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December 21, 2023

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(4)
In the Matter of Idaho Power Company's Application for Deferred Accounting of Oregon
Corporate Activity Tax Expenses

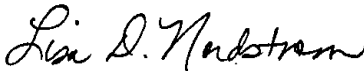
Attention Filing Center:

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,

A handwritten signature in black ink that reads "Lisa D. Nordstrom".

Lisa D. Nordstrom

LDN/sg
Attachments

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2045(4)

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") beginning January 1, 2024. Idaho Power seeks authorization for this deferral effective during the calendar year 2024. 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 a result of the OCAT. Idaho Power is required to make an estimated OCAT payment in December of the year prior to filing an OCAT return. The Company made its first estimated OCAT payment in December 2020 and filed its first OCAT return in 2021. The payment made in 2020 was applied against the liability on the 2020 OCAT return. The same process occurred in December 2021 for the 2021 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.

1 **C. Proposed Accounting**

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

7 **D. Estimate of Amounts**

8 The OCAT is \$250 plus 0.57 percent of the Company’s Oregon-sourced taxable
9 commercial activity above \$1 million less applicable exceptions and deductions. The
10 Company estimates OCAT expenses for the 2024 calendar year will be similar to amounts
11 paid in 2022, or approximately \$350,000. In accordance with Order No. 05-1070, Idaho
12 Power will accrue interest on the unamortized balance at a rate equal to its authorized
13 weighted average cost of capital most recently approved by the Commission.

14 **E. Notice**

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

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

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

20 Attached to the Application as Confidential Attachment B is a description and
21 explanation of the entries in this deferred account as of November 30, 2023. Confidential
22 Attachment B also includes a workpaper detailing the calculation of the estimated 2021
23 OCAT payment recorded in December 2021 and quantification of the actual OCAT payment
24 made on the 2021 OCAT return, with the true-up occurring in December 2022. The
25 workpaper also details the estimated 2023 OCAT payment that will be recorded in December
26 2023.

1 **CERTIFICATE OF SERVICE**

2 **UM 2045(4)**

3 I hereby certify that on December 21, 2023, 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 Donald W. Schoenbeck
7 Regulatory & Cogeneration Services,
8 Inc.
9 dws@r-c-s-inc.com

Kathy Zarate
Public Utility Commission of Oregon
kathy.zarate@puc.oregon.gov

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

Robert Jenks
Citizens' Utility Board of Oregon
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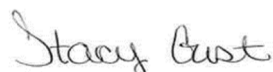
24 Renewable Northwest Project
25 dockets@renewablenw.org

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26 Randy Dahlgren
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Oregon Dockets
PacifiCorp, d/b/a Pacific Power
oregondockets@pacificorp.com

DATED: December 21, 2023



Stacy Gust, Regulatory Administrative Assistant

Attachment A

BEFORE THE PUBLIC UTILITY COMMISSION

1 OF OREGON

2 **UM 2045(4)**

3
4 In the Matter of Idaho Power Company's
5 Application for Deferred Accounting of Oregon
6 Corporate Activity Tax Expenses

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

7 On December 21, 2023, Idaho Power Company ("Idaho Power") filed an application
8 with the Public Utility Commission of Oregon ("Commission") for an Order reauthorizing the
9 deferral of Oregon Corporate Activity Tax expenses beginning January 1, 2024.

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

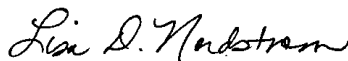
13 Idaho Power's Application will be posted on the Commission website for persons who
14 wish to obtain a copy or they may contact the following:

15 Lisa D. Nordstrom
16 Idaho Power Company
17 1221 West Idaho Street
18 P.O. Box 70
19 Boise, ID 83707
20 lnordstrom@idahopower.com

21 Any person who wishes to submit written comments to the Commission on Idaho
22 Power's Application must do so by no later than January 19, 2024.

23 DATED: December 21, 2023

IDAHO POWER COMPANY



24 LISA D. NORDSTROM
25 Attorney for Idaho Power Company
26

Attachment B