



Oregon

Kate Brown, Governor

Public Utility Commission

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December 17, 2019



BY EMAIL

Idaho Power Company

Lisa Nordstrom

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RE: Advice No. 19-12

At the public meeting on December 17, 2019, the Commission adopted Staff's recommendation in this matter docketed as ADV 1047. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 17, 2019**

REGULAR CONSENT EFFECTIVE DATE January 1, 2020

DATE: December 4, 2019

TO: Public Utility Commission

FROM: Ming Peng

THROUGH: Michael Dougherty, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. ADV 1047/Advice No. 19-12)
Revises Schedule 98, Residential and Small Farm Energy Credits for the period January 1, 2020, through December 31, 2021.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power Company's (Idaho Power or Company) Advice No. 19-12 filing to revise Schedule 98¹ rates with an effective date of January 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power Company's proposed revisions to the Residential Exchange Program (REP) credits in its Schedule 98.

Applicable Rule or Law

Idaho Power filed its proposed changes to Schedule 98 under ORS 757.205 and 757.210 to determine whether they are fair, just, and reasonable. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025.

¹ P.U.C. ORE. NO. E-27. SCHEDULE 98 - RESIDENTIAL AND SMALL FARM ENERGY CREDIT.

Analysis

Background

On November 15, 2019, Idaho Power filed Tariff Advice No. 19-12, Revisions to Schedule 98, Residential and Small Farm Energy Credit. In its filing, the Company provided the background information:

Under the terms and conditions of the Pacific Northwest Electric Power Planning and Conservation Act (NW Power Act), the Bonneville Power Administration (BPA) has established a Residential Exchange Program (REP) to pass through benefits from the Federal Columbia River Power System directly to qualifying residential and small farm customers of participating Pacific Northwest utilities. The REP was suspended in 2007 due to a ruling by the United States Ninth Circuit Court of Appeals. In 2011, Idaho Power, BPA, and others (the Parties) signed a Residential Exchange Program Settlement Agreement (Settlement Agreement) (BPA Contract No. 11PB-12322), whereby Idaho Power would resume receiving monthly benefits beginning October 1, 2011. The Settlement Agreement settled the Parties' rights and obligations for the REP provided for by the NW Power Act and fixed the total amount of benefits to be paid to participating utilities from 2011 through 2028.

Although the Settlement Agreement established fixed annual benefits in total for BPA fiscal years 2012 through 2028, these benefits are allocated to the utilities based upon each utility's Average System Cost (ASC) in comparison to BPA's Priority Firm Exchange Rate (PF Exchange Rate), and upon a two-year average of the utility's historical eligible loads. A utility's ASC and the resulting benefits are determined through an ASC filing and review process administered by BPA and conducted every two years.

Staff Review

The Residential and Small Farm Energy Credit, Schedule 98, is the result of the Settlement Agreement between Idaho Power and BPA. The Settlement Agreement provides for the determination of benefits during the period October 1, 2011 through September 30, 2028 (Tariff Advice No. 11-15).

In this filing, Idaho Power's final ASC for the FY 2020-2021 exchange period is \$64.41 per megawatt-hour (MWh). Because Idaho Power's exchange period ASC exceeds BPA's PF Exchange Rate (currently \$61.11 per MWh) by \$3.30 per MWh, the Company's Idaho and Oregon residential and small farm customers are eligible to receive \$22,292,129 annually for the FY 2020-2021 exchange period, an increase of \$8,916,592 per year from the FY 2018-2019 exchange period.

Idaho Power's benefit levels are subject to change every two years. The benefit levels may change as a result of changes in the Company's ASC as determined by BPA and changes in levels of eligible residential and small farm load. Thus, a change in the ASC and/or eligible load can change the value of the benefits that flow to residential and small farm customers.

The Company states that "Idaho Power will continue to pass through the benefit amount on a cents-per-kWh basis to all qualifying electric energy delivered to Oregon customers taking service under Schedules 1, 5, 7, 9, 15, and 24." Benefits at the new credit rate will be passed through on a monthly basis for qualifying residential and small farm usage commencing January 1, 2020. However, benefits for qualifying irrigation usage will be accrued monthly and passed through to irrigation customers each December, concurrent with the Company's annual kWh and property tax rebate program.

Conclusion

Staff reviewed and discussed the filing and associated work papers with Idaho Power through conference calls on November 20, 2019. Staff found that in this filing, Idaho Power complied with OAR 860-022-0025, provided "a detailed statement setting forth the reasons or grounds relied upon in support of the proposed change." Staff verified Idaho Power's work paper data and found the calculations are sufficient and supportive to its filing, and is consistent with past Commission Orders.

The Company has reviewed this memo and has no concerns.

PROPOSED COMMISSION MOTION:

Approve Idaho Power Advice Filing No. 19-12, with rates effective January 1, 2020.

SCHEDULE 98
RESIDENTIAL AND SMALL FARM
ENERGY CREDIT

APPLICABILITY

This schedule is applicable to the Qualifying Electric Energy, as defined below, delivered to Customers taking service under Schedules 1, 5, 7, 9, 15, or 24.

The Residential and Small Farm Energy Credit ("Credit") is the result of the Settlement Agreement between the Company and the Bonneville Power Administration ("BPA") Contract No. 11PB-12322. The Settlement Agreement provides for the determination of benefits during the period October 1, 2011, through September 30, 2028. This schedule shall expire when the benefits derived from the Settlement Agreement have been credited to Customers as provided for under this schedule.

QUALIFYING ELECTRIC ENERGY

RESIDENTIAL

All kilowatt-hours (kWh) of metered energy, delivered during the Billing Period, to residential Customers taking service under Schedules 1 and 5, and all kWh of metered residential electric use delivered to Customers taking service under Schedules 7, 9, or 15, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, will be considered Residential Qualifying Electric Energy under this schedule. For customers taking service under Schedules 1 and 5, the credit will be limited to either the residential customer's actual metered energy or 1,000 kWh, whichever is less.

SMALL FARM

All kWh of metered energy, delivered during the Billing Period, to eligible small farm Customers taking service under Schedule 7 or 9, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements will be considered Small Farm Qualifying Electric Energy under this schedule.

IRRIGATION

All kWh of metered energy delivered during the Billing Period to eligible irrigation Customers taking service under Schedule 24, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, limited to either the irrigation Customer's actual metered energy or 222,000 kWh, whichever is less, will be considered Irrigation Qualifying Electric Energy under this schedule. Determination of Irrigation Qualifying Electric Energy under this schedule will be identified at the Customer level.

CREDIT ADJUSTMENT

An energy credit rate will be determined on an annual basis by dividing the sum of the total fiscal year Credit, derived from the Settlement Agreement, plus a true up from the prior year Credit, if applicable, by the sum of the calendar year projected Qualifying Electric Energy as described above. The current energy credit rate is:

| | | |
|-----------------------------|----------------------|-----|
| Schedules 1 and 5: | 0.5485 cents per kWh | (I) |
| Schedules 7, 9, 15, and 24: | 0.2210 cents per kWh | (I) |

For residential and small farm Customers, the credit adjustment will be reflected on the Customers' monthly bills.

For irrigation Customers, the credit adjustment will be issued in December of each year.

Received by OPUC
Filing Center

Issued by IDAHO POWER COMPANY
By Timothy E. Tatum, Vice President, Regulatory Affairs
1221 West Idaho Street, Boise, Idaho

11/15/2019

OREGON

Issued: November 15, 2019
Effective with Service
Rendered on and after:
January 1, 2020