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May 16, 2024

VIA E-MAIL TO

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Re: Docket No. UE 426 - In the Matter of Idaho Power Company, Request for a General Rate Revision.

Attention Filing Center:

Attached for filing in the above-referenced docket, please find the First Partial Stipulation filed on behalf of Idaho Power Company, Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board, the J.R. Simplot Company and the Community Energy Project.

Please contact this office with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cole Albee".

Cole Albee
Paralegal
McDowell Rackner Gibson PC

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 426

In the Matter of
IDAHO POWER COMPANY,
Application for a General Rate Revision

FIRST PARTIAL STIPULATION

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This First Partial Stipulation resolves all issues among the parties to Idaho Power Company's ("Idaho Power" or "Company") Request for a General Rate Revision in Docket UE 426, with the exception of the programmatic elements of the Bill Discount Program, which will be addressed in the Second Partial Stipulation.

I. PARTIES

1. The parties to this First Partial Stipulation are Idaho Power, Staff of the Public Utility Commission of Oregon ("Staff"), the Oregon Citizens' Utility Board ("CUB"), and the J. R. Simplot Company ("Simplot") (collectively, the "Stipulating Parties").¹ Community Energy Project ("CEP") did not take a position on the issues resolved other than the settlement regarding issues described in Paragraphs 6(n), 6(o), 16, 17, and 18. CEP is a Stipulating Party as to the terms associated with those topics and otherwise does not oppose this First Partial Stipulation.

II. BACKGROUND

2. On December 15, 2023, Idaho Power filed a request for a general rate revision with the Public Utility Commission of Oregon ("Commission") to become effective on October 15, 2024. Idaho Power's request proposed to increase the Company's annual Oregon jurisdictional revenues by approximately \$10.7 million, representing a 19.28 percent increase in revenues from the current base rates.

¹ The Oregon Irrigation Pumpers Association, Inc. was granted intervention on May 7, 2024, and was not a party to the proceeding at the time the Stipulating Parties negotiated the terms the First Partial Stipulation.

Summary of Stipulated Revenue Requirement Adjustments (Figures reflect Oregon Jurisdictional Amounts)		
Filed Net Revenue Increase: \$10,694,934		
Stipulated Adjustments	Adjustment Impact	Net Rate Change
1. Cost of Capital		
a. Rate of Return & Capital Structure	(\$1,284,244)	\$9,410,690
2. Jurisdictional Allocation		
b. Jurisdictional Allocation	(\$700,505)	\$8,710,185
c. Wildfire Mitigation	(\$834,951)	\$7,875,234
3. Revenue Requirement Adjustments		
d. Uncollectible Accounts	(\$198,769)	\$7,676,466
e. Compensation	(\$241,748)	\$7,434,717
f. Benefits	(\$150,335)	\$7,284,382
g. Oregon Regulatory Commission Fees	(\$78,717)	\$7,205,665
h. Hydro Kilowatt Hours Tax	(\$76,731)	\$7,128,934
i. Corporate Activities Tax	(\$69,617)	\$7,059,317
j. Transmission and Distribution O&M	(\$40,950)	\$7,018,367
k. Materials and Supplies	(\$59,993)	\$6,958,374
l. Hydro Facilities	(\$24,849)	\$6,933,525
m. Cash Working Capital	(\$15,177)	\$6,918,348
n. Miscellaneous Adjustments	(\$136,553)	\$6,781,794
o. Weatherization Expense Recovery	(\$50,000)	\$6,731,794

1 **1. Cost of Capital**

2 (a) Rate of Return and Capital Structure. The Stipulating Parties agree that

3 the Company's Return on Equity should be set at 9.5 percent and the Company's overall rate

4 of return should be set at 7.302 percent. The individual components in the assumed capital

5 structure should be set as shown in the table below.

Financial Component	Weight	Cost	Weighted Average
Cost of Long-Term Debt	50%	5.104%	2.552%
Common Equity	50%	9.500%	4.750%
Total	100%		7.302%

6 **2. Jurisdictional Allocation**

7 (b) Jurisdictional Allocation. Stipulating Parties agree to a revenue requirement

8 reduction of \$700,505 related to the modification of certain demand and energy allocators. For the

1 purposes of the stipulated revenue requirement, billing determinants and retail revenues will not
2 be adjusted to reflect the modified allocation percentages.

