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December 23, 2020

VIA ELECTRONIC FILING

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

Re: Docket No. UM 2045(1)
In the Matter of Idaho Power Company's Application for Deferred Accounting of Oregon Corporate Activity Tax Expenses

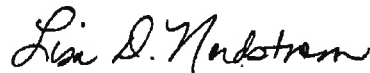
Attention Filing Center:

Attached for electronic filing, pursuant to Order No. 20-088, is Idaho Power Company's Application for Deferred Accounting of Oregon Corporate Activity Tax Expenses.

As required by OAR 860-027-0300, the Application has been served on the parties to Idaho Power Company's last general rate case, UE 233, as indicated in the Certificate of Service.

Please contact me at (208) 388-5825 or Regulatory Consultant Courtney Waites at (208) 388-5612 with any questions regarding this filing.

Very truly yours,



Lisa D. Nordstrom

LDN/sb
Attachments

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2045(1)

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

APPLICATION

I. INTRODUCTION

Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or "Company") hereby requests an accounting order reauthorizing the Company to defer for later ratemaking treatment costs associated with the Oregon Corporate Activity Tax ("OCAT") for the January 1, 2021, through December 31, 2021, time period. Idaho Power seeks authorization for this deferral effective as of the date of this Application. In support of this Application, Idaho Power states:

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

Lisa Nordstrom Idaho Power Company P.O. Box 70 Boise, ID 83707 lnordstrom@idahopower.com dockets@idahopower.com	Courtney Waites Idaho Power Company P.O. Box 70 Boise, ID 83707 cwaites@idahopower.com
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II. OAR 860-027-0300(3) REQUIREMENTS

A. Description

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

B. Reasons for Deferral

Idaho Power requests reauthorization to defer the tax expense payments resulting from the establishment of the OCAT and the resulting increase to the Company's Oregon state taxes. The Commission has approved similar treatment for Idaho Power's changes in tax expense in Docket No. UM 1928; Order No. 20-148 authorized the deferral of \$1.52 million in benefits associated with the reduction of income tax expense resulting from federal tax reform. The Company's deferral request in this case is filed pursuant to ORS 757.259(2)(e) and is intended to minimize the frequency of rate changes or the fluctuation of rate levels.

C. Proposed Accounting

If approved, Idaho Power will record amounts that would be subject to the deferral order in accordance with the Code of Federal Regulations to the Federal Energy Regulatory Commission ("FERC") Account 182 – Regulatory Assets with the corresponding entry recorded to FERC Account 409 – Income Taxes. Absent approval, the corresponding entry for the new OCAT payments would be recorded to FERC Account 131 – Cash.

1 **D. Estimate of Amounts**

2 The OCAT is \$250 plus 0.57 percent of the Company's Oregon-sourced taxable
3 commercial activity above \$1 million less applicable exceptions and deductions. The
4 Company estimates OCAT expenses for the January 1, 2021, through December 31, 2021,
5 time period will be approximately \$400,000. In accordance with Order No. 05-1070, Idaho
6 Power will accrue interest on the unamortized balance at a rate equal to its authorized
7 weighted average cost of capital most recently approved by the Commission.

8 **E. Notice**

9 A copy of the Notice of Application for Deferred Accounting of Oregon Corporate
10 Activity Tax Expenses and a list of persons served with the Notice are attached to the
11 Application as Attachment A.

12 **III. OAR 860-027-0300(4) REQUIREMENTS**

13 **A. Entries in the Deferred Account to Date**

14 No entries have been made to date. Idaho Power will record OCAT payment amounts
15 associated with the 2020 calendar year to this deferred account by December 31, 2020.

16 **B. Reason for Continuation of Deferred Accounting**

17 As discussed in detail above, this deferral is intended to capture OCAT expenses
18 pursuant to HB 3427.

19 **IV. CONCLUSION**

20 For the reasons stated above, Idaho Power respectfully requests that, consistent with
21 ORS 757.259(2)(e), the Commission authorize the Company to record and defer OCAT

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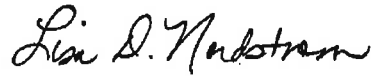
1 expenses resulting from HB 3427 for the January 1, 2021, through December 31, 2021, time
2 period.

3 Respectfully submitted this 23rd day of December 2020.

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IDAHO POWER COMPANY

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LISA D. NORDSTROM
Attorney for Idaho Power Company

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UM 2045(1)
ATTACHMENT A
TO
APPLICATION FOR DEFERRED ACCOUNTING

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2045(1)

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 23, 2020, Idaho Power Company ("Idaho Power") filed an application with the Public Utility Commission of Oregon ("Commission") for an Order reauthorizing the deferral of Oregon Corporate Activity Tax expenses for the January 1, 2021, through December 31, 2021, time period effective as of the date of the Application.

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:

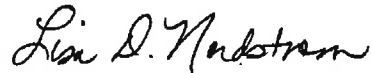
Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com

Any person who wishes to submit written comments to the Commission on Idaho Power's Application must do so by no later than January 22, 2021.

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DATED: December 23, 2020

IDAHO POWER COMPANY



LISA D. NORDSTROM
Attorney for Idaho Power Company

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CERTIFICATE OF SERVICE
UM 2045(1)

I hereby certify that on December 23, 2020, I served a true and correct copy of Idaho Power Company's Notice of Application for Deferred Accounting in Docket UM2045(1) to the parties of record in Docket UE 233, Idaho Power Company's last general rate case, on the following named person(s) on the date indicated above by email addressed to said person(s) at his or her last-known address(es) as indicated below.

OPUC Dockets
Citizens' Utility Board of Oregon
dockets@oregoncub.org

Robert Jenks
Citizens' Utility Board of Oregon
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Lisa F. Rackner
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Business Activities Section
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Erik Colville
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Oregon Dockets
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Renewable Northwest Project
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Stephanie Buckner, Executive Assistant