

LISA D. NORDSTROM Lead Counsel Inordstrom@idahopower.com

February 28, 2020

Public Utility Commission of Oregon Filing Center 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

RE:

Docket No. UM 1795(3) – Idaho Power Company's Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program

Attention Filing Center:

Enclosed for filing is an electronic copy of Idaho Power Company's Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program. The Notice of Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program is attached to the Application as Attachment A.

The Application and Notice have been served on the parties of Idaho Power Company's last general rate case, Docket No. UE 233.

The Application was prepared in consultation with the Oregon Public Utility Commission Senior Revenue Requirements Analyst Mitch Moore. If you have any questions, please do not hesitate to contact me or Senior Regulatory Analyst Kelley Noe at (208) 388-5736.

Very truly yours,

Lisa D. Nordstrom

isa D. Mordstrom

LDN/kkt

Enclosures

1		BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON					
2		UM 1795(3)					
3							
4		Matter of the Application of Idaho Power bany for an Order Approving the Deferral	IDAHO POWER COMPANY'S APPLICATION FOR DEFERRAL OF				
5	of Sta	rt-Up Expenses Associated with a	START-UP EXPENSES ASSOCIATED WITH THE COMMUNITY SOLAR				
6							
7		I. INTRODUCTION					
8		Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho					
9	Power" or the "Company") hereby requests an accounting order reauthorizing Idaho Power						
10	to defer for later ratemaking treatment start-up operations and maintenance ("O&M")						
11	expenses associated with the development of the Oregon Community Solar Program						
12	2 ("Program"), implemented in compliance with Senate Bill ("SB") 1547. The start-up costs						
13	3 associated with Community Solar are described in OAR 860-088-0160. Idaho Power						
14	4 respectfully requests reauthorization for 12 months beginning March 2, 2020. In support of						
15	5 this Application, Idaho Power states:						
16	1. Idaho Power is a public utility in the state of Oregon and its rates, services, and						
17	accounting practices are subject to the regulation of the Public Utility Commission of						
18		Oregon ("Commission").					
19	2.	This application is filed pursuant to OF	RS 757.259, which allows the Commission,				
20	upon application, to authorize deferral of certain items for later incorporation in rates.						
21	3. Idaho Power wishes to waive paper service in this docket. Communications to Idaho						
22	Power concerning this proceeding should be addressed to:						
23		Lisa Nordstrom	Kelley Noe				
24		Idaho Power Company PO Box 70	Idaho Power Company PO Box 70				
25		Boise, ID 83707 Inordstrom@idahopower.com	Boise, ID 83707 knoe@idahopower.com				
26	dockets@idahopower.com						

II. OAR 860-027-0300(3) REQUIREMENTS

2	Α.	Description

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With this deferral application, Idaho Power seeks reauthorization from the Commission to continue to defer, for future amortization, costs associated with the development of the Program.

OAR 860-088-0160(1) defines start-up costs as:

- Costs associated with the Program Administrator ("PA") and Low-Income Facilitator ("LIF"); and
- 2) Each electric utility's prudently incurred start-up costs associated with implementing Community Solar. These costs include, but are not limited to, costs associated with the customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a Community Solar project.

The costs to be deferred would include start-up and ongoing costs¹ associated with the PA and LIF not covered by participants, costs for modification of Idaho Power's Information Technology billing systems, professional and consultant fees, costs related to regulatory compliance, and any other costs the Company may incur to develop the Program.

B. Reason for Deferral

Idaho Power seeks this deferral pursuant to ORS 757.259(2)(e). The authorization for deferral of these expenses will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. This deferral is

¹ Order No. 19-392 at 3, set the general participant administrative fee for the PA/LIF at \$0.85 per kilowatt per month, a level assuming full participation in the Program's initial capacity tier (~160 MW). Because there will be a lag to get the Program fully subscribed, there will be a portion of the ongoing administrative fees that will be funded by all of Idaho Power's Oregon customers.

- 1 necessary because SB 1547 requires the implementation of Community Solar, and the
- 2 start-up costs for Community Solar are not currently included in the Company's rates.
- 3 To limit the number of rate adjustments for customers, Idaho Power will propose cost
- 4 recovery of Community Solar start-up costs at the point when the start-up period has
- 5 ended, and ongoing costs will be borne by Community Solar participants.

C. Proposed Accounting

- 7 Idaho Power proposes to record the deferred amount as a regulatory asset in the
- Federal Energy Regulatory Commission ("FERC") account 182.3, Other Regulatory 8
- 9 Assets. The Company will record amortization of the deferred amount to FERC Account
- 407.3, Regulatory Debits. In the absence of a deferred accounting order from the 10
- 11 Commission, Idaho Power would record start-up costs associated with Community Solar
- 12 to various FERC accounts.

