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April 15, 2020

**VIA ELECTRONIC FILING**

Public Utility Commission of Oregon  
Filing Center  
P.O. Box 1088  
201 High Street SE, Suite 100  
Salem, Oregon 97308-1088

**Re: Docket No. UE 376 – Idaho Power Company’s 2019 Annual Power Supply  
Expense True-Up.**

Attention Filing Center:

Attached for filing in the above-referenced docket is a copy of Idaho Power Company’s  
Supplemental Direct Testimony and Exhibits of Courtney Waites (Idaho Power/200-204).

Please contact this office with any questions.

Sincerely,

*/s/ Alisha Till*

Alisha Till  
Paralegal

Attachments

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**DOCKET NO. UE 376**

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AMORTIZATION IN RATES OF THE POWER )  
COST ADJUSTMENT MECHANISM, )  
INTERVENOR FUNDING AMOUNTS, AND )  
ENERGY IMBALANCE MARKET START-UP )  
EXPENSES. )

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**IDAHO POWER COMPANY**  
**SUPPLEMENTAL DIRECT TESTIMONY**  
**OF**  
**COURTNEY WAITES**

**April 15, 2020**

1 **Q. Please state your name and business address.**

2 A. My name is Courtney Waites. My business address is 1221 West Idaho Street, Boise,  
3 Idaho 83702.

4 **Q. Are you the same Courtney Waites that previously filed direct testimony in this**  
5 **matter?**

6 A. Yes.

7 **Q. What is the scope and purpose of your supplemental direct testimony?**

8 A. My supplemental direct testimony will revise the calculation of the Annual Power  
9 Supply Expense True-up with use of the 2019 Oregon Results of Operations ("ROO")  
10 report to determine the deferral deadbands and the Oregon allocation percentage.  
11 However, as I will show later in my testimony, neither of these revisions will change  
12 the zero deferral amount Idaho Power Company ("Idaho Power" or "Company")  
13 previously proposed be added to the Annual Power Supply Expense True-Up  
14 Balancing Account ("True-Up Balancing Account"). With this testimony I am also filing  
15 revised Exhibit Nos. 201, 202, 203, and 204.

16 **Q. Please explain the revision to the calculation of the Annual Power Supply**  
17 **Expense True-Up you are making.**

18 A. Order No. 09-373 clarifies which year's ROO should be relied upon in calculating the  
19 deferral deadbands and the Earnings Test components of the Power Cost Adjustment  
20 Mechanism ("PCAM"). As directed in Order No. 09-373, Idaho Power's initial February  
21 filing included the quantification of the dollar balance proposed to be added to the  
22 True-Up Balancing Account based on the 2018 ROO. The results represented a  
23 preliminary estimate at the time, with this final determination being filed now that the  
24 2019 ROO has been completed.

25 **Q. What are the power supply expense deadbands based on the 2019 ROO?**

26

1 A. Using the Company's authorized Return on Equity in effect in 2019 and the Company's  
2 2019 Oregon rate base of \$143,409,790, the Upper Deadband of 250 basis points  
3 equals \$2,672,533 and the Lower Deadband of 125 Basis Points equals a negative  
4 \$1,336,267 (please see Exhibit No. 202).

5 **Q. Does the use of the 2019 ROO impact any other areas of the initial filing?**

6 A. Yes. In addition to changing the deadbands, the 2019 ROO computes the Oregon  
7 allocation percentage used to calculate Oregon's share of the excess net power supply  
8 expenses and customer benefits from the sale of Renewable Energy Credits ("REC").  
9 Exhibit No. 201, the Oregon PCAM quantification for 2019, reflects the revised  
10 deadbands and the revised Oregon allocation percentage. In addition, using the  
11 Oregon allocation percentage of 4.53 percent from the 2019 ROO, which was 4.63  
12 percent in the 2018 ROO, slightly decreases the total customer benefit of REC sales  
13 to \$234,709 (please see Exhibit No. 203).

14 **Q. How do the supplemental computations you describe above impact the amount  
15 you proposed be added to the True-up Balancing Account?**

16 A. Applying the updated Oregon allocation percentage of 4.53 percent to the power cost  
17 deviation creates an Oregon Allocated Power Cost Deviation of negative \$689,698.67  
18 which is greater than the Lower Deadband of negative \$1,336,267. Therefore, the  
19 dollar amount associated with the Annual Power Supply Expense True-Up to be  
20 considered to add to the True-Up Balancing Account is zero. However, the total  
21 customer benefit of REC sales will be added to the True-Up Balancing Account, slightly  
22 reducing the amount proposed to \$234,709.

