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March 23, 2018

VIA ELECTRONIC FILING & FEDERAL EXPRESS

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: **Docket No. UM 1821(1)**
In the Matter of Idaho Power Company's Application for Deferral of Costs
Associated with Participation in an Energy Imbalance Market (EIM)

Dear Filing Center:

Attached for electronic filing in the above matter is Idaho Power Company's Application for deferral of costs associated with participation in an energy imbalance market. Attachment B contains protected information and will be provided on CD and sent via Federal Express.

The Application has been served on the parties to Dockets UE 233, UE 248, and UM 1821.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,



Christa Bearry

Attachment

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**
3 **UM 1821(1)**

4 In the Matter of
5 IDAHO POWER COMPANY,
6 Application for Deferral of Costs Associated
7 with Participation in an Energy Imbalance
Market (EIM).

APPLICATION

8
9 **I. INTRODUCTION**

10 Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho
11 Power") hereby requests an accounting order reauthorizing Idaho Power to defer for later
12 ratemaking treatment the necessary incremental costs associated with participation in the
13 western Energy Imbalance Market ("EIM") pursuant to Order No. 17-215. Idaho Power
14 seeks authorization for this deferral effective as of the date of this Application. In support of
15 this Application, Idaho Power states:

16 1. Idaho Power is a public utility in the state of Oregon and its rates, services,
17 and accounting practices are subject to the regulation of the Public Utility Commission of
18 Oregon ("Commission").

19 2. This Application is filed pursuant to ORS 757.259, which allows the
20 Commission, upon application, to authorize the deferral of certain items for later inclusion in
21 rates.

22 3. Communications regarding this Application should be addressed to:

23 Julia A. Hilton
24 Idaho Power Company
1221 West Idaho Street (83702)
25 P.O. Box 70
Boise, Idaho 83707
jhilton@idahopower.com
26 dockets@idahopower.com

Mark Annis
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
mannis@idahopower.com

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II. OAR 860-027-0300(3) REQUIREMENTS

A. Description.

With this deferral application, Idaho Power seeks authorization from the Commission to accrue, for future amortization, (1) the necessary incremental start-up operations and maintenance (“O&M”) costs associated with participation in the western EIM and (2) if ordered excluded from net power supply expenses in Docket No. UE 333,¹ non-capital incremental EIM-related O&M costs incurred after commencement of participation in the western EIM.

B. Reasons for Deferral.

In Order No. 17-215, the Commission authorized the deferral of O&M-related costs associated with Idaho Power’s entrance into the western EIM. This deferral is intended to capture the incremental costs related to participation in the western EIM in order to allow the Company to match the benefits customers receive with the costs the Company incurs and is filed pursuant to Order No. 17-215 and ORS 757.259(2)(e).

C. Proposed Accounting.

Idaho Power records expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations to the applicable Federal Energy Regulatory Commission (“FERC”) O&M accounts. Upon receiving authorization of a deferral, Idaho Power proposes to record the deferred amounts by debiting FERC Account 182.3 (Regulatory Assets) and crediting the same O&M accounts.

D. Estimate of Amounts.

Through February 28, 2018, the Company has deferred approximately \$31,000 (on an Oregon-jurisdictional basis) under Order No. 17-215. The Company anticipates incurring approximately \$42,000 (on an Oregon-jurisdictional basis) of additional start-up

¹ Re *Idaho Power Company's 2018 Annual Power Cost Update – October Update*, Docket No. UE 333.

1 expenses. The Company's estimate of annual ongoing O&M is approximately \$85,000 on
2 an Oregon-jurisdictional basis, commencing with its April 2018 participation in the EIM.
3 Idaho Power requests that, in accordance with Order No. 05-1070, it be allowed to accrue
4 interest on the unamortized balance at a rate equal to its authorized weighted average cost
5 of capital most recently approved by the Commission.

6 **E. Notice.**

7 A copy of the Notice of Application for Deferred Accounting of Costs Associated with
8 Participation in an Energy Imbalance Market and a list of persons served with the Notice
9 are attached to the Application as Attachment A.

10 **III. OAR 860-027-0300(4) REQUIREMENTS**

11 **A. Entries in the Deferred Account to Date.**

12 Attached to the Application as Attachment B is a description and explanation of the
13 entries in this deferred account through February 28, 2018.

