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August 26, 2016

VIA ELECTRONIC

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

**Re: Docket No. UM _____ -- In the Matter of the Application of Idaho Power Company
for an Order Approving the Deferral of Start-Up Expenses Associated with a
Community Solar Program.**

Attention Filing Center:

Attached for filing in the above-referenced docket is an electronic copy of Idaho Power Company's Application for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program. A copy of this filing has been served on all parties to Idaho Power's most recent rate case, docket UE 248 as indicated on the attached Certificate of Service.

Very truly yours,

Wendy McIndoo
Office Manager

Enclosures

cc: UE 248 Service List

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM _____

In the Matter of the Application of Idaho Power Company for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program.

**IDAHO POWER COMPANY'S
APPLICATION FOR DEFERRAL OF
START-UP EXPENSES ASSOCIATED
WITH THE COMMUNITY SOLAR
PROGRAM**

Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or the "Company") hereby requests authorization to defer for later rate-making treatment start-up expenses associated with the development of its Community Solar Program, implemented in compliance with Senate Bill ("SB") 1547, including costs for modification of IT systems, legal and other professional fees, costs related to regulatory compliance, and any other costs the Company may be required to incur. Idaho Power may seek amortization of the deferred amount in a future Commission proceeding. 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 deferral of certain items for later incorporation in rates.
3. Idaho Power wishes to waive paper service in this docket. Communications to Idaho Power concerning this proceeding should be addressed to:

Lisa Nordstrom
Idaho Power Company
PO Box 70
Boise, ID 83707
lnordstrom@idahopower.com

Lisa Rackner
McDowell Rackner Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205-2605
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I. Statutory and Regulatory Framework

A. Community Solar Program.

The Commission is initiating a rulemaking proceeding to implement the development of community solar programs pursuant to Section 22 of SB 1547. Pursuant to statute, the Commission is to establish by rule a program for the procurement of electricity from community solar programs. The Commission has initiated a docket for the development of such rules, AR 603, which will hold its initial workshop on August 31, 2016.

B. Recovery of Start-Up Costs for Community Solar Program.

In accordance with SB 1547 Section 22(7)(c), “[a]ll start-up costs prudently incurred during the development or modification of the program established under this section are recoverable in the rates of an electric company.”

II. Required Contents of Application

The following information is provided as required by OAR 860-027-0300(3).

A. Description of Utility Expense.

The Company requests authority to defer costs associated with its Community Solar Program. Because the Company is presently incurring start-up costs and expenses associated with the program, the Company is filing this deferral at this time. The costs to be deferred would include costs for modification of IT systems, professional and consultant fees, costs related to regulatory compliance, and any other costs the Company may incur to develop a Community Solar program.

B. Reasons for Deferral.

Idaho Power seeks this deferral pursuant to ORS 757.259(2)(e). The authorization for deferral of these expenses will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. This deferral is

1 necessary because SB 1547 requires the implementation of the community solar program,
2 and the start-up costs for the Company's Community Solar Program are not currently
3 included in the Company's rates.

4 **C. Proposed Accounting.**

5 Idaho Power proposes to record the deferred amount as a regulatory asset in FERC
6 account 182.3, Other Regulatory Assets. The Company will record amortization of the
7 deferred amount to FERC Account 407.3, Regulatory Debits. In the absence of a deferred
8 accounting order from the Commission, Idaho Power would record start-up costs associated
9 with the community solar program to various FERC accounts.

10 **D. Estimate of Amounts.**

11 The Commission is just initiating its rulemaking docket to guide its implementation of
12 the community solar programs, and the details of the programs that will be mandated are
13 not yet known. For this reason, the Company cannot provide an estimate of the costs it will
14 incur to develop its Community Solar Program. However, the Company can project that
15 development of its program will require modifications to its billing systems, legal and
16 professional advice and possibly the assistance of other professional consultants. The
17 Company therefore estimates that it may defer approximately \$100,000 in start-up costs
18 during the initial 12-month deferral period.

19 **E. Notice.**

20 A copy of the notice of application for deferred accounting treatment and a list of
21 persons served with the notice are attached to the Application as Attachment A.

22 **III. Conclusion**

23 Deferral of the costs described in this Application is necessary to allow recovery of
24 prudently incurred start-up costs associated with compliance with SB 1547's mandate to
25 implement a community solar program. Therefore, Idaho Power respectfully requests that,
26

1 in accordance with ORS 757.259 and SB 1547, Section 22(7)(c), the Commission authorize
2 the Company to defer start-up expenses associated with its Community Solar Program.

3 DATED: August 26, 2016

McDOWELL RACKNER GIBSON PC

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5 Lisa F. Rackner

6 Attorneys for Idaho Power Company

7 **IDAHO POWER COMPANY**

8 Lisa D. Nordstrom
9 Lead Counsel
10 PO Box 70
11 Boise, ID 83707

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Of Attorneys for Idaho Power Company

Attachment A
Notice of Application for
Deferred Accounting Order

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM _____

In the Matter of the Application of Idaho Power Company for an Order Approving the Deferral of Start-Up Expenses Associated with a Community Solar Program.

NOTICE OF APPLICATION

On August 26, 2016, Idaho Power Company (“Idaho Power”) applied to the Public Utility Commission of Oregon (“Commission”) for authorization to use deferral accounting for startup expenses associated with a Community Solar program required by Senate Bill (“SB”) 1547.

Idaho Power proposes to defer from the date of the application forward the costs and startup expenses associated with the development of its Community Solar Program. Though difficult to estimate at this time, Idaho Power has estimated that the annual deferral amounts could be \$100,000 during the start-up period. Idaho Power requests that the deferral continue no longer than twelve months from the date of this filing.

The granting of the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Interested persons may obtain a copy of the Application by contacting:

Lisa Rackner
McDowell Rackner Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205-2605
Phone: 503-595-3922
Facsimile: 503-595-3928
dockets@mrg-law.com

1 Any person may submit to the Commission written comment the Application, in
2 accordance with the procedures prescribed by the Commission. The deadline for comments
3 on the application is due September 23, 2016.

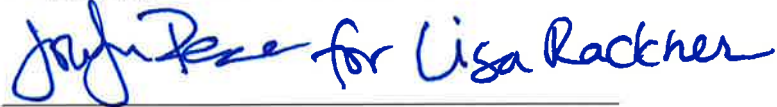
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5 DATED: August 26, 2016.

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McDOWELL RACKNER GIBSON PC

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Lisa F. Rackner

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IDAHO POWER COMPANY

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Lisa D. Nordstrom
Lead Counsel
PO Box 70
Boise, ID 83707

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Of Attorneys for Idaho Power Company

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document on all parties in Docket No. UE 248 by email addressed to said person(s) at his or her last-known address(es) indicated below.

OPUC dockets
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DATED: August 26, 2016



Wendy McIndoo
Office Manager