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February 29, 2024

**VIA E-MAIL TO**

Public Utility Commission of Oregon  
Filing Center  
201 High Street SE, Suite 100  
Salem, Oregon 97301-3398

**Re: Docket No. UE\_\_ – In The Matter of the Application of Idaho Power Company for Amortization in Rates of the Power Cost Adjustment Mechanism, Intervenor Funding Amounts, Annual Regulatory Fees, Oregon Corporate Activity Tax Expenses, and Community Solar Program Costs.**

Attention Filing Center:

Attached for filing in the above-referenced docket is Idaho Power Company's Direct Testimony and Exhibits of Jessica G. Brady (Idaho Power/100-109). Courtesy copies of this filing are being served to participants in Docket UE 417.

Please contact this office with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cole Albee".

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Cole Albee  
Paralegal  
McDowell Rackner Gibson PC

Attachments

cc: UE 417 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE \_\_\_\_\_**

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AMORTIZATION IN RATES OF THE POWER )  
COST ADJUSTMENT MECHANISM, )  
INTERVENOR FUNDING AMOUNTS, ANNUAL )  
REGULATORY FEES, OREGON CORPORATE )  
ACTIVITY TAX EXPENSES, AND COMMUNITY )  
SOLAR PROGRAM COSTS. )  
\_\_\_\_\_ )

**IDAHO POWER COMPANY  
DIRECT TESTIMONY  
OF  
JESSICA G. BRADY**

**February 28, 2024**

1 **Q. Please state your name, business address, and present position with Idaho**  
2 **Power Company (“Idaho Power” or “Company”).**

3 A. My name is Jessica Brady. I am employed by Idaho Power as a Senior Regulatory  
4 Analyst in the Regulatory Affairs Department. My business address is 1221 West  
5 Idaho Street, Boise, Idaho 83702.

6 **Q. Please describe your educational background.**

7 A. In May 2016, I received a Bachelor of Science degree in Economics and a Bachelor  
8 of Arts degree in Spanish from the University of Idaho. I have also attended “The  
9 Basics: Practical Regulatory Training for the Electric Industry,” an electric utility  
10 ratemaking course offered through New Mexico State University’s Center for Public  
11 Utilities, “Electric Utility Fundamentals & Insights,” an electric utility course offered  
12 through the Western Energy Institute, and Edison Electric Institute’s “Electric Rates  
13 Course” offered at the University of Wisconsin-Madison.

14 **Q. Please describe your business experience.**

15 A. In September 2021, I accepted a position at Idaho Power as a Regulatory Analyst in  
16 the Regulatory Affairs Department. In October 2023, I was promoted to Senior  
17 Regulatory Analyst. As a Senior Regulatory Analyst, I am responsible for running the  
18 AURORA model (“AURORA”) to calculate net power supply expenses (“NPSE”) for  
19 ratemaking purposes, as well as the determination of the marginal cost of energy used  
20 in the Company’s marginal cost analyses. My duties also include providing analytical  
21 support for other regulatory activities within the Regulatory Affairs Department.

22 Prior to Idaho Power, I worked for five years at Clearwater Analytics, a provider  
23 of investment accounting and reporting software. I held various roles at Clearwater but  
24 was primarily focused on customer success and relationship management. I gained a  
25 breadth of knowledge in investments and the use of proprietary software to streamline  
26 the operations of a company’s finance and accounting teams. I spent my last year at

1 Clearwater developing a training program focused on providing new hires with the  
2 technical skills to be successful in an operations role.

3 **Q. What is the purpose of your testimony?**

4 A. The purpose of my testimony is to describe the quantification of the Company's Annual  
5 Power Supply Expense True-Up ("True-Up Rate"), consistent with the methodology  
6 approved in Order Nos. 08-238 and 09-373. In order to determine the True-Up Rate,  
7 I will first describe the quantification of the dollar balance in the Annual Power Supply  
8 Expense True-Up Balancing Account ("True-Up Balancing Account"), including the  
9 credit for the sale of SO<sub>2</sub> Allowances and Renewable Energy Credits ("REC" or  
10 "RECs") made during the 2023 deferral year and the true-up of Energy Imbalance  
11 Market ("EIM") operation and maintenance ("O&M") expenses. In addition, I will  
12 describe the Company's proposal to update the level of amortization associated with  
13 the collection of deferred intervenor funding amounts, incremental annual regulatory  
14 fees, and Oregon Corporate Activity Tax ("OCAT") expenses, as well as the inclusion  
15 of the amortization of Oregon Community Solar Program costs. As detailed in Table  
16 1 below, if approved, Idaho Power's proposal would result in a \$1,857,722, or 2.72  
17 percent, decrease to customer rates.

18 **Q. What is the True-Up Balancing Account?**

19 A. As described in Schedule 56, the True-Up Balancing Account is a Company account  
20 where the power cost adjustment mechanism ("PCAM") is quantified at the end of each  
21 12-month period ending December, along with 50 percent of the annual interest  
22 calculated at the Company's authorized cost of capital. Subject to an earnings test,  
23 the PCAM is 90 percent of the amount that the Oregon Allocated Power Cost Deviation  
24 is above or below the Power Supply Expense Deadband.

