

ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 14, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE June 1, 2015

DATE: March 25, 2015

TO: Public Utility Commission

FROM: Ming Peng

THROUGH: Jason Eisdorfer and Marc Hellman

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 6/Advice No.15-02)
Requests Modifications to Tariff Schedule 92 – Boardman Operating Life Adjustment.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power or Company) Advice No. 15-02, and allow the replacement tariff sheet to go into effect June 1, 2015.

DISCUSSION:

On March 10, 2015, Idaho Power filed tariff revisions in Advice No. 15-02. The filing proposes to modify the Company's Schedule 92, Boardman Operating Life Adjustment, with a requested effective date of June 1, 2015.

Background:

Boardman is a coal-fired power plant ("Boardman") in Oregon. PGE operates the Boardman Plant and currently owns 90 percent and Idaho Power owns 10 percent.

On September 26, 2011, Idaho Power filed an application with the Oregon Public Utility Commission (Commission or OPUC) requesting approval of the establishment of the Boardman Operating Life Adjustment tariff, the balancing account whereby incremental costs and benefits associated with the shutdown of Boardman will be tracked and recovered from Oregon customers (Docket No. UE 239).

In June 2012, the Commission issued Order No. 12-235 approving the Company's

proposed balancing account and method for recovering costs associated with the early shutdown of Boardman. The approved Balancing Account will track costs associated with: (1) the accelerated depreciation of existing Boardman investments and, (2) decommissioning costs related to the Boardman shutdown. The Commission approved the recovery of these incremental costs through Schedule 92, the Boardman Operating Life Adjustment tariff, smoothing revenue requirement impacts of the early Boardman retirement over the remaining years of the plant's life and allows for full recovery of Boardman related costs by Boardman life end.

On November 4, 2014, the Commission approved an application by PGE and Idaho Power for the sale of the ownership interest in a portion of certain facilities at Boardman pursuant to an Asset Purchase Agreement (APA) between the parties. The APA provided common assets (Shared Facilities) to the operation of PGE's Carty Gas-Fired Generation Station.

The Incremental Revenue Requirement Calculation:

The Company stated in its application that Idaho Power has completed its annual update to the Boardman incremental revenue requirement and review of the Boardman Balancing Account for 2014, pursuant to Commission Order No. 12-235. Idaho Power also stated that the purpose of this filing is to provide the Commission with:

- (1) a description of adjustments made to the incremental recovery amount; and,
- (2) a revenue collection worksheet that tracks the over- or under-collection of the previous year's allowed revenue.

Impact:

Idaho Power represented that the Company is not proposing changes to the Oregon jurisdictional incremental revenue requirement of \$107,223 approved in Docket No. UE 239, except to reflect the net of the gain associated with the sale of the Shared Facilities and the shortfall in revenue collections associated with the calendar year 2014 ($-\$2,290 + \$3,161 = \$871$). This would bring the total Oregon jurisdictional incremental revenue requirement collected through the Boardman Operating Life Adjustment to \$108,094. Using an updated sales forecast for the June 1, 2015, to May 31, 2016, time period, this equates to an overall increase of \$871, or 0.01 percent. The Company requests that the attached revised Schedule 92, Boardman Operating Life Adjustment, become effective June 1, 2015.

Staff reviewed attached calculation tables from the Company's filing. Staff also reviewed Idaho Power's data responses, from which, the Company provided calculation tables for "Boardman Operating Life Adjustment Filing, Effective June 1, 2015, Summary of Revenue Impact, Current Billed Revenue to Proposed Billed Revenue".

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Based on Staff's review, the application appears reasonable, meets the appropriate statutory requirements, and is not contrary to the public interest.

PROPOSED COMMISSION MOTION:

Idaho Power's Advice No. 15-02 be approved, the replacement tariff sheet revisions be allowed to go into effect on June 1, 2015.

ADV6/Advice No.15-02

ATTACHMENT A

IDAHO POWER COMPANY
 P.U.C. ORE. NO. E-27

FOURTH REVISED SHEET NO. 92-1
 CANCELS
 THIRD REVISED SHEET NO. 92-1

SCHEDULE 92
BOARDMAN OPERATING
LIFE ADJUSTMENT

PURPOSE

To recover from Customers the revenue requirement impact of the incremental costs and benefits associated with the shutdown of the Boardman power plant.

APPLICABILITY

This Schedule is applicable to all retail Customers served under the Company's schedules and special contracts. ADJUSTMENT RATE

The Adjustment Rate is:

<u>Schedule</u>	<u>Description</u>	<u>Adjustment Rate</u>
1	Residential Service	0.0168¢ per kWh
7	Small General Service	0.0168¢ per kWh
9-S	Large General Service (Secondary)	0.0168¢ per kWh
9-P	Large General Service (Primary)	0.0168¢ per kWh
9-T	Large General Service (Transmission)	0.0168¢ per kWh
15	Dusk to Dawn Lighting	0.0168¢ per kWh
19-S	Large Power Service (Secondary)	0.0168¢ per kWh
19-P	Large Power Service (Primary)	0.0168¢ per kWh
19-T	Large Power Service (Transmission)	0.0168¢ per kWh
24-S	Irrigation Service (Secondary)	0.0168¢ per kWh
24-T	Irrigation Service (Transmission)	0.0168¢ per kWh
40	Unmetered General Service	0.0168¢ per kWh
41	Municipal Street Lighting	0.0168¢ per kWh
42	Traffic Control Lighting	0.0168¢ per kWh

Issued by IDAHO POWER COMPANY
 By Gregory W. Said, Vice President, Regulatory Affairs
 1221 West Idaho Street, Boise, Idaho

Advice No. 15-02

OREGON
 Issued: March 10, 2015
 Effective with Service
 Rendered on and after:
 June 1, 2015

ATTACHMENT NO. 1

IDAHO POWER COMPANY
FINAL JOURNAL ENTRIES
Boardman Asset Purchase Agreement

Account	Debit	Credit
108000 – Accum Prov F/Depr-EPIS	2,281,702	
101000 – Electric Plant in Service		2,281,702
Record retirement of electric plant sold.		
102000 – Electric Plant Purchsd or Sold	2,281,702	
108000 – Accum Prov F/Depr-EPIS		2,281,702
Transfer cost of assets sold.		
108000 – Accum Prov F/Depr-EPIS	1,925,557	
102000 - Plant Purchsd or Sold		1,925,557
Transfer accumulated depreciation on assets sold.		
131201 – Cash	620,205	
102000 – Electric Plant Purchased or Sold		620,205
Record cash received for electric plant sold.		
102000 – Electric Plant Purchased or Sold	264,060	
182493 – Boardman balancing account (ID)		252,560
182494 – Boardman balancing account (OR)		11,500
Record cash received for electric plant sold.		