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April 15, 2016

VIA ELECTRONIC MAIL

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

Re: UE 305 – Idaho Power Company's 2015 Annual Power Supply Expense True-Up

Attention Filing Center:

Enclosed in the above-referenced docket is an electronic copy of Idaho Power Company's Supplemental Testimony of Courtney Waites.

Please contact me with any questions.

Very truly yours,


Wendy McIndoo
Office Manager

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

DOCKET NO. UE 305

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.)
2015 ANNUAL POWER SUPPLY EXPENSE)
TRUE-UP)
_____)

**IDAHO POWER COMPANY
SUPPLEMENTAL DIRECT TESTIMONY
OF
COURTNEY WAITES**

April 15, 2016

1 **Q. Please state your name and business address.**

2 A. My name is Courtney Waites. My business address is 1221 West Idaho Street,
3 Boise, Idaho 83702.

4 **Q. Are you the same Courtney Waites that previously filed direct testimony in this**
5 **matter?**

6 A. Yes.

7 **Q. What is the scope and purpose of your supplemental direct testimony?**

8 A. My supplemental direct testimony will revise the calculation of the Annual Power
9 Supply Expense True-up with use of the 2015 Oregon Results of Operations ("ROO")
10 report to determine the deferral deadbands and the Oregon allocation percentage.
11 However, as I will show later in my testimony, neither of these revisions will change
12 the zero deferral amount Idaho Power Company ("Idaho Power" or "Company")
13 previously proposed be added to the Annual Power Supply Expense True-Up
14 Balancing Account ("True-Up Balancing Account"). With this testimony I am also
15 filing revised Exhibit Nos. 201, 202, and 203.

16 **Q. Please explain the revision to the calculation of the Annual Power Supply**
17 **Expense True-Up you are making.**

18 A. Order No. 09-373 clarifies which year's ROO should be relied upon in calculating the
19 deferral deadbands and the Earnings Test components of the Power Cost
20 Adjustment Mechanism ("PCAM"). As directed in Order No. 09-373, Idaho Power's
21 initial February filing included the quantification of the dollar balance proposed to be
22 added to the True-Up Balancing Account based on the 2014 ROO. The results
23 represented a preliminary estimate at the time, with this final determination being
24 filed now that the 2015 ROO has been completed.

25

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1 **Q. What are the power supply expense deadbands based on the 2015 ROO?**

2 A. Using the Company's authorized Return on Equity ("ROE") in effect in 2015 and the
3 Company's 2015 Oregon rate base of \$129,040,062, the Upper Deadband of 250
4 basis points equals \$2,785,901 and the Lower Band of 125 Basis Points equals a
5 negative \$1,392,950 (please see Exhibit No. 202).

6 **Q. Does the use of the 2015 ROO impact any other areas of the initial filing?**

7 A. Yes. In addition to changing the deadbands, the 2015 ROO computes the Oregon
8 allocation percentage used to calculate Oregon's share of the excess net power
9 supply expenses and customer benefits from the sale of Renewable Energy Credits
10 ("REC"). Exhibit No. 201, the Oregon PCAM quantification for 2015, reflects the
11 revised deadbands and the revised Oregon allocation percentage. Using the Oregon
12 allocation percentage of 4.56 percent from the 2015 ROO slightly increases the total
13 customer benefit of REC sales to \$74,949.11 (please see Exhibit No. 203).

14 **Q. How do the supplemental computations you describe above impact the
15 amount you proposed be added to the True-up Balancing Account?**

16 A. The total customer benefit of REC sales of \$74,949.11 does not impact the proposed
17 amount to be added to the True-Up Balancing Account because the benefit will be
18 applied as a credit to the power cost deferral currently in amortization. Applying the
19 updated Oregon allocation percentage of 4.56 percent to the power cost deviation
20 creates an Oregon Allocated Power Cost Deviation of \$2,355,442.47 which is less
21 than the Upper Deadband of \$2,785,901. Therefore, the dollar amount to be
22 considered to add to the True-Up Balancing Account is zero.

