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December 16, 2021

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(2)
In the Matter of Idaho Power Company's Application for Deferred Accounting of Oregon
Corporate Activity Tax Expenses

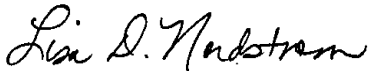
Attention Filing Center:

Attached for electronic filing, pursuant to Order No. 20-088, is Idaho Power Company's Application for Reauthorization. Attachment B is confidential and is being provided confidentially pursuant to OAR 860-001-0070.

The Application has been served on the parties to the UE 233 and UM 2045 service lists 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/sg
Attachments

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2045(2)

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

**APPLICATION FOR
REAUTHORIZATION**

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, 2022, through December 31, 2022, 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

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

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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 make an estimated OCAT payment in 2020 and filed its first OCAT return in 2021. The payment made in 2020 was applied against the liability on the 2020 OCAT return.

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

1 recorded to FERC Account 409 – Income Taxes. Absent approval, the corresponding entry
2 for the new OCAT payments would be recorded to FERC Account 131 – Cash.

3 **D. Estimate of Amounts**

4 The OCAT is \$250 plus 0.57 percent of the Company’s Oregon-sourced taxable
5 commercial activity above \$1 million less applicable exceptions and deductions. The
6 Company estimates OCAT expenses for the January 1, 2022, through December 31, 2022,
7 time period will be similar to amounts paid in 2021, or approximately \$300,000. In
8 accordance with Order No. 05-1070, Idaho Power will accrue interest on the unamortized
9 balance at a rate equal to its authorized weighted average cost of capital most recently
10 approved by the Commission.

11 **E. Notice**

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

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

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

17 Attached to the Application as Confidential Attachment B is a description and
18 explanation of the entries in this deferred account as of November 30, 2021. Confidential
19 Attachment B also includes a workpaper detailing the calculation of the estimated 2020
20 OCAT payment recorded in December 2020. An entry to true-up the estimated 2020 OCAT
21 payment to actuals will be made in December, 2021.

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

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

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IV. CONCLUSION

For the reasons stated above, Idaho Power respectfully requests that, consistent with ORS 757.259(2)(e), the Commission authorize the Company to record and defer OCAT expenses resulting from HB 3427 for the January 1, 2022, through December 31, 2022, time period.

Respectfully submitted this 16th day of December 2021.

IDAHO POWER COMPANY



LISA D. NORDSTROM
Attorney for Idaho Power Company

Attachment A

BEFORE THE PUBLIC UTILITY COMMISSION

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OF OREGON

UM 2045(2)

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

**NOTICE OF APPLICATION FOR
DEFERRED ACCOUNTING OF
OREGON CORPORATE ACTIVITY
TAX EXPENSES**

On December 16, 2021, 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, 2022, through December 31, 2022, 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 14, 2022.

DATED: December 16, 2021

IDAHO POWER COMPANY

Lisa D. Nordstrom

LISA D. NORDSTROM
Attorney for Idaho Power Company

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1 **CERTIFICATE OF SERVICE**

2 **UM 2045(2)**

3 I hereby certify that on December 16, 2021, I served a true and correct copy of Idaho
4 Power Company's Application for Reauthorization on the parties in Dockets UM 2045 and
5 UE 233 by e-mail to said person(s) as indicated below.

6 Summer Moser
7 PUC Staff- Department of Justice
sommer.moser@doj.state.or.us

John Fox
Public Utility Commission of Oregon
john.l.fox@puc.oregon.gov

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

Robert Jenks
Citizens' Utility Board of Oregon
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10 Lisa F. Rackner
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Stephanie S. Andrus
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Business Activities Section
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12 Dr. Don Reading
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20 Randy Dahlgren
21 Portland General Electric Company
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oregondockets@pacificorp.com

22 Irion A. Sanger
23 Davison Van Cleve, PC
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dws@r-c-s-inc.com

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Etta Lockey
Pacific Power
etta.lockey@pacificorp.com

DATED: December 16, 2021



Stacy Gust, Regulatory Administrative Assistant

Attachment B
CONFIDENTIAL