25 **Q. How does Order No. 09-373 impact the Annual Power Supply Expense True-Up**  
26 **Balancing Account?**

1 A. Order No. 09-373 approved an amendment to Order No. 08-238 clarifying which year's  
2 Results of Operations ("ROO") should be relied upon in calculating the deferral  
3 deadbands and the earnings test components of the PCAM. Idaho Power, the Oregon  
4 Citizens' Utility Board ("CUB"), and the Staff of the Public Utility Commission of Oregon  
5 ("Commission") agreed that for the initial calculation of the Annual Power Supply  
6 Expense True-Up filed in February each year, the Company will use the most recent  
7 ROO report available, the ROO for the year preceding the deferral period. Once the  
8 ROO report for the year of the deferral period becomes available, the Company will  
9 file an updated calculation of the Annual Power Supply Expense True-Up. The  
10 updated calculation is expected to occur in April of each year.

11 **Q. Have you prepared an exhibit that quantifies the initial estimate of the amount**  
12 **to be added to the True-Up Balancing Account for 2023?**

13 A. Yes. Exhibit 101 is the Company's quantification of the net power supply expenses to  
14 be reviewed for inclusion in the True-up Balancing Account for 2023.

15 **Q. Please describe Exhibit 101 and the Company's quantification of the estimated**  
16 **amount to be included in the True-Up Balancing Account.**

17 A. In Exhibit 101, the columns detail the monthly and year-to-date deviations between  
18 actual net power supply expenses incurred and the power costs collected through  
19 rates. The last column represents the annual amounts considered in determining the  
20 amount to be included in the True-Up Balancing Account.

21 **Q. Please provide a general description of the calculations used to determine the**  
22 **amount to be included in the True-Up Balancing Account.**

23 A. First, the Actual Unit Cost is compared to the Combined Rate to determine the per unit  
24 power cost deviation. The per unit power cost deviation is then multiplied by total  
25 system actual energy sales to determine the power cost deviation on a total system  
26 basis. Next, the Oregon allocation factor is applied to the total system power cost

1 deviation to compute the Oregon Allocated Power Cost Deviation. Then, Power  
2 Supply Expense Deadbands are applied and, if necessary, an earnings test is  
3 performed. The resulting eligible deferral is the amount proposed to be added to the  
4 True-Up Balancing Account.

5 **Q. How is the Actual Unit Cost calculated?**

6 A. The Actual Unit Cost for net power supply expenses incurred is the total Actual Net  
7 Power Supply Expense ("Actual NPSE") incurred divided by the Actual Sales. The  
8 Actual NPSE is determined on a system-wide basis and includes amounts recorded  
9 in Federal Energy Regulatory Commission Accounts 501 (Fuel-Coal), 547 (Fuel-Gas),  
10 555 (Purchased Power), and 447 (Sales for Resale). In short, Actual NPSE is  
11 calculated by adding fuel plus purchased power less off-system sales. The Actual  
12 NPSE for 2023 was \$615,793,148. Actual Sales for 2023 were 15,514,960 megawatt-  
13 hours ("MWh"). Dividing Actual NPSE by Actual Sales results in the Actual Unit Cost  
14 of \$39.69 per MWh ( $\$615,793,148 \div 15,514,960 \text{ MWh} = \$39.69 \text{ per MWh}$ ).

15 **Q. What is the next step in the true-up calculation?**

16 A. The next step in the true-up calculation is to compare the Actual Unit Cost to the  
17 Combined Rate. The Combined Rate is comprised of two components: (1) the  
18 October Power Cost Update and (2) the March Power Cost Forecast. The Combined  
19 Rate in effect from January through May 2023 was \$36.57/MWh and the Combined  
20 Rate in effect from June through December 2023 was \$47.53/MWh. The Combined  
21 Rate reflects the Commission-approved amounts reflected in rates during the months  
22 of the true-up period. The Annual Combined Rate, which is based on the five months  
23 of \$36.57/MWh and the seven months of \$47.53/MWh, is \$43.35/MWh.

24 **Q. What is the deviation between the Actual Unit Cost and the Combined Rate for**  
25 **2023?**

26

1 A. For 2023, the deviation between the Actual Unit Cost (\$39.69/MWh) and the Combined  
2 Rate (\$43.35/MWh) is negative \$3.66 per MWh ( $\$39.69 - \$43.35 = \text{negative } \$3.66$ ).  
3 This amount is multiplied by the Actual Sales (15,514,960 MWh) to determine the  
4 deviation from the forecast on a system-wide basis, or negative \$56,782,578.

5 **Q. How is the Oregon jurisdictional portion of the deviation from the forecast on a**  
6 **system-wide basis calculated?**

7 A. The Oregon Allocated Power Cost Deviation is calculated by multiplying the system-  
8 wide deviation from the forecast by the Oregon allocation factor. The Oregon allocation  
9 factor is the energy allocator used in the ROO. Currently, using the 2022 ROO, the  
10 Oregon allocation factor is 4.38 percent. This results in an Oregon Allocated Power  
11 Cost Deviation of negative \$2,487,077, meaning the amount of the Oregon allocated  
12 power supply costs recovered in rates was more than the actual Oregon allocated  
13 power supply costs ( $-\$56,782,578 \times 4.38 \text{ percent} = -\$2,487,077$ ).