3 (c) Wildfire Mitigation. Parties agree to a revenue requirement reduction of
4 \$834,951 related to the allocation of wildfire mitigation costs between Idaho and Oregon. Parties
5 agree that the adjustment is not an indication of the imprudence of any wildfire mitigation costs,
6 but rather is an adjustment related to using a different allocation methodology than was originally
7 proposed by the Company.

8 **3. Revenue Requirement Adjustments**

9 (d) Uncollectible Accounts. Parties agree to a reduction to recovery of
10 Uncollectible Accounts expense of \$198,769 based on the use of a historical three-year average
11 to determine the Test Year amount.

12 (e) Compensation. Parties agree to a revenue requirement reduction of
13 \$241,748 related to salaries, wages, and short-term incentive. Parties agree there will be no rate
14 base reduction related to this adjustment.

15 (f) Benefits. Parties agree to a Revenue Requirement reduction of \$150,335
16 related to employee benefits based on updated data provided via discovery after the initial filing of
17 this case.

18 (g) Oregon Regulatory Commission Fees. Parties agree to a reduction in the
19 recovery of Oregon Regulatory Commission Fees of \$78,717 to reflect an updated assessment
20 rate.

21 (h) Hydro Kilowatt Hours Tax. Parties agree to a reduction in the recovery of
22 Hydro Kilowatt Hours Tax expense of \$76,731.

23 (i) Corporate Activity Tax. Parties agree to a reduction in the recovery of Oregon
24 Corporate Activity Tax expense of \$69,617 to reflect an updated assessment rate.

25 (j) Transmission and Distribution O&M. Parties agree to a reduction in the
26 recovery of Transmission and Distribution O&M expense of \$40,950.

1 (k) Materials & Supplies. Parties agree to a revenue requirement reduction of
2 \$59,993 related to Materials and Supplies. Parties agree there will be no rate base reduction
3 related to this adjustment.

4 (l) Hydro Facilities. Parties agree to a revenue requirement reduction of \$24,849
5 related to Hydro Facilities. Parties agree there will be no rate base reduction related to this
6 adjustment.

7 (m) Cash Working Capital. Parties agree to a revenue requirement reduction of
8 \$15,177 related to Cash Working Capital. Parties agree that this adjustment will be applied as a
9 dollar-for-dollar reduction to revenue requirement rather than a reduction to rate base.

10 (n) Miscellaneous Expense Adjustment. For settlement purposes Parties agree
11 to an additional reduction to revenue requirement in the amount of \$136,553.

12 (o) Weatherization Expense Recovery. The Parties agree to remove \$50,000
13 from the proposed revenue requirement. On an ongoing basis: (1) Idaho Power will track low-
14 income weatherization funding and spending through its Energy Efficiency Rider, (2) Idaho Power
15 will make available \$50,000 annually through its Energy Efficiency Rider for low-income
16 weatherization, and (3) Idaho Power will track annual spending for weatherization separately from
17 energy efficiency and unspent amounts earmarked for weatherization will be carried forward and
18 made available in future years.

19 **B. Cost-of-Service, Rate Spread, and Rate Design**

20 7. Cost of Service. For settlement purposes, the Parties agree to the methodology
21 contained in the Company's filed Class Cost-of-Service ("CCOS") Study with two adjustments:
22 (1) fixed generation costs are to be classified as 75 percent demand and 25 percent energy,
23 and (2) distribution functionalized costs are to be classified as 50 percent demand and 50
24 percent customer.

25 8. Rate Spread. The Parties agree that CCOS should be used as the primary basis
26 for spreading revenue requirement; however, agree to a rate spread that provides for no class
27 to receive an increase of (1) less than 0.651 percent or (2) more than 136 percent of the

1 average overall increase. The agreed upon rate spread is shown in Attachment No. 1, and the
2 Customer Billed Impact percentages taking into proposed base revenues plus collections from
3 the following Riders: Schedule 55 (APCU), Schedule 56 (PCAM), Schedule 91 (Energy
4 Efficiency), Schedule 93 (Solar PV), and the proposed Schedule 64 (Bill Discount for Qualified
5 Customers Cost Recovery Mechanism) is shown in Attachment No. 2.

6 9. Rate Design. The Parties agree to the rate design structures presented in the
7 Company's Application, with two adjustments to the residential rate design: (1) the service
8 charge will be \$10.00 per month, and (2) a seasonal structure will not be implemented as part
9 of this case.

