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March 24, 2017

VIA ELECTRONIC

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

Jandy Mc Indoo

Re: Docket UE 320 - Idaho Power Company's 2016 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 this office with any questions.

Very truly yours,

Wendy Mckadoo Office Manager

Attachment

Idaho Power/200 Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DOCKET NO. UE 320

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.

2016 ANNUAL POWER SUPPLY EXPENSE TRUE-UP

IDAHO POWER COMPANY
SUPPLEMENTAL DIRECT TESTIMONY

OF

COURTNEY WAITES

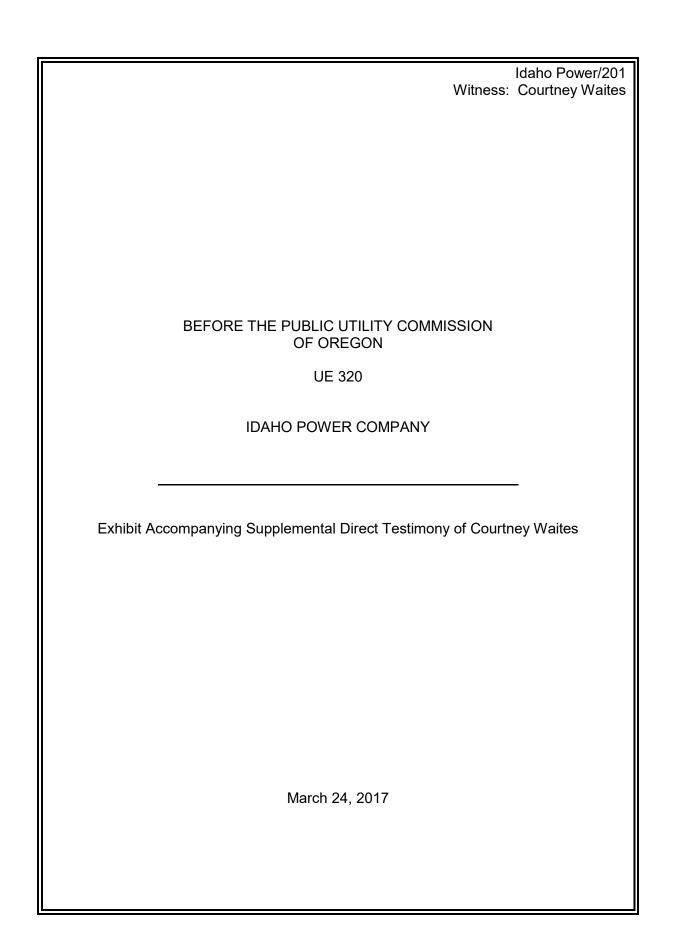
March 24, 2017

- 1 Q. Please state your name and business address.
- A. My name is Courtney Waites. My business address is 1221 West Idaho Street, Boise, Idaho 83702.
- 4 Q. Are you the same Courtney Waites that previously filed direct testimony in this matter?
- 6 A. Yes.

- 7 Q. What is the scope and purpose of your supplemental direct testimony?
 - A. My supplemental direct testimony will revise the calculation of the Annual Power Supply Expense True-up with use of the 2016 Oregon Results of Operations ("ROO") report to determine the deferral deadbands and the Oregon allocation percentage. However, as I will show later in my testimony, neither of these revisions will change the zero deferral amount Idaho Power Company ("Idaho Power" or "Company") previously proposed be added to the Annual Power Supply Expense True-Up Balancing Account ("True-Up Balancing Account"). With this testimony I am also filling revised Exhibit Nos. 201, 202, and 203.
 - Q. Please explain the revision to the calculation of the Annual Power Supply Expense True-Up you are making.
 - A. Order No. 09-373 clarifies which year's ROO should be relied upon in calculating the deferral deadbands and the Earnings Test components of the Power Cost Adjustment Mechanism ("PCAM"). As directed in Order No. 09-373, Idaho Power's initial February filing included the quantification of the dollar balance proposed to be added to the True-Up Balancing Account based on the 2015 ROO. The results represented a preliminary estimate at the time, with this final determination being filed now that the 2016 ROO has been completed.
 - Q. What are the power supply expense deadbands based on the 2016 ROO?