14 **Q. You stated earlier that as a result of Order No. 09-373 you will use the previous**  
15 **year's ROO to calculate the Annual Power Supply Expense True-Up filed in**  
16 **February and once the ROO for the year of the deferral is available, you will**  
17 **update the calculation of the Annual Power Supply Expense True-Up. Will the**  
18 **Oregon Allocated Power Cost Deviation change?**

19 A. If the Oregon allocation factor in the 2023 ROO is different than the Oregon allocation  
20 factor from the 2022 ROO, then the Oregon Allocated Power Cost Deviation will  
21 change.

22 **Q. In previous years the Company has proposed to reduce its Oregon Allocated**  
23 **Power Cost Deviation by the sale of SO<sub>2</sub> Allowances made during the deferral**  
24 **year. Were any sales of SO<sub>2</sub> Allowances made during the calendar year 2023?**

25 A. No, there were no sales of SO<sub>2</sub> Allowances made during the calendar year 2023.  
26

1 **Q. Is the Oregon Allocated Power Cost Deviation of negative \$2,487,077 the amount**  
2 **of dollars to be added to the True-Up Balancing Account?**

3 A. No. First, the Company must compute the variances between 2023 actual EIM-related  
4 O&M expenses and those included in customer rates that would impact the Oregon  
5 Allocated Power Cost Deviation.

6 **Q. What was the 2023 variance between actual EIM-related O&M expenses and**  
7 **those included in customer rates?**

8 A. Order No. 22-191 in Docket No. UE 414, Idaho Power's 2023 Annual Power Cost  
9 Update, approved an Oregon-jurisdictional EIM-related revenue requirement of  
10 \$113,027, which included \$76,786 in O&M expenses. Actual EIM-related O&M  
11 expenses incurred in 2023 were \$85,633, reflecting a total Oregon-jurisdictional  
12 variance of \$8,846. See Exhibit 102 for the variance detail by O&M expense account.

13 **Q. Does the inclusion of EIM-related O&M expense variances impact the deferral**  
14 **amount the Company is proposing be added to the Annual Power Supply**  
15 **Expenses True-Up Balancing Account?**

16 A. Yes. Adding the EIM-related O&M expenses to the power cost deviation would  
17 increase the Oregon Allocated Power Cost Deviation by \$8,846, resulting in a  
18 deviation from forecast of negative \$2,478,231. Once the Oregon Allocated Power  
19 Cost Deviation is calculated, a Power Supply Expense Deadband is applied.

20 **Q. Please explain how the Power Supply Expense Deadband is applied.**

21 A. The Power Supply Expense Deadband is based on the Company's capital structure  
22 and rate base measured on an Oregon basis from the most recent Oregon ROO  
23 report. The Oregon Allocated Power Cost Deviation is compared to the positive and/or  
24 negative deadbands. A positive deviation (Actual NPSE greater than those recovered  
25 through the Combined Rate) constitutes an excess power supply expense. This  
26 expense is first reduced by a deadband that is the dollar equivalent of 250 basis points



1 of return on equity ("ROE") (Oregon basis). A negative deviation (Actual NPSE less  
2 than those recovered through the Combined Rate) is a power supply expense savings.  
3 This savings is reduced by a deadband that is the dollar equivalent of 125 basis points  
4 of ROE (Oregon basis).

5 **Q. What are the deadbands used for the calendar year 2022?**

6 A. Using the Company's Oregon rate base of \$169,072,270 and the percentage of equity  
7 in the capital structure as of December 31, 2022, 54.875 percent, the Upper Deadband  
8 of 250 Basis Points equals \$3,123,431 and the Lower Deadband of 125 Basis Points  
9 equals negative \$1,561,716. See Exhibit 103.

10 **Q. Will the deadbands change as a result of the 2022 ROO?**

11 A. Yes, they will. A final determination of the deadbands will be made once the 2023 ROO  
12 is available in April 2024.

13 **Q. Based upon the initial estimate of deadbands, what is the amount of the net  
14 power supply expense deviation considered to be added to the True-Up  
15 Balancing Account for the calendar year 2023?**

16 A. The amount of the Oregon Allocated Power Cost Deviation, negative \$2,478,231, is  
17 less than the Lower Deadband of negative \$1,561,716, resulting in a True-Up of  
18 negative \$916,515 ( $-\$2,478,231 + \$1,561,716 = -\$916,515$ ). However, next a Sharing  
19 Amount must be applied to calculate the portion of the True-Up Allowed.

20 **Q. What impact does the Sharing Amount have on the True-Up of negative  
21 \$916,515?**

22 A. The Sharing Amount is 90 percent of the amount that the Oregon Allocated Power  
23 Cost Deviation is above or below the Power Supply Expense Deadband, or negative  
24 \$824,863 ( $-\$916,515 \times 90 \text{ percent} = -\$824,863$ ). The resulting True-Up, including  
25 accrued interest, is negative \$856,856.