10 **C. Non-Revenue Requirement Stipulated Agreements**

11 10. Jim Bridger Power Plant ("Bridger") Depreciable Life: For settlement purposes,
12 the Stipulating Parties agree that Idaho Power's retail rates effective October 15, 2024, will
13 reflect the as-filed revenue requirement for Bridger-related cost components. The Stipulating
14 Parties agree that, for future ratemaking purposes, Idaho Power will track and record
15 differences between the Bridger end-of-life assumptions reflected in the filed revenue
16 requirement with the end-of-life assumptions that ultimately result from PacifiCorp's current
17 general rate case, Docket UE 433. Stipulating Parties request that the Commission authorize
18 the required accounting treatment necessary to track these differences as detailed in
19 Attachment No. 3.

20 11. Load Forecast Methodology: The Company will meet with Staff to (1) discuss
21 and address Staff's concerns regarding ARIMA-based residential forecast, and (2) explore the
22 feasibility of developing separate jurisdictional load forecasts.

23 12. Consistency in Load Forecast – Annual Power Cost Update ("APCU")/GRC:
24 The Company will meet with Staff to discuss whether a change to the Company's 2024 APCU
25 filing is necessary to align the APCU load forecast with the settled load forecast in this case.
26 The Stipulating Parties agree that if a deferral is created as a result of those discussions, an
27 earnings test will not be applied.

1 13. Wildfire Mitigation: The Company agrees to track future distribution overhead
2 line vegetation management expenses by state commencing no later than January 1, 2025.

3 14. Customer Protections: The Company will modify Rule F and Rule G of its tariff
4 to reflect the availability of waived reconnection fees, field visit charges, and late payment
5 charges for eligible low-income residential customers, as defined by OAR 860-021-0180.

6 15. Consumer Protections Reporting: Idaho Power will work with OPUC Consumer
7 Services to create a two-part report that: (1) details the number of Oregon residential
8 customers that were charged a reconnection fee, and (2) identifies the number of those
9 customers that are low-income (as defined by OAR 860-021-0180) and the number of those
10 customers that are enrolled in the Company's Bill Discount Program. The report will be filed
11 with the Commission no later than one year and three months after the effective date of the
12 Commission order in this docket.

13 16. Weatherization and Energy Efficiency Reporting: Idaho Power will submit an
14 annual report containing details related to demand-side management activities in Oregon,
15 including weatherization and energy efficiency participation, savings, and expenses. The report
16 will be filed no later than April 15 of each year and will contain programmatic information from
17 the prior calendar year. The Company will present the results of the report to the Commission
18 at a public meeting following its submission.

19 17. Oregon Energy Efficiency Advisory Group: Idaho Power will establish an
20 Oregon Energy Efficiency Advisory Group ("Oregon EEAG"). The Oregon EEAG will provide a
21 forum for the OPUC Staff, Community Action Partnership agencies, and other interested
22 stakeholders, including customer segment representation, to offer advice for Idaho Power in
23 the formulation, implementation, and evaluation of energy efficiency and weatherization
24 activities. Meetings will occur biannually and will be open to the public. Subject to the
25 preference and availability of Oregon stakeholders, Idaho Power commits to holding meetings
26 in-person with a virtual option.

1 18. Schedule 64, Bill Discount for Qualified Customers Cost Recovery Mechanism:

2 The Parties agree to a cost recovery cap targeting \$3,000 per month for non-residential
3 customers. The Parties agree that cost recovery for non-residential customers will be
4 implemented on a cents per kWh basis and will be revisited no later than October 15, 2025,
5 within Docket UM 2211.

6 **D. Other General Provisions**

7 19. The Stipulating Parties agree to submit this First Partial Stipulation to the
8 Commission and request that the Commission approve the First Partial Stipulation as
9 presented.

10 20. Unless addressed otherwise above, this First Partial Stipulation accepts the
11 proposals identified in Idaho Power's testimony and tariffs filed in this docket on December 15,
12 2023. Subject to the approval of this First Partial Stipulation (and resolution of the remaining
13 issue identified in Paragraph 5), the Company will file revised tariff schedules as a compliance
14 filing in this docket, which will reflect changes to the Company's filed tariff sheets, reflecting
15 rates and service provisions to be effective October 15, 2024.

16 21. This First Partial Stipulation will be offered into the record of this proceeding as
17 evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this First
18 Partial Stipulation throughout this proceeding and any appeal, and (if necessary) provide
19 witnesses to sponsor this First Partial Stipulation at the hearing and recommend that the
20 Commission issue an order adopting the settlements contained herein.