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D. **Estimate of Amounts**

- Idaho Power estimates that its costs for Community Solar start-up will be \$15,000 and outside legal expenses will be \$10,000 for the next 12 months. Regarding the funding 15
- of the PA/LIF, the invoice received for the December 2019 funding for the PA/LIF indicated 16
- that the amount paid to date to the PA/LIF was at 99 percent of the not to exceed ("NTE") 17
- amount in the contract. As indicated in Order No. 19-392, the ongoing administrative costs
- 19 of the PA/LIF will be borne by both Community Solar participants and by Idaho Power's
- non-participating Oregon customers. Idaho Power's allocated share of the start-up costs 20
- 21 for the PA/LIF is 1.29 percent of the remaining NTE contractual amount. Idaho Power is
- unable to estimate at this time the magnitude of any additional start-up costs beyond the 22
- NTE amount and the ongoing PA/LIF funding to be recovered from all of Idaho Power's 23
- Oregon customers. Idaho Power requests that, in accordance with Order No. 05-1070, it 24
- 25 be allowed to accrue interest on the unamortized balance at a rate equal to its authorized
- 26 weighted average cost of capital most recently approved by the Commission.

1	E. <u>Notice</u>					
2	A copy of the notice of application for deferred accounting treatment and a list of					
3	persons served with the notice are attached to the Application as Attachment A.					
4	III. OAR 860-027-0300(4) REQUIREMENTS					
5	A. <u>Entries in the Deferred Account to Date</u>					
6	Attached to the Application as Attachment B is a description and explanation of the					
7	entries in this deferred account as of the date of the Application.					
8	B. Reason for Continuation of Deferred Accounting					
9	As discussed above, this deferral is intended to capture the O&M start-up costs of					
10	developing the Program that will be amortized in rates. Additionally, this deferral may					
11	capture a portion of the ongoing PA/LIF costs not funded by participants once the Program					
12	is operational and amortized into rates.					
13	IV. <u>CONCLUSION</u>					
14	Idaho Power respectfully requests that the Commission authorize the Company to					
15	continue deferring the Community Solar start-up costs and any ongoing funding of the					
16	PA/LIF that is not covered by participants over the duration of this deferral.					
17	DATED: February 28, 2020					
18	Sisi D. Wordstrom					
19	LISA´D. NORDSTROM Attorney for Idaho Power Company					
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Attachment A

1	BEFORE THE PUBLIC UTILITY COMMISSION			
2	OF OREGON			
3	UM 1795(3)			
4				
5	In the Matter of the Application of Idaho Power Company for an Order Approving the Deferral	NOTICE OF APPLICATION		
6	of Start-Up Expenses Associated with a Community Solar Program.			
7				
8	On February 28, 2020, Idaho Power Company ("Idaho Power") filed an application			
9	with the Public Utility Commission of Oregon ("Commission") for an Order reauthorizing the			
10	Company to use deferral accounting for startup expenses associated with a Community Solar			
11	program required by Senate Bill 1547.			
12	Idaho Power estimates that its costs for Community Solar start-up will be \$15,000			
13	and outside legal expenses will be \$10,000 for the next 12 months. However, the Company			
14	is unable to estimate the amount of continued funding for the Program Administrator/Low-			
15	Income Facilitator over the next 12 months.			
16	Approval of Idaho Power's Application will not authorize a change in Idaho Power's			
17	rates but will permit the Commission to consider allowing such deferred amounts in rates in			
18	a subsequent proceeding.			
19	Interested persons may obtain a copy of the Application by contacting:			
20	Lisa D. Nordstrom			
21	Idaho Power Company 1221 West Idaho Street P.O. Box 70 Boise, ID 83707			
22				
23	Inordstrom@idahopower.com dockets@idahopower.com			
24	Any person who wishes to submit writte	n comments to the Commission on Idaho		
25	Power's Application must do so no later than March 30, 2020.			
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1	DATED: February 28, 2020	
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3		Lisa D. Nordstrom Attorney for Idaho Power Company
4		Attorney for Idaho Power Company
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Page 2 - NOTICE OF APPLICATION

