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December 27, 2019

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301

Re: Docket UM 2045
In the Matter of Idaho Power Company's Application for Deferred Accounting of
Oregon Corporate Activity Tax Expenses

Attention Filing Center:

Enclosed for filing is an electronic copy of Idaho Power Company's Application for Deferred Accounting of Oregon Corporate Activity Tax Expenses.

The Notice of Application has been served on the parties of Idaho Power Company's last general rate case, UE 233, as indicated on the attached service list.

Sincerely,

Wendy McIndoo
Office Manager

Attachments

1 BEFORE THE PUBLIC UTILITY COMMISSION

2 OF OREGON

3 **UM 2045**

4 In the Matter of Idaho Power Company's
5 Application for Deferred Accounting of Oregon
6 Corporate Activity Tax Expenses.

APPLICATION

7 **I. INTRODUCTION**

8 Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho
9 Power") hereby requests an accounting order authorizing the Company to defer for later
10 ratemaking treatment costs associated with the Oregon Corporate Activity Tax ("OCAT")
11 beginning January 1, 2020. Idaho Power seeks authorization for this deferral effective as of
12 the date of this Application. In support of this Application, Idaho Power states:

- 13 1. Idaho Power is a public utility in the state of Oregon and its rates, services, and
14 accounting practices are subject to the regulation of the Public Utility
15 Commission of Oregon ("Commission").
- 16 2. This Application is filed pursuant to ORS 757.259, which allows the
17 Commission, upon application, to authorize the deferral of certain items for
18 later inclusion in rates.
- 19 3. Communications regarding this Application should be addressed to:

20 Lisa Nordstrom
21 Idaho Power Company
22 P.O. Box 70
23 Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com

Courtney Waites
Idaho Power Company
P.O. Box 70
Boise, ID 83707
cwaites@idahopower.com

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

2 **A. Description**

3 The OCAT, which was signed into law on May 16, 2019, with House Bill 3427, and
4 amended technically with HB 2164 on July 23, 2019, was adopted to impose a tax on all
5 types of business entities, based on their Oregon-sourced commercial activity. The OCAT
6 is a modified gross-receipts tax and is in addition to all other business taxes already imposed
7 by the state of Oregon. Revenue from the OCAT will be used for education spending in the
8 state of Oregon. Because the Company's Oregon-sourced taxable commercial activity is
9 above \$1 million, effective January 1, 2020, Idaho Power's tax expense will increase as result
10 of the OCAT. Idaho Power must pay estimated OCAT payments in 2020 and file its first
11 OCAT return in 2021.

12 **B. Reasons for Deferral**

13 Idaho Power requests authorization to defer the tax expense payments resulting from
14 the establishment of the OCAT and the resulting increase to the Company's Oregon state
15 taxes. The Commission has approved similar treatment for Idaho Power's changes in tax
16 expense in Docket No. UM 1928; Order No. 18-199 authorized the deferral of \$1.48 million
17 in benefits associated with the reduction of income tax expense resulting from federal tax
18 reform. The Company's deferral request in this case is filed pursuant to ORS 757.259(2)(e)
19 and is intended to minimize the frequency of rate changes or the fluctuation of rate levels.

20 **C. Proposed Accounting**

21 If approved, Idaho Power will record amounts that would be subject to the deferral
22 order in accordance with the Code of Federal Regulations to the Federal Energy Regulatory
23 Commission ("FERC") Account 182 – Regulatory Assets. The Company is still evaluating
24 the corresponding entry but anticipates it will be recorded to FERC Account 409 – Current
25 State Income Tax. Absent approval, the corresponding entry for the new OCAT payments
26 would be recorded to FERC Account 131 – Cash.

1 expenses resulting from HB 3427 for the January 1, 2020, through December 31, 2020, time
2 period.

3 Respectfully submitted this 27th day of December 2019.

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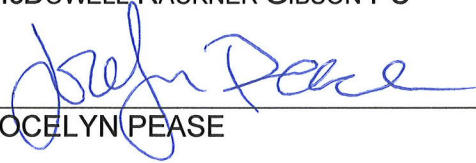
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McDOWELL RACKNER GIBSON PC

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JOCELYN PEASE

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LISA D. NORDSTROM
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1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707-0070

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Attorneys for Idaho Power Company

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UM 2045
Attachment A to Application

BEFORE THE PUBLIC UTILITY COMMISSION

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OF OREGON

UM 2045

In the Matter of Idaho Power Company's
Application for Deferred Accounting of Oregon
Corporate Activity Tax Expenses.

**NOTICE OF APPLICATION FOR
DEFERRED ACCOUNTING**

On December 27, 2019, Idaho Power Company ("Idaho Power") filed an application with the Public Utility Commission of Oregon ("Commission") for an Order authorizing deferral of Oregon Corporate Activity Tax expenses beginning January 1, 2020.

Approval of Idaho Power's Application will not authorize a change in Idaho Power's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Idaho Power's Application will be posted on the Commission website for persons who wish to obtain a copy or they may contact the following:

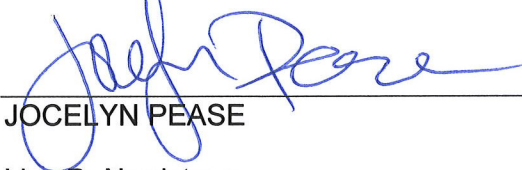
Jocelyn Pease
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1 Any person who wishes to submit written comments to the Commission on Idaho
2 Power's Application must do so by no later than January 24, 2020.

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4 DATED: December 27, 2019

McDOWELL RACKNER GIBSON PC



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6 JOCELYN PEASE

7 Lisa D. Nordstrom
8 Idaho Power Company
9 1221 West Idaho Street (83702)
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Attorneys for Idaho Power Company

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of Idaho Power's Notice of Application For Deferred Accounting in Docket UM 2045 to the Parties of record in Docket UE 233 on the following named person(s) on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

Citizens' Utility Board of Oregon
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dockets@oregoncub.org

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DATED: December 27, 2019



Wendy McIndoo
Office Manager