26

1 **Q. Once the deferral is calculated, an earnings test must be applied. Has the**  
2 **Company performed the earnings test?**

3 A. No. Order No. 08-238 states that before any amounts of a deferral are approved for  
4 inclusion in the Annual Power Supply Expense True-Up Balancing Account for  
5 subsequent recovery or refund, the Commission will apply an earnings test. Because  
6 the amount the Company is proposing to be added to the True-Up Balancing Account  
7 is made up of 2023 expenses, an earnings test based on the 2023 Oregon Results of  
8 Operations is required. The 2023 earnings test has not been performed as the data  
9 is not yet available.

10 **Q. When will the Company perform the 2023 earnings test?**

11 A. The 2023 ROO will be available in April 2024. Idaho Power will provide the 2023  
12 earnings test as a supplement to this testimony when completed.

13 **Q. Order No. 11-086 requires Idaho Power to apply the net proceeds from the sale**  
14 **of RECs as a credit to the True-Up Balancing Account. Were any sales of RECs**  
15 **made during the calendar year 2020?**

16 A. Yes. The total Oregon jurisdictional customer benefit of REC sales made in 2023 is  
17 \$595,391 (see Exhibit 104). Consistent with Order Nos. 11-086 and 17-185, the  
18 customer benefit of \$595,391 from the sale of RECs will be applied as a credit to the  
19 True-Up Balancing Account, resulting in the proposed amount of negative \$1,452,247  
20 to be added to the Annual Power Supply Expenses True-Up Balancing Account (-  
21 \$856,856 - \$595,391 = -\$1,452,247).

22 **Q. Are there any other amounts the Company is proposing to add to the True-Up**  
23 **Balancing Account?**

24 A. No. However, as part of this request, Idaho Power is also proposing a number of  
25 changes to amortization levels currently being recovered through Schedule 56: (1) an  
26

1 update to intervenor funding amounts approved in Order No. 23-185, (2) continued  
2 collection of deferred Langley Gulch Power Plant (“Langley”) revenues approved with  
3 Order No. 20-374 in Docket No. UE 382, (3) an update to the annual regulatory fee  
4 expenses approved for recovery with Order No. 23-185, (4) an update to the level of  
5 OCAT expense collection approved with Order No. 23-185, (5) inclusion of Oregon  
6 Community Solar costs approved with Order No. 23-310, and (5) removal of COVID-  
7 19 Arrearage Management Program costs approved in Docket No. UM 2067 with  
8 Order No. 20-377.<sup>1</sup>

9 **Q. What is the total change to collection through Schedule 56 the Company is**  
10 **requesting in this case?**

11 A. If approved, the True-Up plus the sum of the changes to the amortization levels Idaho  
12 Power is proposing to recover through Schedule 56 would result in a \$1,857,722, or  
13 2.72 percent, decrease to customer rates.

14 **Q. Please describe the intervenor funding deferral amortization approved in Order**  
15 **No. 23-185.**

16 A. Order No. 23-185 issued in Docket No. UE 417 approved the amortization and  
17 collection through Schedule 56 of \$37,729 in deferred intervenor funding amounts for  
18 the period beginning June 1, 2023, through May 31, 2024. All intervenor funding  
19 amounts approved for amortization in Order No. 23-203 were associated with  
20 intervenors acting on behalf of the residential customer class and are therefore  
21 collected only from residential customers.

22 **Q. What is Idaho Power’s proposed update to the level of amortization collection**  
23 **associated with intervenor funding amounts?**

24  
25

26 <sup>1</sup> All COVID-19 Arrearage Management Program costs have been recovered.

1 A. Full amortization of the \$37,729 in deferred intervenor funding amounts will occur on  
2 May 31, 2024. Idaho Power is proposing to begin amortization and collection in rates  
3 of \$60,463 in intervenor funding amounts accrued since the Company's last request,  
4 beginning June 1, 2024.

5 **Q. Please explain what makes up the balances of the \$60,463 in intervenor funding**  
6 **deferrals.**

7 A. Since the Company's last request to begin amortization of intervenor funding amounts,  
8 Idaho Power has recorded \$56,432 in expenses associated with payments made to  
9 intervenors. In addition, Idaho Power has deferred \$4,031 in interest accrued on  
10 current deferred amounts. Exhibit 105 details the intervenor funding deferrals by order  
11 number and interest amounts accrued.

12 **Q. What is the current level of amortization expense associated with the deferred**  
13 **Langley revenues included in customer rates?**

14 A. Order No. 20-374, issued in Docket No. UE 382, approved the recovery of amortization  
15 expense associated with deferred Langley revenues over a four-year period beginning  
16 November 1, 2020. Because amortization will be complete by October 31, 2024, the  
17 Company is proposing to recover the remaining 5 months of amortization, \$153,821  
18 ( $\$369,171 \times (5/12)$ ), over the June 1, 2024, to May 31, 2025, time period, to limit the  
19 number of rate changes experienced by customers.

20 **Q. What is Idaho Power's proposed update to the annual regulatory fee expense**  
21 **amortization amounts?**

22 A. Full amortization of the \$82,637 in deferred annual regulatory fee amounts approved  
23 with Order No. 23-185 will occur on May 31, 2024. Idaho Power is proposing to begin  
24 amortization and collection in rates of \$128,388 in incremental annual regulatory fee  
25 expenses and accrued interest, incurred since June 1, 2023. Exhibit 106 details the  
26 quantification of the annual regulatory fee paid in 2023, \$306,942. The fees were

1 \$115,344 greater than the 2019 base level, or prior to Senate Bill 68 which increased  
2 the annual fee imposed on public utilities. Therefore, the Company is proposing to  
3 begin amortization of the \$115,344 in incremental expenses plus the \$13,044 in  
4 interest accrued, for total collection of \$128,388.