Attachment B

CC ABM DCE	Account Sum TOTAMT	DB2DATE Trans	Date TSOURCE	Descr	VEND Sum Empl Hr	s Voucher Sum LOA	ADING PAYREFNO
876 S10303 111	182378 792,37		manufacture and an extension of	PROJECT MANAGER		00 050002	0.00
876 510303 111	182378 978,81	5/31/2019 6/5	/2019 LE	PROJECT MANAGER	21.	00 050107	0.00
876 S10303 111	182378 1,025,42	5/31/2019 5/22	/2019 LE	PROJECT MANAGER	22.	00 050105	0.00
	182378 1,398.30			PROJECT MANAGER	30.	00 060002	0,00
	182378 1,118,64			PROJECT MANAGER		00 060105	0.00
	182378 233,05			PROJECT MANAGER		00 070105	0.00
	182378 1,118.64			PROJECT MANAGER		00 070002	0.00
	182378 699.15			PROJECT MANAGER		00 080105	0.00
	182378 419.49			PROJECT MANAGER		00 080002	0.00
876 S10303 111 : 876 S10303 111 :				PROJECT MANAGER		00 090002	0.00
	182378 372.88 182378 326 ₂ 27			PROJECT MANAGER PROJECT MANAGER		00 090105	0.00 0.00
876 S10303 111 1		10/31/2019 10/23		PROJECT MANAGER		00 100002 00 100105	0.00
	182378 745,76			PROJECT MANAGER		00 110002	0.00
876 S10303 111 :		11/30/2019 11/20		PROJECT MANAGER		00 110105	0.00
876 510303 111 3	182378 279.66			PROJECT MANAGER		00 110107	0.00
876 S10303 111 :	182378 512.71	12/31/2019 12/18,	/2019 LE	PROJECT MANAGER	11,	00 120002	0.00
876 S10303 111 1	182378 279.66	12/31/2019 1/1,	/2020 LE	PROJECT MANAGER	6.	00 120105	0.00
876 S10303 111 1	182378 622,57	1/31/2020 1/15,	/2020 LE	PROJECT MANAGER	13.	00 010002	0,00
	182378 718,35	1/31/2020 1/29	/2020 LE	PROJECT MANAGER	15	00 010105	0.00
876 S10303 111 :	182378 383,12	2/29/2020 2/12	/2020 LE	PROJECT MANAGER	8.	00 020002	0.00
	182378 274.07			Labor Loadings	0.	00 050107	274.07
	182378 287.12			Labor Loadings		00 050105	287.12
	182378 221.86			Labor Loadings		00 050002	221.86
	182378 391.52			Labor Loadings		00 060002	391,52
	182378 313,22			Labor Loadings		00 060105	313,22
	182378 313,22			Labor Loadings		00 070002	313,22
876 S10303 131 1	182378 65,25			Labor Loadings		00 070105	65,25
	182378 117.45 182378 195.77			Labor Loadings		00 080002	117.45
	182378 117.45			Labor Loadings Labor Loadings		00 080105 00 090002	195.77 117.45
876 S10303 131 1				Labor Loadings		00 090105	104.40
	182378 91.35			Labor Loadings		00 100002	91,35
876 S10303 131 1	182378 156.60	10/31/2019 10/23/		Labor Loadings		00 100105	156,60
876 S10303 131 1	182378 208,82			Labor Loadings		00 110002	208.82
876 S10303 131 1	182378 169,66	11/30/2019 11/20/		Labor Loadings		00 110105	169.66
876 S10303 131 1	182378 78.30	11/30/2019 12/4	/2019 LE	Labor Loadings	0,	00 110107	78.30
876 \$10303 131 1	182378 78.30	12/31/2019 1/1/	/2020 LE	Labor Loadings	0,	00 120105	78.30
876 510303 131 1	182378 143.56	12/31/2019 12/18/	/2019 LE	Labor Loadings	0.	00 120002	143.56
876 510303 131 1	182378 174.32	1/31/2020 1/15,	/2020 LE	Labor Loadings	0.	00 010002	174.32
	182378 201,13	1/31/2020 1/29/	/2020 LE	Labor Loadings	0.	00 010105	201,13
	182378 107,28		/2020 LE	Labor Loadings	0.	00 020002	107.28
	182378 249,49			Labor Loadings		00 050083	249.49
	182378 203.62			Labor Loadings		00 060083	203,62
	182378 120.58			Labor Loadings		00 070083	120.58
	182378 89.38 182378 65.16			Labor Loadings		00 080083	89.38
	182378 65.16 182378 72.05			Labor Loadings		00 090083	65,16
	182378 72.03			Labor Loadings Labor Loadings		00 100083 00 110083	72,05
	182378 72.56			Labor Loadings		00 120083	135,17 72,56
	182378 133,67			Labor Loadings		00 010083	133,67
	182378 226.94			Labor Loadings		00 050083	226.94
	182378 27.09			Labor Loadings		00 060083	27.09
876 S10303 143 1				Labor Loadings		00 070083	101,78
	182378 4,72			Labor Loadings		00 080083	4,72
876 S10303 143 1	182378 46.03			Labor Loadings		00 090083	46.03
876 510303 143 1	182378 16.78	10/31/2019 11/1/	/2019 ALO I	Labor Loadings	0.	00 100083	16.78
			/2019 ALO I	Labor Loadings	0.	00 110083	105.16
				Labor Loadings	0.	00 120083	65.43
	182378 248,72			Labor Loadings		00 010083	248,72
	182378 3,505.50			MCDOWELL RACKNER & GIBSON	0.	00 020045	0.00 00641806
810 X00001 319 1				MCDOWELL RACKNER & GIBSON		00 020045	0.00 00647339
	182378 2,080,50			MCDOWELL RACKNER & GIBSON		00 020045	0.00 00644384
	1,373.72			ENERGY SOLUTIONS		00 050052	0,00 00631311
	182378 3,111.41			ENERGY SOLUTIONS		00 060052	0.00 00632802
	182378 2,512.08 182378 1,739.75			ENERGY SOLUTIONS		00 070052	0.00 00634946
		8/31/2019 8/1/ 10/31/2019 10/24/		ENERGY SOLUTIONS ENERGY SOLUTIONS		00 080052 00 100052	0.00 00635913 0.00 00641095
				ENERGY SOLUTIONS		00 100052	0.00 00641095
998 C30303 599 1		11/30/2019 11/19/		ENERGY SOLUTIONS		00 100052	0.00 00633628
		12/31/2019 12/18/		ENERGY SOLUTIONS		00 120052	0.00 00644930
	.82378 2,333.39			ENERGY SOLUTIONS		00 010052	0.00 00646717
	.82378 2,371.62			ENERGY SOLUTIONS		00 020052	0.00 00647799
799 X00001 999 1	· ·			CARRYING CHARGES		00 020009	0.00