- A. Using the Company's authorized Return on Equity ("ROE") in effect in 2016 and the Company's 2016 Oregon rate base of \$137,638,623, the Upper Deadband of 250 basis points equals \$3,016,118 and the Lower Band of 125 Basis Points equals a negative \$1,508,059 (please see Exhibit No. 202).
 - Q. Does the use of the 2016 ROO impact any other areas of the initial filing?
 - A. Yes. In addition to changing the deadbands, the 2016 ROO computes the Oregon allocation percentage used to calculate Oregon's share of the excess net power supply expenses and customer benefits from the sale of Renewable Energy Credits ("REC"). Exhibit No. 201, the Oregon PCAM quantification for 2016, reflects the revised deadbands and the revised Oregon allocation percentage. Using the Oregon allocation percentage of 4.67 percent from the 2016 ROO slightly increases the total customer benefit of REC sales to \$42,697.56 (please see Exhibit No. 203).
 - Q. How do the supplemental computations you describe above impact the amount you proposed be added to the True-up Balancing Account?
 - A. The total customer benefit of REC sales of \$42,697.56 does not impact the proposed amount to be added to the True-Up Balancing Account because the benefit will be applied as a credit to deferrals currently in amortization. Applying the updated Oregon allocation percentage of 4.67 percent to the power cost deviation creates an Oregon Allocated Power Cost Deviation of \$2,444,294.08 which is less than the Upper Deadband of \$3,016,118. Therefore, the dollar amount to be considered to add to the True-Up Balancing Account is zero.
 - Q. In your initial filing, an Earnings Test was not performed because the Company was not proposing any deferral amounts be added to the True-Up Balancing Account. Does the use of the 2016 ROO change the need for an Earnings Test?

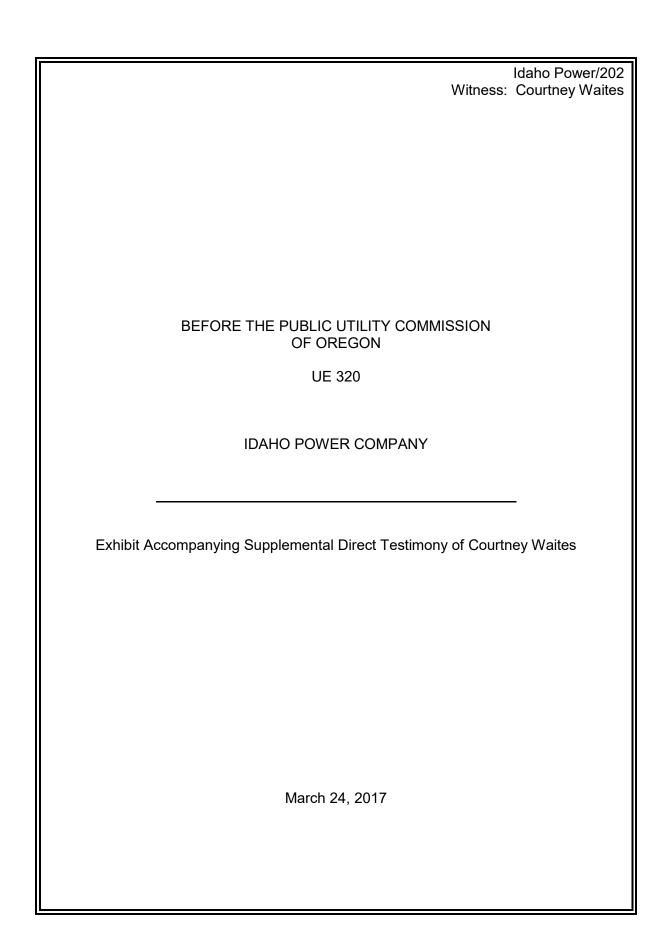
A. No. Using the 2016 ROO still results in a zero deferral amount to be added to the True-Up Balancing Account and therefore does not require an Earnings Test to be performed. Q. Does this conclude your testimony? Yes, it does. A.