5 **Q. Is Idaho Power proposing to update the level of amortization associated with**  
6 **deferred OCAT expenses?**

7 A. Yes. Order No. 23-185 approved for amortization deferred OCAT expenses incurred  
8 as a result of House Bill 3427, and amended technically with House Bill 2164, which  
9 imposed a tax on all types of business entities, based on their Oregon-sourced  
10 commercial activity. The Company is proposing to begin amortization of \$364,674 in  
11 accrued OCAT expenses deferred in 2023 beginning June 1, 2024. As detailed in  
12 Exhibit 107, in 2023 Idaho Power deferred \$345,789 associated with the accrued 2023  
13 OCAT payment, which was offset by negative \$5,501 for the true-up of the 2022 OCAT  
14 payment, and included \$24,386 in accrued interest charges, for total deferred  
15 expenses in 2023 of \$364,674.

16 **Q. What is Idaho Power's proposal with respect to deferred COVID-19 Arrearage**  
17 **Management Program costs?**

18 A. Order No. 20-377 issued in Docket No. UM 2067 authorized the Company to defer,  
19 beginning March 24, 2020, incremental costs and savings associated with its COVID-  
20 19 response, resulting from the state of emergency over the COVID-19 outbreak, as  
21 declared by Oregon Governor Kate Brown on March 8, 2020. Full amortization of the  
22 \$163,167 in deferred COVID-19 incremental costs and savings approved with Order  
23 No. 22-192 occurred on May 31, 2023. As a result, there is no amortization associated  
24 with COVID-19 program costs included in this filing.

25 **Q. What is Idaho Power's proposal with respect to deferred Oregon Community**  
26 **Solar costs?**

1 A. Order No. 23-310 issued in Docket No. UM 1795 authorized the Company to defer,  
2 beginning March 1, 2023, start-up costs associated with the development of a  
3 Community Solar program. The Company is proposing to begin amortization of  
4 \$272,654 in accrued Oregon Community Solar expenses, including accrued interest  
5 charges, deferred from 2019 - 2023 beginning June 1, 2024. See Exhibit 108.

6 **Q. The deferred accounting statute (ORS 757.259) allows the Company to recover**  
7 **6 percent of Idaho Power's gross revenue in Oregon for the preceding calendar**  
8 **year. Has Idaho Power calculated the amount the Company is eligible to recover**  
9 **annually?**

10 A. Yes. As detailed in Exhibit 109, for the 12-months ended December 31, 2023, the  
11 Company received \$63.1 million in gross revenues from its Oregon customers and is  
12 therefore eligible to recover up to \$3.78 million per year. Because the total of the  
13 combined deferred amounts is below the amount the Company is eligible to collect per  
14 year, Idaho Power is proposing to collect the intervenor funding, deferred Langley  
15 revenue, annual regulatory fee expense, OCAT expense, and community solar costs  
16 over the June 1, 2024, to May 31, 2025, time period.

17 **Q. Section 5 of the deferral statute (ORS 757.259(5)) requires an earnings review**  
18 **prior to amortization of a deferral. Has Idaho Power performed an earnings test**  
19 **regarding these amounts?**

20 A. Section 4 of the deferral statute and the 2016-2020 Intervenor Funding Agreement  
21 between Idaho Power and CUB approved by the Commission<sup>2</sup> explicitly exempts  
22 intervenor funding expenses from the earnings review requirement.<sup>3</sup> However,

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23 <sup>2</sup> See *In the Matter of the 2016-2020 Intervenor Funding Agreement between Idaho Power*  
24 *Company and the Citizens' Utility Board of Oregon*, Docket No. UM 1757, Order No. 16-028 (Jan.  
25 26, 2016).

26 <sup>3</sup> Section 3 of the deferral statute allows for the deferral of amounts provided as financial  
assistance under the intervenor funding statute (ORS 757.072). Section 4 of the deferral statute

1 pursuant to ORS 757.259(5) the Company is required to perform an earnings test  
 2 applicable to the deferred annual regulatory fees, OCAT expenses, and Community  
 3 Solar expenses. Oregon Administrative Rules require that the Company provide the  
 4 Commission an earnings review for the 12-month period or for multiple 12-month  
 5 periods that encompass all or part of the period during which the deferral took place.  
 6 Because the annual regulatory fee, OCAT, and Community Solar expense deferrals  
 7 are made up of 2023 expenses,<sup>4</sup> an earnings test based on the 2023 ROO is required.  
 8 As I explained earlier in my testimony, the 2023 earnings test has not been performed  
 9 as the data is not yet available. Idaho Power will provide the 2023 earnings test as a  
 10 supplement to this testimony when completed.

