

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 21, 2017

REGULAR CONSENT EFFECTIVE DATE April 1, 2017

DATE: March 15, 2017

TO: Public Utility Commission

FROM: Rose Anderson 

THROUGH: Jason Eisdorfer and Marc Hellman  

SUBJECT: IDAHO POWER: (Docket No. UE 321) Request for Amortization of deferred Intervenor Funding and Langley Variance Expenses.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission) should approve Idaho Power Company's amended filing, dated March 15, 2017, for service rendered on and after effective April 1, 2017, with less than statutory notice.

DISCUSSION:

Issue

Whether the Public Utility Commission (Commission) should approve Idaho Power's (Company) revised Advice 17-03 requesting a change in Schedule 56 rates for service rendered on and after April 1, 2017, with less than statutory notice.

Applicable Rule or Law

Idaho Power's request involves changes to tariff sheets governed by ORS 757.205, ORS 757.210 and OAR 860-022-0025. Filings that make any change in rates, tolls, or charges must be filed with the Commission at least 30 days before the effective date of the changes. However, the Commission has the discretion to approve tariff filings on less than statutory notice.

Analysis

Background

The Company's filing seeks to add clarifying language to its Schedule 56 and update rates to reflect that its 2008 Power Cost Adjustment Mechanism (PCAM) deferral has been fully amortized. The Company's PCAM was created in 2008 in Order No. 08-238 in docket UE 195. Schedule 56 was created to recover in rates amounts associated with the PCAM.

In Order No. 15-399, the Commission authorized amortization of intervenor funding deferrals through Schedule 56. The Residential customer class currently has a higher rate than all other classes in Schedule 56 as a result of this amortization.

The Company initially filed its Advice 17-03 on February 28, requesting to update Schedule 56 rates to include the amortization of certain deferred expenses, including intervenor funding amounts and deferred amounts related to the Company's Langley Gulch Power Plant (Langley Gulch). The February 28 rate filing also removes the 2008 PCAM deferral as it will be fully amortized by April 1, 2017. After reviewing the filing, Staff raised two concerns related to the Company's filing. First, Staff is aware that its counsel is undertaking a review of the Commission's legal authority under the deferral statute, and therefore requested that the issue of the Langley Gulch deferral be addressed at a later date. Second, Staff noted that the tariff language could more clearly reflect the amortization of intervenor funding deferred amounts pursuant to Schedule 56. Staff suggested to the Company that it amend its filing to have the tariff language be modified to better identify the purposes of the tariff.

On March 15, 2017, in response to Staff's concerns, Idaho Power amended its tariff with a waiver request for less than statutory notice. In the amended tariff filing, the Company reflected the removal of deferred amounts related to the 2008 PCAM deferral, and updated the tariff language to indicate the tariff's dual purpose of collecting PCAM and intervenor funding revenues. The Company also noted that it will file a subsequent advice filing for rates effective after May 31, 2017 to update its Schedule 56 to reflect the completed amortization of intervenor funding amounts currently in rates, and to include new intervenor funding amounts. The Company also noted that it anticipates filing a request to amortize deferred Langley Gulch amounts, if needed, following the conclusion of the legal issue related to the Commission's authority under the deferral statute. Staff greatly appreciates Idaho Power's willingness to address its concerns on a quick turnaround.

Staff reviewed Company workpapers showing the 2008 PCAM amortization history through December 2016 and agrees with the Company's prediction that amortization levels will reach zero by April 2017.

Conclusion

The Company's amended rate application to revise the rates and language in Schedule 56 is accurate and is an improvement on the current tariff in effect. The Company's proposed change to the language in Schedule 56 appropriately communicates the types of costs collected through that Schedule, which increases transparency for ratepayers.

Staff also appreciates the Company removing the rates related to the recovery of deferred Langley Gulch revenue requirement effects to allow for later consideration of this issue once Staff counsel completes its review and other parties have an opportunity to weigh-in on that issue.

PROPOSED COMMISSION MOTION:

Approve the Company's request to change rates in Schedule 56 and update the Schedule's language, effective with service rendered on and after April 1, 2017, with less than statutory notice.