1	CERTIFICATE OF SERVICE					
2	I hereby certify that on 28 th day of February, 2020, I served a true and correct copy					
3	of the foregoing document on all parties in Docket Nos. UM 1795 and UE 233 by e-mail to					
4	said person(s) as indicated below.					
5	UM 1795 Service List					
6	Mitch Moore Public Utility Commission of Oregon	Sommer Moser Department of Justice				
7	mitch.moore@state.or.us	sommer.moser@doj.state.or.us				
8	Lisa Rackner McDowell Rackner & Gibson, PC dockets@mrg-law.com					
9	GOOKS (G) THE TANK COME					
10	UE 233 Service List					
11	OPUC Dockets Citizens' Utility Board of Oregon	Robert Jenks Citizens' Utility Board of Oregon				
12	dockets@oregoncub.org	bob@oregoncub.org				
13	Renewable Northwest Project dockets@renewablenw.org	Stephanie S. Andrus Department of Justice				
14		stephanie.andrus@state.or.us				
15	Dr. Don Reading dreading@mindspring.com	Judy Johnson Public Utility Commission of Oregon judy.johnson@state.or.us				
16	Erik Colville	Gregory M. Adams				
17	Public Utility Commission of Oregon erik.colville@state.or.us	Richardson Adams, PLLC greg@richardsonadams.com				
18	Peter J. Richardson Richardson Adams, PLLC	Joshua D. Johnson Racine Law				
19	peter@richardsonadams.com	jdj@racinelaw.net				
20	Donald W. Schoenbeck Regulatory & Cogeneration	Anthony J. Yankel Utility Net, Inc				
21	Services, Inc. dws@r-c-s-inc.com	tony@yankel.net				
22	V	Develop C. Timore				
23	Randy Dahlgren Portland General Electric Company pge.opuc.filings@pgn.com	Douglas C. Tingey Portland General Electric Company doug.tingey@pgn.com				
24	Irion A. Sanger	Wendy Gerlitz				
25	Sanger Law PC irion@sanger-law.com	NW Energy Coalition wendy@nwenergy.org				
26						

1	Etta Lockey	Sarah Link
2	Pacific Power etta.lockey@pacificorp.com	Pacific Power sarah.link@pacificorp.com
3	Oregon Dockets PacifiCorp, d/b/a Pacific Power	Lisa F. Rackner McDowell Rackner & Gibson PC
4	oregondockets@pacificorp.com	dockets@mrg-law.com
5	John W. Stephens Esler Stephens & Buckley	
6	stephens@eslerstephens.com mec@eslerstephens.com	
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8		Kimberly Towell, Executive Assistant
9		Kimberty Towell, Executive Assistant
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