23 **Q. In your initial filing, an Earnings Test was not performed because the Company
24 was not proposing any deferral amounts be added to the True-Up Balancing
25 Account. Does the use of the 2015 ROO change the need for an Earnings
26 Test?**

1 A. No. Using the 2015 ROO still results in a zero deferral amount to be added to the
2 True-Up Balancing Account and therefore does not require an Earnings Test to be
3 performed.

4 **Q. Does this conclude your testimony?**

5 A. Yes, it does.
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**Idaho Power/201
Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 305

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

April 2016

Idaho Power/202
Witness: Courtney Waites

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 305

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

April 2016

**Determination of Oregon PCAM Deadbands
 Based on Idaho Power 2015 Results of Operations**

	(A)	(B)
	Total System	Oregon
(1) Rate Base	\$3,055,665,200	\$129,040,062
(2) % Equity in cap structure	52.593%	52.593%
(3) Equity in rate base	\$1,607,065,999	\$67,866,040
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$16,070,660	\$678,660
(6) Net-to Gross Factor	1.64200	1.64200
(7) Revenue requirement	\$26,388,024	\$ 1,114,360
(8) Upper Band of Basis Points	250	\$2,785,900.93
(9) Lower Band of Basis Points	125	(\$1,392,950.47)

**Idaho Power/203
Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 305

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

April 2016

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2	Oregon Renewable Energy Credit Sales														
3	January 2015 thru December 2015														
4			2015												
5			January	February	March	April	May	June	July	August	September	October	November	December	Totals
5	Prior Month Sale(s)	\$	10,638.36	519,733.50	-	731,854.05	22,206.25	-	308,406.25	-	10,698.75	85,562.50	2,812.60	58,594.80	1,750,507.06
6	Brokerage Fee's Paid in Prior Month	\$	0.00	(106.38)	-	(1,875.00)	(222.06)	-	(131.25)	-	(106.99)	-	(126.57)	-	(2,568.25)
7	Western Electric Coordinating Council Fees		(484.08)	(266.89)	(789.33)	(370.48)	(1,167.69)	(324.76)	(201.94)	(676.73)	(194.98)	(252.33)	(947.25)	(180.92)	(5,857.38)
8	Net Proceeds	\$	10,154.28	519,360.23	(789.33)	729,608.57	20,816.50	(324.76)	308,073.06	(676.73)	10,396.78	85,310.17	1,738.78	58,413.88	1,742,081.43
9															
10	Oregon Allocation		4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%	4.56%
11	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%	90.0%
12															
13	Total Customer Benefit	\$	416.73	21,314.54	(32.39)	29,943.14	854.31	(13.33)	12,643.32	(27.77)	426.68	3,501.13	71.36	2,397.31	71,495.02
14															
15															
16															
17	Principle														
18	Beginning Balance	\$	-	416.73	21,731.27	21,698.88	51,642.02	52,496.33	52,483.00	65,126.32	65,098.55	65,525.23	69,026.36	69,097.72	-
19															
20	Amount Deferred		416.73	21,314.54	(32.39)	29,943.14	854.31	(13.33)	12,643.32	(27.77)	426.68	3,501.13	71.36	2,397.31	71,495.02
21	Ending Balance	\$	416.73	21,731.27	21,698.88	51,642.02	52,496.33	52,483.00	65,126.32	65,098.55	65,525.23	69,026.36	69,097.72	71,495.02	71,495.02
22															
23															
24															
25	Interest														
26	Beginning Balance	\$	-	-	2.69	143.16	283.43	617.25	956.60	1,295.86	1,716.85	2,137.66	2,561.23	3,007.43	-
27															
28	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%
29															
30	Monthly Interest	\$	-	2.69	140.47	140.27	333.82	339.35	339.26	420.99	420.81	423.57	446.20	446.66	3,454.09
31															
32	Interest Accrued to Date	\$	-	2.69	143.16	283.43	617.25	956.60	1,295.86	1,716.85	2,137.66	2,561.23	3,007.43	3,454.09	\$3,454.09
33															
34	Deferral Balance Including Interest	\$	416.73	21,733.96	21,842.04	51,925.45	53,113.58	53,439.60	66,422.18	66,815.40	67,662.89	71,587.59	72,105.15	74,949.11	74,949.11
35															
36															
37	Total Customer Benefit														74,949.11
38															