs Incurred	\$	341,869,628.05	31,914,264.12	373,783,892.17	373,783,892.17
Actual Power Cost per Unit	\$/MWh	\$26.36	\$28.40	\$26.52	\$26.52
POWER COSTS COLLECTED IN RATES					
Actual Sales	MWh	12,968,519	1,123,849	14,092,368	14,092,368
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.92	\$ 25.39	\$25.87	\$25.87
Total Power Costs Collected in Rates	\$	336,091,287.30	28,534,526.11	364,625,813.41	364,625,813.41
CHANGE FROM FORECAST					
Actual Power Cost per Unit	\$/MWh	\$26.36	\$28.40	\$26.52	\$26.52
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.92	\$25.39	\$25.87	\$25.87
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$0.45	\$3.01	\$0.65	\$0.65
Deviation from Forecast	\$	5,778,340.75	3,379,738.01	9,158,078.76	9,158,078.76
Oregon Allocation	%	4.44%		4.44%	4.44%
Oregon Allocated Power Cost Deviation (before DB)	\$	256,558.33		406,618.70	406,618.70
Deadband - Over 250 Basis Points	\$	2,769,162.59		2,769,162.59	2,769,162.59
Deadband - Under 125 Basis Points	\$	(1,384,581.30)		(1,384,581.30)	(1,384,581.30)
True-Up (+)	\$	0.00		0.00	0.00
True-Up (-)	\$	0.00		0.00	0.00
OREGON DEFERRAL before sharing	\$	0.00		0.00	0.00
Portion of True-up Change Allowed	%	90%		90%	90%
OREGON DEFERRAL w/ SHARING (90/10)	\$	0.00		0.00	0.00
Interest Rate	%	7.757%		7.757%	7.757%
Interest Accrued to date	\$	0.00		0.00	0.00
Total Deferred Balance	\$	0.00		0.00	0.00

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 Oregon PCAM Deadbands
Based on Idaho Power 2014 Results of Operation

April 15, 2015

**Determination of Oregon PCAM Deadbands
 Based on Idaho Power 2014 Results of Operations**

	(A)	(B)
	Total System	Oregon
(1) Rate Base	\$2,946,965,288	\$126,684,604
(2) % Equity in cap structure	53.249%	53.249%
(3) Equity in rate base	\$1,569,229,546	\$67,458,285
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$15,692,295	\$674,583
(6) Net-to Gross Factor	1.64200	1.64200
(7) Revenue requirement	\$25,766,749	\$ 1,107,665
(8) Upper Band of Basis Points	250	\$2,769,162.59
(9) Lower Band of Basis Points	125	(\$1,384,581.30)

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 Emission Sales
January 2014 through December 2014

April 15, 2015

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 2014 through December 2014

April 15, 2015