21 22. If this First Partial Stipulation is challenged, the Stipulating Parties agree that
22 they will continue to support the Commission's adoption of the terms of this First Partial
23 Stipulation. The Stipulating Parties agree to cooperate in cross-examination and put on such
24 a case as they deem appropriate to respond fully to the issues presented, which may include
25 raising issues that are incorporated in the settlements embodied in this First Partial Stipulation.

26 23. The Stipulating Parties have negotiated this First Partial Stipulation as an
27 integrated document. If the Commission rejects all or any material part of this First Partial

1 Stipulation, or adds any material condition to any final order that is not consistent with this First
2 Partial Stipulation, each Stipulating Party reserves its right, pursuant to OAR 860-001-0350(9),
3 to present evidence and argument on the record in support of the First Partial Stipulation or to
4 withdraw from the First Partial Stipulation. Stipulating Parties shall be entitled to seek rehearing
5 or reconsideration pursuant to OAR 860-001-0720 in any manner that is consistent with the
6 agreement embodied in this First Partial Stipulation.

7 24. By entering into this First Partial Stipulation, no Stipulating Party shall be
8 deemed to have approved, admitted, or consented to the facts, principles, methods, or theories
9 employed by any other Stipulating Party in arriving at the terms of this First Partial Stipulation,
10 other than those specifically identified in the body of this First Partial Stipulation. No Stipulating
11 Party shall be deemed to have agreed that any provision of this First Partial Stipulation is
12 appropriate for resolving issues in any other proceeding, except as specifically identified in this
13 First Partial Stipulation.

14 25. This First Partial Stipulation may be executed in counterparts and each signed
15 counterpart shall constitute an original document.

16 26. This First Partial Stipulation is entered into by each Stipulating Party on the date
17 entered below such Stipulating Party's signature.

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STAFF

By: /s/ Stephanie S. Andrus

Date: May 16, 2024

IDAHO POWER

By: Lisa D. Anderson

Date: May 16, 2024

SIMPLOT

By: /s/ Peter J. Richardson

Date: May 16, 2024

OREGON CITIZENS' UTILITY BOARD

By: /s/ Jennifer Hill-Hart

Date: May 16, 2024

COMMUNITY ENERGY PROJECT

By: /s/ Tonia L. Moro

Date: May 16, 2024

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 426

FIRST PARTIAL STIPULATION

Attachment No. 1

Rate Spread

May 16, 2024

Idaho Power Company
UE 426

Revenue Allocation Summary
First Partial Stipulation

Attachment No. 1 - Rate Spread

Line No.	<u>Tariff Description</u>	Rate Schedule No.	Final Percent Change	Final Revenue Change	Final Revenue Allocation	Average Mills per kWh	Cost of Service Index
	<u>Uniform Tariff Schedules</u>						
1	Residential Service	1	16.45%	\$ 3,064,831	\$ 21,691,135	112.35	92%
2	Small General Service	7	16.45%	\$ 356,292	\$ 2,521,630	125.33	84%
3	Large General Service	9-S	7.90%	\$ 718,188	\$ 9,812,188	87.37	107%
4	Large General Service	9-P	7.90%	\$ 85,514	\$ 1,168,329	79.37	102%
5	Large General Service	9-T	7.90%	\$ 16,067	\$ 219,513	69.81	109%
6	Dusk/Dawn Lighting	15	7.90%	\$ 8,634	\$ 117,966	312.73	140%
7	Large Power Service	19-P	7.90%	\$ 879,462	\$ 12,015,583	69.47	106%
8	Large Power Service	19-T	7.90%	\$ 490,201	\$ 6,697,341	69.95	118%
9	Irrigation Service	24	16.45%	\$ 1,100,539	\$ 7,788,992	116.83	99%
10	Unmetered Service	40	16.45%	\$ 59	\$ 415	76.96	50%
11	Municipal Street Lighting	41	7.90%	\$ 11,617	\$ 158,712	343.59	119%
12	Traffic Control Lighting	42	16.45%	\$ 390	\$ 2,757	119.94	37%
13	<i>Total Oregon Rates</i>		12.14%	6,731,794	62,194,561	91.52	100%

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 426

FIRST PARTIAL STIPULATION

Attachment No. 2

Customer Billed Impact

May 16, 2024

Idaho Power Company
UE 426

First Partial Stipulation

Attachment No. 2 – Customer Billed Impact

The Customer Class billed impact percentages below include the proposed base revenues plus collections from the following Riders: Schedule 55 (APCU), Schedule 56 (PCAM), Schedule 91 (Energy Efficiency), Schedule 93 (Solar PV), and the proposed Schedule 64 (Bill Discount for Qualified Customers Cost Recovery Mechanism).