23 **Q. In your initial filing, an Earnings Test was not performed because the Company  
24 was not proposing any deferral amounts be added to the True-Up Balancing  
25 Account. Does the use of the 2019 ROO change the need for an Earnings Test?**

26

1 A. No. Using the 2019 ROO still results in a zero deferral amount to be added to the  
2 True-Up Balancing Account and therefore does not require an Earnings Test to be  
3 performed.

4 **Q. Will the change in the amount proposed to be added to the True-up Balancing**  
5 **Account affect the proposed Schedule 56 rate?**

6 A. Yes. Although the 2019 ROO does not impact the updated level of amortization  
7 collection associated with intervenor funding amounts or deferred start-up expenses  
8 associated with Idaho Power's participation in the EIM initially proposed by the  
9 Company, the slight change in the total customer benefit of the REC sales and the  
10 update to the June 1, 2019, through May 31, 2020, test year forecast was enough to  
11 change the proposed Schedule 56 rate. The updated detailed calculations of the rate  
12 impact can be found in Exhibit No. 204. Table 1 summarizes the impact on the rates  
13 associated with Idaho Power's proposal.

14 **Table 1**

<b>Customer Class</b>	<b>Current (cents per kWh)</b>	<b>Proposed (cents per kWh)</b>
Residential service	0.0098	(0.0107)
All other	(0.0187)	(0.0308)

18 **Q. Has Idaho Power updated Schedule 56 with the proposed rates?**

19 A. Yes. Idaho Power is filing a proposed Schedule 56 reflecting the rates above  
20 concurrently as Advice No. 20-05.

21 **Q. Does this conclude your testimony?**

22 A. Yes, it does.  
23  
24  
25  
26

Idaho Power/201  
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE 376

IDAHO POWER COMPANY

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Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