2016 PCAM Twelve Months Ended December 31, 2016

OREGON PCAM (Schedule 56)		January	January YTD	February	February YTD	March	March YTD	April	April YTD	May	May YTD	June
ACTUAL POWER COSTS												
Actual NPSE Costs												
Actual Sales - Includes Unbilled	MWh	1,171,296	1,171,296	1 012 718	2,184,014	981,316	3,165,330	978,868	4,144,198	1,121 394	5,265,592	1,510,690
Fuel	\$	15,635,951.65	15,635,951.65	2 152,262.42	27,788,214.07	7,958,899.21	35,747,113.28	4,864,503.61	40,611,616.89	8,196,331.76	48,807,948.65	16,907,053.65
Purchased Power	\$	4,809 142.01	4,809,142.01	4,195 309.44	9,004,451.45	3 939 689 80	12,944,141.25	3 613,072 22	16,557,213.47	3,310,142.34	19,867,355.81	5,208,989.58
Oregon Solar Pilot	_	705 07	705.07	818 65	1,523.72	803 65	2,327.37	679.61	3,006.98	957.99	3,964.97	1 392 31
Surplus Sales	\$	(3,827,618.00)	(3,827,618.00)	(2,424,594.16)	(6,252,212.16)	(2,778,012.63)	(9,030,224.79)	(432,333.00)	(9,462,557.79)	(439,068.42)	(9,901,626.21)	(83,790.51)
Total Non-QF	\$	16 618,180.73	16,618,180.73	13,923 796.35	30,541,977.08	9,121,380.03	39,663,357.11	8,045,922.44	47,709,279.55	11,068,363.67	58,777,643.22	22,033,645.03
QF - Includes Net Metering and Liquidated Damages	\$	13,412,705.76	13,412,705.76	11,907,194.18	25,319,899.94	11,300,297.46	36,620,197.40	13,546,357.57	50,166,554.97	15,097,960.62	65,264,515.59	16,534,350.54
Total Actual Power Costs Incurred	\$	30,030,886.49	30,030,886.49	25,830,990.53	55,861,877.02	20,421,677.49	76,283,554.51	21,592,280.01	97,875,834.52	26,166,324.29	124,042,158.81	38,567,995.57
Actual Power Cost per Unit	\$/MWh	\$25.64	\$25.64	\$25.51	\$25.58	\$20.81	\$24.10	\$22 06	\$23.62	\$23.33	\$23.56	\$25 53
POWER COSTS COLLECTED IN RATES					2							
Actual Sales	MWh	1,171,296	1,171,296	1,012,718	2,184,014	981,316	3,165,330	978,868	4,144,198	1,121,394	5,265,592	1,510,690
Combined Rate (Recovered in Rates)	\$/MWh	\$24.26	\$24.26	\$24.47	\$24.36	\$24.31	\$24.34	\$24.19	\$24.31	\$25 02	\$24.46	\$25.99
Total Power Costs Collected in Rates	\$	28,415,640.96	28,415,640.96	24,781,209 46	53,196,850.42	23,855,791.96	77,052,642.38	23,678,816.92	100,731,459.30	28,057,277.88	128,788,737.18	39,262,833.10
CHANGE FROM FORECAST												
Actual Power Cost per Unit	\$/MWh	\$25.64	\$25.64	\$25.51	\$25.58	\$20.81	\$24.10	\$22.06	\$23.62	\$23.33	\$23.56	\$25.53
Combined Rate (Recoverd in Rates)	\$/MWh	\$24.26	\$24.26	\$24.47	\$24.36	\$24.31	\$24.34	\$24.19	\$24.31	\$25.02	\$24.46	\$25.99
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$1.38	\$1.38	\$1.04	\$1.22	(\$3.50)	(\$0.24)	(\$2.13)	(\$0.69)	(\$1.69)	(\$0.90)	(\$0.46)
Deviation from Forecast	\$	1,615,245 53	1,615,245.53	1,049 781.07	2,665,026.60	(3 434 114.47)	(769,087.87)	(2,086,536.91)	(2,855,624.78)	(1,890,953.59)	(4,746,578.37)	(694,837.53)
Oregon Allocation	%		4.67%		4.67%		4.67%		4.67%		4.67%	
Oregon Allocated Power Cost Deviation (before DB)	\$		75,431.97		124,456.74		(35,916.40)		(133,357.68)		(221,665.21)	
Deadband - Over 250 Basis Points	\$		3.016.117.95		3.016.117.95		3.016.117.95		3.016.117.95		3.016.117.95	
Deadband - Under 125 Basis Points	\$		(1,508,058.98)		(1,508,058.98)		(1,508,058.98)		(1,508,058.98)		(1,508,058.98)	
Deaubanu - Onder 125 Basis Points	Ą		(1,500,050.90)		(1,500,050.90)		(1,500,050.90)		(1,500,050.50)		(1,500,050.90)	
True-Up (+)	\$		0.00		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00		0.00	
1140-OP (-)	Ψ		0.00		0.00		0.00		0.00		0.00	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00		0.00	
Portion of True-up Change Allowed	%		90%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00		0.00	
									= ====		7.7570/	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	\$		0.00		0.00		0.00		0.00		0.00	
Total Deferred Beleves	•		0.00		0.00		0.00		0.00		0.00	
Total Deferred Balance	•		0.00		0.00		0.00		0.00		0.00	