Effect of Rate Change on Each Customer Class

Residential Service:	14.46%
Small General Service:	14.68%
Large General Service, Secondary Voltage:	7.21%
Large General Service, Primary Voltage:	7.20%
Large General Service, Transmission Voltage:	7.16%
Area Lighting Service:	7.66%
Large Power Service, Primary Voltage:	7.12%
Large Power Service, Transmission Voltage:	6.69%
Irrigation Service:	14.57%
Unmetered General Service:	13.81%
Municipal Street Lighting Service:	7.69%
Traffic Control Lighting Service:	14.60%

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 426

IDAHO POWER COMPANY

Attachment No. 3

Jim Bridger Power Plant End-of-Life Tracking Implementation

May 16, 2024

Idaho Power Company
UE 426

First Partial Stipulation

Attachment No. 3 – Jim Bridger Power Plant End-of-Life Tracking Implementation

Section C, Paragraph 10, of the First Partial Settlement Stipulation (“Partial Stipulation”) filed in this docket requires Idaho Power (“Idaho Power” or “Company”) to track and record differences between the Jim Bridger Power Plant (“Bridger”) end-of-life (“EOL”) assumptions reflected in the filed revenue requirement with the EOL assumptions approved in PacifiCorp’s current rate case, Docket UE 433 (“PacifiCorp EOL”).

To ensure the differences are appropriately tracked for accounting and ratemaking purposes, signing parties to the Partial Stipulation (“Parties”) agree to the following:

- Idaho Power’s depreciation rates effective October 15, 2024, will reflect as-filed Bridger-related depreciation rate assumptions and revenue requirement components.
- The Company will track through a regulatory asset or liability account the difference in Idaho Power’s Oregon depreciation rates for Bridger approved in Docket UE 426 and derived depreciation rates based on the PacifiCorp EOL. Tracking will begin coincident with the rate effective date of the final order issued in Docket UE 433, but no earlier than January 1, 2025.
- Derived depreciation rates calculated in accordance with the PacifiCorp EOL will be applied to the 13-month average Idaho Power 2024 Oregon Test Year plant balances for Bridger as approved in Docket UE 426. The derived depreciation rates based on the PacifiCorp EOL will not apply to incremental plant additions at Bridger beyond the 2024 test year. The review of the appropriate depreciable life for plant investment at Bridger not included in Docket UE 426 will occur in a future Oregon rate filing or the Company’s next depreciation study, whichever comes first.
- Idaho Power will continue to track the variance in depreciation between the Oregon approved depreciation rates in Docket UE 426 and the derived depreciation rates based upon the PacifiCorp EOL, through the regulatory asset or liability account as detailed above, until the earliest of a future Oregon rate filing or the Company’s next depreciation study, which is anticipated to result in depreciation rate changes in 2027.
- Amortization of the regulatory asset or liability will not be subject to an earnings test.
- To ensure mutual understanding, Public Utility Commission of Oregon (“Commission”) Staff (“Staff”) will provide Idaho Power a written memo following the issuance of the final order in Docket UE 433 detailing the PacifiCorp EOL dates for each Bridger unit as well as the Bridger common facilities.
- The provisions of this agreement require the continuation of the existing accounting treatment for Bridger described in Order No. 17-186, which provides for system-level Bridger plant

balances to be depreciated according to the Idaho-approved depreciation schedule and then to be subsequently adjusted to reflect the Oregon-approved depreciation schedule for ratemaking and cost recovery purposes. Idaho Power will continue to track, through a regulatory liability account, an adjustment that results from the difference between the as-filed Oregon depreciation rates approved in Docket UE 426 for Bridger plant and the depreciation rates applied to Bridger plant in Idaho. As of October 15, 2024, the Oregon depreciation rates will be updated to the Bridger depreciation rates included in the Company's filed rate case and approved in Docket UE 426.

- The provisions detailed in this attachment only apply to the outcome of Docket UE 426 as informed by the changes resulting from Docket UE 433. The Company will not automatically change its EOL assumption for Bridger if PacifiCorp is ordered by the Commission to make changes in a future proceeding.