April 15, 2020

2019 PCAM  
 Twelve Months Ended December 31, 2019

Idaho Power/201  
 Waives/1

OREGON PCAM (Schedule 56)														
ACTUAL POWER COSTS														
	January	January YTD	February	February YTD	March	March YTD	April	April YTD	May	May YTD	June	June YTD		
<b>Actual NPSE Costs</b>														
Actual Sales - Includes Unbilled	MWh	1,214,558	1,214,558	1,089,565	2,304,123	1,066,911	3,371,034	958,297	4,329,331	1,098,732	5,428,063	1,351,482	6,779,545	
Fuel	\$	16,278,430.09	16,278,430.09	18,710,670.11	34,989,100.20	16,881,367.02	51,870,467.22	7,017,043.91	58,887,511.13	5,200,890.68	64,088,401.81	8,607,904.06	72,696,305.87	
Purchased Power	\$	7,565,041.82	7,565,041.82	8,258,943.57	15,823,985.39	5,551,038.83	21,375,024.22	2,938,422.88	24,313,447.10	3,598,460.32	27,911,907.42	4,670,544.41	32,582,451.83	
Oregon Solar Pilot	\$	743.36	743.36	655.33	1,398.69	614.52	2,013.21	1,621.19	3,634.40	1,560.39	5,194.79	2,052.64	7,247.43	
Surplus Sales	\$	(3,417,237.93)	(3,417,237.93)	(22,872,937.54)	(26,290,175.47)	(23,643,568.71)	(49,933,744.18)	(9,042,970.90)	(58,976,715.08)	(3,198,100.10)	(62,174,815.18)	(4,330,434.90)	(66,505,250.08)	
Total Non-QF	\$	20,426,977.34	20,426,977.34	4,097,331.47	24,524,308.81	(1,210,546.34)	23,313,760.47	914,117.08	24,227,877.55	5,602,811.29	29,830,688.84	8,950,066.21	38,780,755.05	
QF - Includes Net Metering and Liquidated Damages	\$	16,671,655.54	16,671,655.54	14,530,939.03	31,202,594.57	11,789,356.14	42,991,950.71	16,941,066.80	59,933,017.51	18,050,679.48	77,983,696.99	23,700,861.85	101,684,558.84	
Total Actual Power Costs Incurred	\$	37,098,632.88	37,098,632.88	18,628,270.50	55,726,903.38	10,578,807.80	66,305,711.18	17,855,183.88	84,160,895.06	23,653,490.77	107,814,385.83	32,650,928.06	140,465,313.89	
Actual Power Cost per Unit	\$/MWh	\$30.54	\$30.54	\$17.10	\$24.19	\$9.92	\$19.67	\$18.63	\$19.44	\$21.53	\$19.86	\$24.16	\$20.72	
<b>POWER COSTS COLLECTED IN RATES</b>														
Actual Sales	MWh	1,214,558	1,214,558	1,089,565	2,304,123	1,066,911	3,371,034	958,297	4,329,331	1,098,732	5,428,063	1,351,482	6,779,545	
Combined Rate (Recoverd in Rates)	\$/MWh	\$ 25.54	\$25.54	\$ 26.10	\$25.80	\$ 26.10	\$25.90	\$ 25.36	\$25.78	\$ 25.39	\$25.70	\$ 26.56	\$25.87	
Total Power Costs Collected in Rates	\$	31,019,811.32	31,019,811.32	28,437,646.50	59,457,457.82	27,846,377.10	87,303,834.92	24,302,411.92	111,606,246.84	27,896,805.48	139,503,052.32	35,895,361.92	175,398,414.24	
<b>CHANGE FROM FORECAST</b>														
Actual Power Cost per Unit	\$/MWh	\$30.54	\$30.54	\$17.10	\$24.19	\$9.92	\$19.67	\$18.63	\$19.44	\$21.53	\$19.86	\$24.16	\$20.72	
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.54	\$25.54	\$26.10	\$25.80	\$26.10	\$25.90	\$25.36	\$25.78	\$25.39	\$25.70	\$26.56	\$25.87	
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$5.00	\$5.00	(\$9.00)	(\$1.62)	(\$1.18)	(\$6.23)	(\$6.73)	(\$6.34)	(\$3.86)	(\$5.84)	(\$2.40)	(\$5.15)	
Deviation from Forecast	\$	6,078,821.56	6,078,821.56	(9,809,376.00)	(3,730,554.44)	(17,267,569.30)	(20,998,123.74)	(6,447,228.04)	(27,445,351.78)	(4,243,314.71)	(31,688,666.49)	(3,244,433.86)	(34,933,100.35)	
Oregon Allocation	%		4.53%		4.53%		4.53%		4.53%		4.53%		4.53%	
Oregon Allocated Power Cost Deviation (before DB)	\$		275,370.62		(168,994.12)		(951,215.01)		(1,243,274.44)		(1,435,496.59)		(1,582,469.45)	
Deadband - Over 250 Basis Points	\$		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01	
Deadband - Under 125 Basis Points	\$		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)	
True-Up (+)	\$		0.00		0.00		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00		(99,230.09)		(246,202.94)	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00		(99,230.09)		(246,202.94)	
Portion of True-up Change Allowed	%		90%		90%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00		(89,307.08)		(221,582.65)	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	\$		-		-		-		-		(1,443.24)		(4,297.04)	
Total Deferred Balance	\$		-		-		-		-		(90,750.32)		(225,879.69)	





BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE 376

IDAHO POWER COMPANY

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Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

April 15, 2020

**Determination of Oregon PCAM Deadbands  
Based on Idaho Power 2019 Results of Operations**

	(A)	(B)
	<b>Total System</b>	<b>Oregon</b>
(1) Rate Base	<b>\$3,428,302,080</b>	<b>\$143,409,790</b>
(2) % Equity in cap structure	<b>55.355%</b>	<b>55.355%</b>
(3) Equity in rate base	\$1,897,746,901	\$79,384,919
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$18,977,469	\$793,849
(6) Net-to Gross Factor	<b>1.347</b>	<b>1.347</b>
(7) Revenue requirement	\$25,555,439	<b>\$ 1,069,013</b>
(8) <b>Upper Band of Basis Points</b>	<b>250</b>	\$2,672,533.01
(9) <b>Lower Band of Basis Points</b>	<b>125</b>	(\$1,336,266.50)

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April 15, 2020

**Oregon**

	12 MOS ENDED DEC 2019
Total Revenues	\$ 51,990,825
	6%
Deferral Revenues Allowed	\$ 3,119,450

*True-Up Balancing Account*

Oregon kWh Forecast <sup>1</sup>	684,994,949
Rate (cents per kWh)	(0.0343)
Estimated Collection (Refund)	\$ <b>(234,709)</b>