14 **B. Reason for Continuation of Deferred Accounting.**

15 As discussed in detail above, this deferral is intended to capture the incremental
16 costs associated with participation in an energy imbalance market to allow the Company to
17 match the benefits customers receive with the costs the Company incurs and is authorized
18 pursuant to Order No. 17-215.

19 **IV. CONCLUSION**

20 Deferred accounting treatment is an appropriate, just, and reasonable means of
21 implementing Order No. 17-215.

22 For the reasons stated above, Idaho Power requests permission to defer incremental
23 O&M costs associated with participation in an energy imbalance market effective the date
24 of this Application, pursuant to Order No. 17-215.


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1 DATED: March 23, 2018.

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IDAHO POWER COMPANY



JULIA A. HILTON, Senior Counsel (OSB #142457)
Idaho Power Company
1221 West Idaho Street (83702)
P. O. Box 70
Boise, Idaho 83707

Attachment A

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UM 1821(1)**

4 In the Matter of

5 IDAHO POWER COMPANY,

6 Application for Deferral of Costs Associated
7 with Participation in an Energy Imbalance
Market (EIM).

**NOTICE OF APPLICATION FOR
DEFERRED ACCOUNTING OF COSTS
ASSOCIATED WITH PARTICIPATION IN
AN ENERGY IMBALANCE MARKET**

8 On March 23, 2018, Idaho Power Company ("Idaho Power") filed an application with
9 the Public Utility Commission of Oregon ("Commission") for an order authorizing deferral of
10 costs associated with participation in an energy imbalance market.

11 Approval of Idaho Power's Application will not authorize a change in Idaho Power's
12 rates, but will permit the Commission to consider allowing such deferred amounts in rates in
13 a subsequent proceeding.

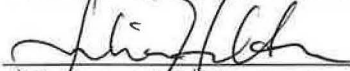
14 Idaho Power's Application will be posted on the Commission website for persons who
15 wish to obtain a copy or they may contact the following:

16 Julia A. Hilton
17 Idaho Power Company
18 1221 West Idaho Street (83702)
19 P.O. Box 70
20 Boise, Idaho 83707
21 jhilton@idahopower.com

22 Any person who wishes to submit written comments to the Commission on Idaho
23 Power's Application must do so by no later than April 23, 2018.

24 DATED: March 23, 2018.

25 IDAHO POWER COMPANY

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JULIA A. HILTON, Senior Counsel (OSB #142457)
Idaho Power Company
1221 West Idaho Street (83702)
P. O. Box 70
Boise, Idaho 83707

1 **CERTIFICATE OF SERVICE**

2 **UM 1821(1)**

3 I hereby certify that on March 23, 2018, I served a true and correct copy of Idaho
4 Power Company's Application for deferral of costs associated with participation in the
5 western Energy Imbalance Market on the parties in Docket Nos. UE 233 and UE 248 by
6 e-mail to said person(s) as indicated below.

7 OPUC Dockets
Oregon Citizens' Utility Board
8 dockets@oregoncub.org

Robert Jenks
Oregon Citizens' Utility Board
bob@oregoncub.org

9 Lisa F. Rackner
McDowell Rackner & Gibson PC
10 dockets@mrg-law.com

Stephanie S. Andrus
Department of Justice
Business Activities Section
stephanie.andrus@state.or.us

11 Dr. Don Reading
12 dreading@mindspring.com

Judy Johnson
Public Utility Commission of Oregon
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13 Erik Colville
14 Public Utility Commission of Oregon
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15 Peter J. Richardson
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19 Randy Dahlgren
20 Portland General Electric Company
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23 Sarah E. Link
24 Pacific Power
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2 PacifiCorp, d/b/a Pacific Power
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3 John W. Stephens
4 Esler Stephens & Buckley
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5 Robert D. Kahn
6 Northwest & Intermountain Power
7 Producers Coalition
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8 Mitch Moore
9 Public Utility Commission of Oregon
mitch.moore@state.or.us

10 DATED: March 23, 2018.

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Donald W. Schoenbeck
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Michael T. Weirich
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Christa Beary, Legal Assistant

Attachment B

**ATTACHMENT B
CONTAINS PROTECTED
INFORMATION AND WILL BE
PROVIDED SEPARATELY**