June YTD	<u>July</u>	July YTD	<u>August</u>	August YTD	<u>September</u>	September YTD	October	October YTD	<u>November</u>	November YTD	<u>December</u>	December YTD	Annual
6,776,282	1,561,710	8,337,992	1,515,049	9,853,041	1,079,478	10,932,519	965,862	11,898,381	989,751	12,888,132	1,307,620	14,195,752	14,195,75
65,715,002.30	24,625,462.86	90,340,465.16	26,761,591.01	117,102,056.17	22,538,208,41	139,640,264.58	11,186,059.82	150,826,324.40	11,278,998.57	162,105,322.97	17,368,667.69	179,473,990.66	179,473,990.66
25,076,345.39	9,701,652 78	34,777,998.17	8,265,250.04	43,043,248.21	4,853,120.55	47,896,368.76	6,927,957.83	54,824,326.59	9,878,111.60	64,702,438.19	14,766,060.38	79,468,498.57	79,468,498.57
5,357.28	2,034 47	7,391.75	2,240.71	9,632.46	1,865.75	11,498.21	1,951.10	13,449.31	1,012.31	14,461.62	921.56	15,383.18	15,383.18
(9,985,416.72)	(1,469,058.52)	(11,454,475.24)	(1,577,271.46)	(13,031,746.70)	(2,718,101.88)	(15,749,848.58)	(2,646,653.14)	(18,396,501.72)	(2,307,748.63)	(20,704,250.35)	(3,496,027.16)	(24,200,277.51)	(24,200,277.51
80,811,288.25 81,798,866.13	32,860,091.59 18,139,948.05	113,671,379.84 99.938.814.18	33,451,810.30 17.518.105.00	147,123,190.14 117,456,919.18	24,675,092.83 14,897,484.85	171,798,282.97 132.354.404.03	15,469,315.61 13.697.778.98	187,267,598.58 146,052,183.01	18,850,373.85 16.173.277.08	206,117,972.43 162,225,460.09	28,639,622.47 15.183.763.81	234,757,594.90 177,409,223.90	234,757,594.90 177,409,223.90
162,610,154.38	51,000,039.64	213,610,194.02	50,969,915.30	264,580,109.32	39,572,577.68	304,152,687.00	29,167,094.59	333,319,781.59	35,023,650.93	368,343,432.52	43,823,386.28	412,166,818.80	412,166,818.80
\$24.00	\$32.66	\$25.62	\$33.64	\$26.85	\$36.66	\$27.82	\$30.20	\$28.01	\$35.39	\$28.58	\$33.51	\$29.03	\$29.03
6,776,282	1,561,710	8,337,992	1,515,049	9,853,041	1,079,478	10,932,519	965.862	11,898,381	989,751	12,888,132	1,307,620	14,195,752	14,195,752
\$24.80	\$26.69	\$25.15	\$ 26.88	\$25.42	\$ 26.48	\$25.52	\$ 25.09	\$25.49	\$ 24.49	\$25.41	\$ 24.71	\$25.35	\$25.35
168,051,570.28	41,682,039.90	209,733,610.18	40,724,517.12	250,458,127.30	28,584,577.44	279,042,704.74	24,233,477.58	303,276,182.32	24,239,001.99	327,515,184.31	32,311,290.20	359,826,474.51	359,826,474.51
\$24.00	\$32.66	\$25.62	\$33.64	\$26.85	\$36.66	\$27.82	\$30.20	\$28.01	\$35.39	\$28.58	\$33.51	\$29.03	\$29.03
\$24.80	\$26.69	\$25.15	\$26.88	\$25.42	\$26.48	\$25.52	\$25.09	\$25.49	\$24.49	\$25.41	\$24.71	\$25.35	\$25.35
(\$0.80)	\$5.97	\$0.46	\$6.76	\$1.43	\$10.18	\$2.30	\$5.11	\$2.53	\$10.90	\$3.17	\$8.80	\$3.69	\$3.69
(5,441,415.90)	9 317 999 74	3,876,583.84	10,245,398.18	14,121,982.02	10,988,000.24	25,109,982.26	4,933,617.01	30,043,599.27	10,784,648.94	40,828,248.21	11,512,096.08	52,340,344.29	52,340,344.29
4.67%		4.67%		4.67%		4.67%		4.67%		4.67%		4.67%	4.67%
(254,114.12)		181,036.47		659,496.56		1,172,636.17		1,403,036.09		1,906,679.19		2,444,294.08	2,444,294.08
3,016,117.95		2.046.447.05		2 046 447 05		3,016,117.95		3.016.117.95		2 040 447 05		3.016.117.95	3.016.117.95
(1,508,058.98)		3,016,117.95 (1,508,058.98)		3,016,117.95 (1,508,058.98)		(1,508,058.98)		(1,508,058.98)		3,016,117.95 (1,508,058.98)		(1,508,058.98)	(1,508,058.98)
0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
0.00		0.00		0.00		0.00		0.00		0.00		0.00 90%	0.00 90%
90%		90%		90%		90%		90%		90%		90%	90%
0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
7.757%		7.757%		7.757%		7.757%		7.757%		7.757%		7.757%	7.757%
0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
2.30		2.00				2.00		2.00		2.00		2.30	
0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00