*Intervenor Funding deferrals*

Oregon Residential kWh Forecast <sup>1</sup>	185,871,153
Rate (cents per kWh)	0.0201
Estimated Collection (Refund)	\$ <b>37,383</b>

*EIM O&M Start-Up Expense deferral*

Oregon kWh Forecast <sup>1</sup>	684,994,949
Rate (cents per kWh)	0.0035
Estimated Collection (Refund)	\$ <b>23,842</b>

Total Rate - Residential Service (cents per kWh)	(0.0107)
Total Rate - All Other (cents per kWh)	(0.0308)

1. June 1, 2020 - May, 31, 2021 test year.

2019 PCAM  
 Twelve Months Ended December 31, 2019

Idaho Power/201  
 Waives/1

OREGON PCAM (Schedule 56)														
ACTUAL POWER COSTS														
	January	January YTD	February	February YTD	March	March YTD	April	April YTD	May	May YTD	June	June YTD		
<b>Actual NPSE Costs</b>														
Actual Sales - Includes Unbilled	MWh	1,214,558	1,214,558	1,089,565	2,304,123	1,066,911	3,371,034	958,297	4,329,331	1,098,732	5,428,063	1,351,482	6,779,545	
Fuel	\$	16,278,430.09	16,278,430.09	18,710,670.11	34,989,100.20	16,881,367.02	51,870,467.22	7,017,043.91	58,887,511.13	5,200,890.68	64,088,401.81	8,607,904.06	72,696,305.87	
Purchased Power	\$	7,866,041.82	7,866,041.82	8,258,943.57	15,823,985.39	5,551,038.83	21,375,024.22	2,938,422.88	24,313,447.10	3,598,460.32	27,911,907.42	4,670,544.41	32,582,451.83	
Oregon Solar Pilot	\$	743.36	743.36	655.33	1,398.69	614.52	2,013.21	1,621.19	3,634.40	1,560.39	5,194.79	2,052.64	7,247.43	
Surplus Sales	\$	(3,417,237.93)	(3,417,237.93)	(22,872,937.54)	(26,290,175.47)	(23,643,568.71)	(49,933,744.18)	(9,042,970.90)	(58,976,715.08)	(3,198,100.10)	(62,174,815.18)	(4,330,434.90)	(66,505,250.08)	
Total Non-QF	\$	20,426,977.34	20,426,977.34	4,097,331.47	24,524,308.81	(1,210,548.34)	23,313,760.47	914,117.08	24,227,877.55	5,602,811.29	29,830,688.84	8,950,066.21	38,780,755.05	
QF - Includes Net Metering and Liquidated Damages	\$	16,671,655.54	16,671,655.54	14,530,939.03	31,202,594.57	11,789,356.14	42,991,950.71	16,941,066.80	59,933,017.51	18,050,679.48	77,983,696.99	23,700,861.85	101,684,558.84	
Total Actual Power Costs Incurred	\$	37,098,632.88	37,098,632.88	18,628,270.50	55,726,903.38	10,578,807.80	66,305,711.18	17,855,183.68	84,160,895.06	23,653,490.77	107,814,385.83	32,650,928.06	140,465,313.89	
<b>Actual Power Cost per Unit</b>	<b>\$/MWh</b>	<b>\$30.54</b>	<b>\$30.54</b>	<b>\$17.10</b>	<b>\$24.19</b>	<b>\$9.92</b>	<b>\$19.67</b>	<b>\$18.63</b>	<b>\$19.44</b>	<b>\$21.53</b>	<b>\$19.86</b>	<b>\$24.16</b>	<b>\$20.72</b>	
<b>POWER COSTS COLLECTED IN RATES</b>														
Actual Sales	MWh	1,214,558	1,214,558	1,089,565	2,304,123	1,066,911	3,371,034	958,297	4,329,331	1,098,732	5,428,063	1,351,482	6,779,545	
Combined Rate (Recoverd in Rates)	\$/MWh	\$ 25.54	\$25.54	\$ 26.10	\$25.80	\$ 26.10	\$25.90	\$ 25.36	\$25.78	\$ 25.39	\$25.70	\$ 26.56	\$25.87	
Total Power Costs Collected in Rates	\$	31,019,811.32	31,019,811.32	28,437,646.50	59,457,457.82	27,846,377.10	87,303,834.92	24,302,411.92	111,606,246.84	27,896,805.48	139,503,052.32	35,895,361.92	175,398,414.24	
<b>CHANGE FROM FORECAST</b>														
Actual Power Cost per Unit	\$/MWh	\$30.54	\$30.54	\$17.10	\$24.19	\$9.92	\$19.67	\$18.63	\$19.44	\$21.53	\$19.86	\$24.16	\$20.72	
Combined Rate (Recoverd in Rates)	\$/MWh	\$25.54	\$25.54	\$26.10	\$25.80	\$26.10	\$25.90	\$25.36	\$25.78	\$25.39	\$25.70	\$26.56	\$25.87	
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$5.00	\$5.00	(\$9.00)	(\$1.62)	(\$1.18)	(\$6.23)	(\$6.73)	(\$6.34)	(\$3.86)	(\$5.84)	(\$2.40)	(\$5.15)	
Deviation from Forecast	\$	6,078,821.56	6,078,821.56	(9,809,376.00)	(3,730,554.44)	(17,267,569.30)	(20,998,123.74)	(6,447,228.04)	(27,445,351.78)	(4,243,314.71)	(31,688,666.49)	(3,244,433.86)	(34,933,100.35)	
Oregon Allocation	%		4.53%		4.53%		4.53%		4.53%		4.53%		4.53%	
Oregon Allocated Power Cost Deviation (before DB)	\$		275,370.62		(168,994.12)		(951,215.01)		(1,243,274.44)		(1,435,496.59)		(1,582,468.45)	
Deadband - Over 250 Basis Points	\$		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01		2,672,533.01	
Deadband - Under 125 Basis Points	\$		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)		(1,336,266.50)	
True-Up (+)	\$		0.00		0.00		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00		(99,230.09)		(246,202.94)	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00		(99,230.09)		(246,202.94)	
Portion of True-up Change Allowed	%		90%		90%		90%		90%		90%		90%	
<b>OREGON DEFERRAL w/ SHARING (90/10)</b>	<b>\$</b>		<b>0.00</b>		<b>0.00</b>		<b>0.00</b>		<b>0.00</b>		<b>(89,307.08)</b>		<b>(221,582.65)</b>	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	\$		-		-		-		-		(1,443.24)		(4,297.04)	
<b>Total Deferred Balance</b>	<b>\$</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>(90,750.32)</b>		<b>(225,879.69)</b>	