11 **Q. What is the impact on rates should Idaho Power receive approval of the request**  
 12 **in this case?**

13 A. Table 1 summarizes the amounts the Company is proposing to refund to, or collect  
 14 from, customers through Schedule 56:

15 **Table 1**

	<b>Current</b>	<b>Proposed</b>	<b>Net Change</b>
16 Annual Power Supply Expenses 17 True-Up Balancing Account 18 (REC Proceeds)	450,137	-\$1,452,247	(\$1,902,384)
19 Intervenor Funding <sup>1</sup>	\$37,729	\$60,463	\$22,734
20 Langley Deferred Revenues	\$369,171	\$153,821	(\$215,350)
21 Annual Regulatory Fee 22 Expenses	\$82,637	\$128,388	\$45,751
23 OCAT Expenses	\$318,333	\$364,674	\$46,341
24 Oregon Community Solar 25 Expenses	\$0	\$272,654	\$272,654

26 provides that mounts deferred under Section 3 are not subject to the earnings test contained in  
 Section 5.

<sup>4</sup> Community Solar deferral includes expenses from 2019 - 2023.

COVID-19 Costs and Savings			
COVID-19 Arrearage Mgmt Program <sup>1</sup> Costs	\$163,167	\$0	(\$163,167)
All other COVID-19 expenses	\$0	\$0	\$0

1. Collection from residential customers only.

2. The Net Change column will not tie to the total revenue change proposed effective June 1, 2024, because amortization amounts currently in rates were approved at different times and have differing test years. There are also small differences due to rounding.

The Company is proposing to collect the amounts in the True-Up Balancing Account, deferred Langley revenues, annual regulatory fee expenses, OCAT, and Community Solar expenses, from all customer classes through Schedule 56 while also collecting the deferred intervenor funding amount from residential customers through Schedule 56 as well. Using the forecasted June 1, 2024, to May 31, 2025, normalized Oregon jurisdictional sales of 682,039,038 for all customer classes, the resulting rate is negative 0.0468 cents per kilowatt-hour (“kWh”). The same test period includes a total of 193,238,304 in Oregon residential jurisdictional sales, resulting in a rate of negative 0.0781 cents per kWh. The detailed calculations of the rate impact can be found in Exhibit 109. Table 2 summarizes the impact on the rates associated with Idaho Power’s proposal.

**Table 2**

Customer Class	Current (cents per kWh)	Proposed (cents per kWh)
Residential service	0.2366	(0.0781)
Commercial/Industrial	0.1889	(0.0468)
Lighting	0.2218	(0.0468)
Irrigation	0.1959	(0.0468)

If approved, Idaho Power’s proposal would result in a \$1,857,722, or 2.72 percent, decrease to customer rates.

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



1 A. No. Because the Oregon allocation factor in the 2023 ROO may be different than the  
2 Oregon allocation factor from the 2022 ROO, the total Oregon jurisdictional true-up  
3 amount may change. In addition, the Company will need to satisfy the earnings test  
4 requirement, an additional component of the 2023 ROO, pursuant to ORS 757.259(5).  
5 Therefore, Idaho Power will file an update to Schedule 56 when it files its 2023 ROO  
6 in April 2024.

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

8 A. Yes, it does.

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Idaho Power/101  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_\_