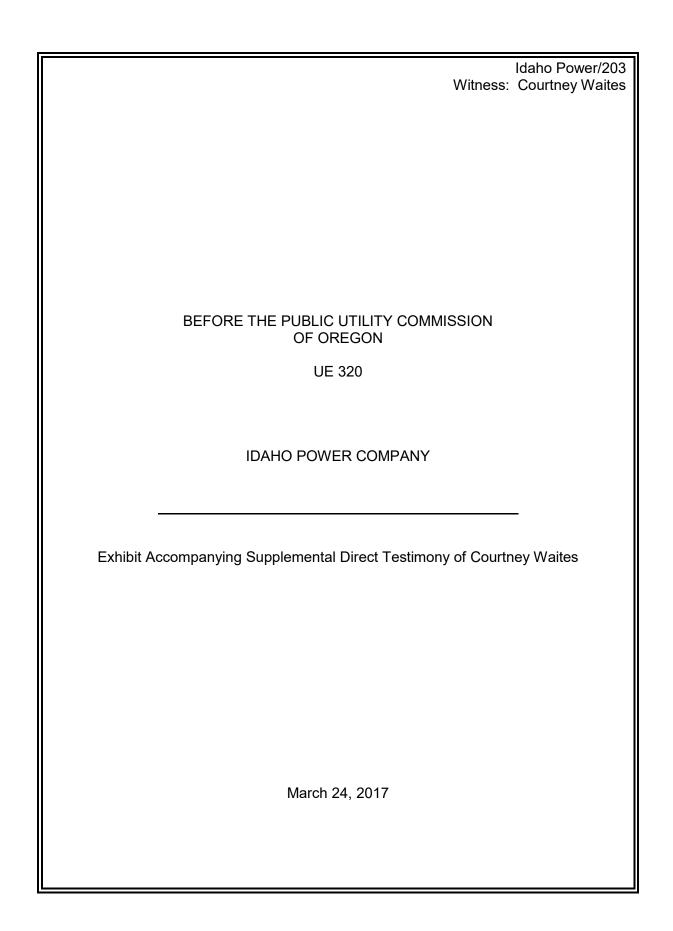


Determination of Oregon PCAM Deadbands Based on Idaho Power 2016 Results of Operations

(A) (B)

		Total System	Oregon
(1)	Rate Base	\$3,163,968,898	\$137,638,623
(2)	% Equity in cap structure	53.382%	53.382%
(3)	Equity in rate base	\$1,688,989,877	\$73,474,250
(4)	100 basis points	1.000%	1.000%
(5)	Resulting return (NOI Effect	\$16,889,899	\$734,742
(6)	Net-to Gross Factor	1.64200	1.64200
(7)	Revenue requirement	\$27,733,214 \$	1,206,447