**Determination of Oregon PCAM Deadbands  
 Based on Idaho Power 2019 Results of Operations**

	(A)	(B)
	<b>Total System</b>	<b>Oregon</b>
(1) Rate Base	<b>\$3,428,302,080</b>	<b>\$143,409,790</b>
(2) % Equity in cap structure	<b>55.355%</b>	<b>55.355%</b>
(3) Equity in rate base	\$1,897,746,901	\$79,384,919
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$18,977,469	\$793,849
(6) Net-to Gross Factor	<b>1.347</b>	<b>1.347</b>
(7) Revenue requirement	\$25,555,439	<b>\$ 1,069,013</b>
(8) <b>Upper Band of Basis Points</b>	<b>250</b>	\$2,672,533.01
(9) <b>Lower Band of Basis Points</b>	<b>125</b>	(\$1,336,266.50)



**Oregon**

	12 MOS ENDED DEC 2019	
Total Revenues	\$	51,990,825
		6%
Deferral Revenues Allowed	\$	3,119,450

*True-Up Balancing Account*

Oregon kWh Forecast <sup>1</sup>		684,994,949
Rate (cents per kWh)		(0.0343)
Estimated Collection (Refund)	\$	<b>(234,709)</b>

*Intervenor Funding deferrals*

Oregon Residential kWh Forecast <sup>1</sup>		185,871,153
Rate (cents per kWh)		0.0201
Estimated Collection (Refund)	\$	<b>37,383</b>

*EIM O&M Start-Up Expense deferral*

Oregon kWh Forecast <sup>1</sup>		684,994,949
Rate (cents per kWh)		0.0035
Estimated Collection (Refund)	\$	<b>23,842</b>

Total Rate - Residential Service (cents per kWh)		(0.0107)
Total Rate - All Other (cents per kWh)		(0.0308)

1. June 1, 2020 - May, 31, 2021 test year.