IDAHO POWER COMPANY

Exhibit 101  
Net Power Supply Expenses

February 28, 2024



Idaho Power/101  
Brady/2

2023 PCAM  
Twelve Months Ended December 31, 2023

OREGON PCAM (Schedule 56)		June YTD	July	July YTD	August	August YTD	September	September YTD	October	October YTD	November	November YTD	December	December YTD	Annual
<b>ACTUAL POWER COSTS</b>															
Actual NPSE Costs															
Actual Sales - Includes Unbilled	MWh	7,384,757	1,843,922	9,228,679	1,592,385	10,821,064	1,217,823	12,038,887	1,071,125	13,110,012	1,126,663	14,236,675	1,278,285	15,514,960	15,514,960
Fuel	\$	120,193,916.70	29,278,488.08	149,472,404.78	26,880,032.99	176,352,437.77	15,564,792.09	191,917,229.86	20,538,943.61	212,456,173.47	22,994,827.49	235,451,000.96	39,953,841.18	275,404,842.14	275,404,842.14
Purchased Power	\$	163,737,716.41	30,872,745.32	194,610,461.73	26,808,529.66	221,418,991.39	11,837,133.75	233,256,125.14	12,575,483.16	245,831,608.30	18,648,224.32	264,479,832.62	16,485,738.44	280,965,571.06	280,965,571.06
Oregon Solar Pilot	\$	16,568.06	13,441.29	30,009.35	18,552.50	48,561.85	14,083.20	62,645.05	7,320.40	69,965.45	3,471.53	73,436.98	3,637.83	77,074.81	77,074.81
Surplus Sales	\$	(101,409,097.68)	(1,879,447.33)	(103,288,545.01)	(5,179,737.42)	(108,468,292.43)	(5,343,809.05)	(113,811,891.48)	(9,474,443.50)	(123,286,334.98)	(14,859,598.98)	(138,145,933.95)	(9,842,557.98)	(147,998,491.94)	(147,998,491.94)
Total Non-QF	\$	182,539,103.49	58,285,227.36	240,824,330.85	48,527,377.73	289,351,708.58	22,072,999.99	311,424,108.57	23,647,303.67	335,071,412.24	26,786,924.36	361,858,336.60	46,600,659.47	408,458,996.07	408,458,996.07
QF - Includes Net Metering and Liquidated Damages	\$	97,516,205.03	23,689,732.46	121,205,937.49	23,783,534.97	144,989,472.46	17,515,333.75	162,504,806.21	16,236,049.36	178,740,855.57	13,236,752.81	191,977,608.38	15,356,543.97	207,334,152.35	207,334,152.35
Total Actual Power Costs Incurred	\$	280,055,308.52	81,974,959.82	362,030,268.34	72,310,912.70	434,341,181.04	39,587,733.74	473,928,914.78	39,883,353.03	513,812,267.81	40,023,677.17	553,835,944.98	61,957,203.44	615,793,148.42	615,793,148.42
Actual Power Cost per Unit	\$/MWh	\$37.92	\$44.46	\$39.23	\$45.41	\$40.14	\$32.51	\$39.37	\$37.24	\$39.19	\$35.52	\$38.90	\$48.47	\$39.69	\$39.69
<b>POWER COSTS COLLECTED IN RATES</b>															
Actual Sales	MWh	7,384,757	1,843,922	9,228,679	1,592,385	10,821,064	1,217,823	12,038,887	1,071,125	13,110,012	1,126,663	14,236,675	1,278,285	15,514,960	15,514,960
Combined Rate (Recovered in Rates)	\$/MWh	\$38.68	\$ 47.67	\$40.48	\$ 47.74	\$41.54	\$ 47.55	\$42.15	\$ 47.47	\$42.59	\$ 47.47	\$42.97	\$ 47.55	\$43.35	\$43.35
Total Power Costs Collected in Rates	\$	285,636,571.59	87,899,768.40	373,536,339.99	76,020,446.15	449,556,786.13	57,907,497.60	507,464,283.74	50,846,300.27	558,310,584.01	53,482,694.71	611,793,278.71	60,782,447.33	672,575,726.04	672,575,726.04
<b>CHANGE FROM FORECAST</b>															
Actual Power Cost per Unit	\$/MWh	\$37.92	\$44.46	\$39.23	\$45.41	\$40.14	\$32.51	\$39.37	\$37.24	\$39.19	\$35.52	\$38.90	\$48.47	\$39.69	\$39.69
Combined Rate (Recovered in Rates)	\$/MWh	\$38.68	\$47.67	\$40.48	\$47.74	\$41.54	\$47.55	\$42.15	\$47.47	\$42.59	\$47.47	\$42.97	\$47.55	\$43.35	\$43.35
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	(\$0.76)	(\$3.21)	(\$1.25)	(\$2.33)	(\$1.41)	(\$15.04)	(\$2.79)	(\$10.23)	(\$3.39)	(\$11.95)	(\$4.07)	\$0.92	(\$3.66)	(\$3.66)
Deviation from Forecast	\$	(5,581,263.07)	(5,924,808.58)	(11,506,071.65)	(3,709,533.45)	(15,215,605.10)	(18,319,763.86)	(33,535,368.96)	(10,962,947.24)	(44,498,316.20)	(13,459,017.54)	(57,957,333.74)	1,174,756.11	(56,782,577.62)	(56,782,577.62)
Oregon Allocation	%	4.38%		4.38%		4.38%		4.38%		4.38%		4.38%		4.38%	4.38%
Oregon Allocated Power Cost Deviation (before DB)	\$	(244,459.32)		(503,965.94)		(666,443.50)		(1,468,849.16)		(1,949,026.25)		(2,538,531.22)		(2,487,076.90)	(2,487,076.90)
Deadband - Over 250 Basis Points	\$	3,123,431.00		3,123,431.00		3,123,431.00		3,123,431.00		3,123,431.00		3,123,431.00		3,123,431.00	3,123,431.00
Deadband - Under 125 Basis Points	\$	(1,561,716.00)		(1,561,716.00)		(1,561,716.00)		(1,561,716.00)		(1,561,716.00)		(1,561,716.00)		(1,561,716.00)	(1,561,716.00)
True-Up (+)	\$	0.00		0.00		0.00		0.00		0.00		0.00		0.00	0.00
True-Up (-)	\$	0.00		0.00		0.00		0.00		(387,310.25)		(976,815.22)		(925,360.90)	(925,360.90)
OREGON DEFERRAL before sharing	\$	0.00		0.00		0.00		0.00		(387,310.25)		(976,815.22)		(925,360.90)	(925,360.90)
Portion of True-up Change Allowed	%	90%		90%		90%		90%		90%		90%		90%	90%
OREGON DEFERRAL w/ SHARING (90/10)	\$	0.00		0.00		0.00		0.00		(348,579.22)		(879,133.70)		(832,824.81)	(832,824.81)
Interest Rate	%	7.75%		7.75%		7.75%		7.75%		7.75%		7.75%		7.75%	7.75%
Interest Accrued to date	\$	0.00		0.00		0.00		0.00		(11,266.37)		(31,255.77)		(32,301.11)	(32,301.11)
Total Deferred Balance	\$	0.00		0.00		0.00		0.00		(359,845.60)		(910,389.46)		(865,125.92)	(865,125.92)