(8)	Upper Band of Basis Poin	250	\$3,016,117.95
(9)	Lower Band of Basis Poir	125	(\$1,508,058.98)



	Δ R	r	D	F	F	G	н	1	1	к		М	N	0	р
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	Oregon Renewable Energy Credit Sales														
	January 2016 thru December 2016				-	-	201	6	-						
4	candary 2010 and Boombor 2010	January	February	March	April	Mav	June	July	August	September	October	November	December	Totals	
5	Prior Month Sale(s) \$	0.00	400.400.00	20,813.40	370,533.65	59.579.85	597.00	0.00	97.500.00	26,250,00	1,228.00	0.00	0.00	976.901.90	
	Annual Certification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2.700.00)	0.00	(2,700,00)	
	Brokerage Fee's Paid in Prior Month \$	0.00	0.00	0.00	(227.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(227.51)	
8	Washington REC Registration Fees	0.00	0.00	(2,500.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,500.00)	
9	Western Electric Coordinating Council Fees	(347.14)	(172.77)	(869.00)	0.00	(374.28)	(3,347.18)	(258.91)	(196.85)	(359.98)	(213.74)	(867.15)	(167.90)	(7,174.90)	
10	Net Proceeds \$	(347.14)	400,227.23	17,444.40	370,306.14	59,205.57	(2,750.18)	(258.91)	97,303.15	25,890.02	1,014.26	(3,567.15)	(167.90)	964,299.49	
11							, in the second		·					·	
	Oregon Allocation	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%	4.67%		
	Sharing Percentage	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%		
14															
15	Total Customer Benefit \$	(14.59)	16,821.55	733.19	15,563.97	2,488.41	(115.59)	(10.88)	4,089.65	1,088.16	42.63	(149.93)	(7.06)	40,529.51	
16															
17															
18															
	Principle		(44.50)	10.000.00	17.510.15	00.101.10	05 500 50	05 170 01	05 400 00	00 555 74	10.010.07	10 000 50	10 500 57		
21	Beginning Balance \$	-	(14.59)	16,806.96	17,540.15	33,104.12	35,592.53	35,476.94	35,466.06	39,555.71	40,643.87	40,686.50	40,536.57	-	
	Amount Deferred	(14.59)	16.821.55	733.19	15.563.97	2.488.41	(115.59)	(10.88)	4.089.65	1.088.16	42.63	(149.93)	(7.06)	40.529.51	
23	Amount Deletred	(14.59)	10,021.00	733.19	15,565.97	2,400.41	(115.59)	(10.00)	4,009.00	1,000.10	42.03	(149.93)	(7.06)	40,529.51	
	Ending Balance \$	(14.59)	16.806.96	17.540.15	33.104.12	35.592.53	35.476.94	35,466,06	39.555.71	40.643.87	40.686.50	40.536.57	40.529.51	40.529.51	
25	Ending Balance	(14.00)	10,000.50	17,540.10	00,104.12	00,002.00	33,470.34	33,400.00	03,000.71	40,040.01	40,000.00	40,000.01	40,023.51	40,023.01	
26															
	Interest														
28	Beginning Balance \$	-	-	(0.09)	108.55	221.93	435.92	666.00	895.33	1.124.59	1.380.28	1.643.01	1.906.01	-	
29	1 " "			(2.22)						,	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10.000	.,		
30	Annual Interest Rate	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	
31															
	Monthly Interest \$	-	(0.09)	108.64	113.38	213.99	230.08	229.33	229.26	255.69	262.73	263.00	262.04	2,168.05	
33															
	Interest Accrued to Date \$	-	(0.09)	108.55	221.93	435.92	666.00	895.33	1,124.59	1,380.28	1,643.01	1,906.01	2,168.05	2,168.05	
35															
36	Deferral Balance Including Interest \$	(14.59)	16,806.87	17,648.70	33,326.05	36,028.45	36,142.94	36,361.39	40,680.30	42,024.15	42,329.51	42,442.58	42,697.56	42,697.56	
37															
38															
39	Total Customer Benefit													42,697.56	
40															