


ITEM NO. CA4

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: May 17, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE June 1, 2016

DATE: April 19, 2016

TO: Public Utility Commission

FROM: Judy Johnson 

THROUGH: Jason Eisdorfer and Marc Hellman 

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 243/Advice No. 16-04)  
Requests a revision to Schedule 92, Boardman Operating Life  
Adjustment.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power or Company) Advice No. 16-04 requesting a revision to Schedule 92, Boardman Operating Life, effective on and after June 1, 2016.

**ISSUE:**

Whether the Commission should allow Idaho Power to revise its Schedule 92, Boardman Operating Life.

**APPLICABLE LAWS:**

Idaho Power filed the revisions to Schedule 92 per the Commission Order No. 12-235, issued in Docket No. UE 239. The filing is a tariff to change rates. As such, in addition to the Commission's instructions set forth in its Order No. 12-235, the filing is governed, in relevant part, by ORS 757.205 through ORS 757.215.

**DISCUSSION AND ANALYSIS:**

On September 26, 2011, Idaho Power filed an application with the Commission requesting approval of the establishment of Schedule 92, the balancing account whereby incremental costs and benefits associated with the shutdown of Boardman can be tracked and recovered from Oregon customers (Docket No. UE 239). In June 2012,

the Commission issued Order No. 12-235 approving the Company's proposed balancing account and method for recovering costs associated with the early shutdown of Boardman.

On November 4, 2014, the Commission approved an application by Portland General Electric (PGE) and Idaho Power for the sale of the ownership interest in a portion of certain facilities at Boardman pursuant to an Asset Purchase Agreement (APA) between the parties. The net book value associated with the APA for the purchase of Shared Facilities at Boardman was \$356,145 while the purchase price was \$620,205, resulting in a gain of \$264,060 on a total system basis of which \$11,500 is allocable to Oregon. Staff agreed with the Company that the Boardman balancing account is the appropriate mechanism for recording the gain. The Company has computed the annual credit to customers by converting the gain into an annuity over the remaining life of the plant. The Oregon jurisdictional portion of this levelized payment is \$2,290 and will be an offset to the annual revenue requirement impact to customers.

As part of the Settlement Agreement approved in Docket No. UE 239, Idaho Power agreed that costs associated with investments made at Boardman after December 31, 2011, or after the Company's last general rate case approving Boardman-related plant-in-service, will not be added to the balancing account until approval has been received in future ratemaking proceedings. Idaho has not received approval of investments made at Boardman after December 31, 2011, in a separate rate making proceeding, and therefore, no updates to the accelerated depreciation of the Boardman plant investments have been made. In addition, no changes have been made to the decommissioning costs and expected salvage.

In Docket No. UE 239, Idaho Power committed to tracking the monthly deviations between forecast revenue collection and actual revenue collection and incorporating any overage or shortfall into the incremental revenue requirement. From January 1, 2015, through December 31, 2015, actual revenue collections were slightly higher than forecasted revenue collections by \$1,365.

The Company is not proposing changes to the Oregon jurisdictional revenue requirement of \$107,223 approved in Docket No. UE 239 except to reflect the net of the gain associated with the sale of the Shared Facilities and the reduction due to the collection of additional revenue from the previous year's incremental revenue requirement, resulting in a total reduction in revenues collections associated with the calendar year 2015 of \$3,655 ( $(\$2,290) + (\$1,365) = (\$3,655)$ ). This would bring the total Oregon jurisdictional incremental revenue requirement collected through Schedule 92 to \$103,568. Using an updated sales forecast for the June 1, 2016, to May 31, 2017, time period, this equates to an overall decrease of \$12,448, or 0.02 percent.

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Staff's Recommendation

Staff reviewed Idaho Power's filing and workpapers. Staff is satisfied that the Company has made the appropriate changes by following the Commission Order No. 12-235, issued in Docket No. UE 239 and that its filing satisfies the Commission's requirements.

**PROPOSED COMMISSION MOTION:**

Approve Idaho Power's Advice No. 16-04 to be effective on and after June 1, 2016.

IPCO Advice 16-04