Idaho Power/102  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_

IDAHO POWER COMPANY

Exhibit 102  
Energy Imbalance Market Operation and Maintenance Expenses

February 28, 2024

**ENERGY IMBALANCE MARKET OPERATION AND MAINTENANCE EXPENSES**

				<u>2023 APCU</u>		<u>2023 ACTUALS</u>	
				<u>OREGON</u>		<u>OREGON</u>	
				<u>SYSTEM</u>	<u>RETAIL</u>	<u>SYSTEM</u>	<u>RETAIL</u>
TABLE 5-OPERATION & MAINTENANCE EXPENSES							
557 / OTHER EXPENSES - PCA/ EPC ACCOUNTS	D10	4.334%	539,910	23,397	710,073	30,771	
560 / SUPERVISION & ENGINEERING	L 160	4.334%	227,164	9,844	280,429	12,152	
561 / LOAD DISPATCHING	D12	4.334%	119,953	5,198	110,171	4,774	
569 / STRUCTURES	L 133	4.334%	150,448	6,520	132,692	5,750	
575 / TRANS MKT ADMIN-EIM	L 160	4.334%	686,880	29,766	703,023	30,466	
920 / ADMINISTRATIVE & GENERAL SALARIES	LABOR	4.590%	37,004	1,699	30,550	1,402	
921 / OFFICE SUPPLIES	LABOR	4.590%	4,500	207	3,500	161	
923 / OUTSIDE SERVICES	LABOR	4.590%	-	-	-	-	
924 / PROPERTY INSURANCE							
PRODUCTION - STEAM	D10	4.287%	3,642	156	3,642	156	
TOTAL OPER & MAINT EXPENSES			1,769,500	76,786	1,974,080	85,633	
						VARIANCE	8,846

Idaho Power/103  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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IDAHO POWER COMPANY

Exhibit 103  
PCAM Deadband Calculation

February 28, 2024

**Determination of Oregon PCAM Deadbands  
Based on Idaho Power 2022 Results of Operations**

	(A)	(B)
	<b>Total System</b>	<b>Oregon</b>
(1) Rate Base	<b>\$3,865,722,718</b>	<b>\$169,072,270</b>
(2) % Equity in cap structure	<b>54.875%</b>	<b>54.875%</b>
(3) Equity in rate base	\$2,121,315,342	\$92,778,408
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$21,213,153	\$927,784
(6) Net-to Gross Factor	<b>1.347</b>	<b>1.347</b>
(7) Revenue requirement	\$28,566,057	<b>\$ 1,249,373</b>
(8) <b>Upper Band of Basis Points</b>	<b>250</b>	\$3,123,431
(9) <b>Lower Band of Basis Points</b>	<b>125</b>	(\$1,561,716)



Idaho Power/104  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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IDAHO POWER COMPANY

Exhibit 104  
2023 Oregon Renewable Energy Credit Sales

February 28, 2024



Idaho Power/105  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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IDAHO POWER COMPANY

Exhibit 105  
Intervenor Funding Deferrals

February 28, 2024

**IDAHO POWER COMPANY**  
**CUB Intervenor Funding**

Order No.	Recorded Date	Amount
23-018	3/8/2023	\$ 703.88
23-019	3/8/2023	\$ 345.00
23-089	4/4/2023	\$ 33,000.00
23-135	4/4/2023	\$ 358.75
23-102	4/4/2023	\$ 1,140.00
23-279	8/4/2023	\$ 2,270.00
23-280	8/4/2023	\$ 17,780.00
23-336	9/30/2023	\$ 834.55
<b>CARRYING CHARGES</b>		<b>\$ 4,030.61</b>
<b>BALANCE</b>		<b>\$ 60,462.79</b>

Idaho Power/106  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_

IDAHO POWER COMPANY

Exhibit 106  
Idaho Power Company's Annual Regulatory Fee Expenses

February 28, 2024

Idaho Power Company

Public Utility Commission of Oregon  
Annual Fee Statement  
For the Year Ended 12/31/2022

	<b>2023 Payment Calculation</b>
1 Revenues from Sales to End Users	60,209,245
2 Sales for Resale Revenues Subject to Fee	
a. Sales for Resale Revenues	6,386,951
b. 25% of Revenues from Sales to End Users	15,052,311
c. Lesser of 2a or 2b	<u>6,386,951</u>
3 Other Operating Revenues	<u>3,965,128</u>
4 Total (Line 1 + 2c + Line 3)	70,561,324
5 (Less) Provisions for Rate Refunds (if applicable)	<u>0</u>
6 Total (Line 4 + Line 5)	70,561,324
7 Assessment Rate	<u>0.00435</u>
8 Amount Due (Line 6 X Line 7, or \$10, whichever amount is greater)	<u><b>\$306,942</b></u>
9 2019 Annual Regulatory Fees - Base Level	<u>191,598</u>
10 Incremental Annual Regulatory Fee Expense Deferred	\$115,344
11 Carrying Charges	<u>13,044</u>
12 <b>Balance</b>	<u><b>\$128,388</b></u>

Idaho Power/107  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

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IDAHO POWER COMPANY

Exhibit 107  
Oregon Corporate Activity Tax Expense Deferral

February 28, 2024

**IDAHO POWER COMPANY**  
**Oregon Corporate Activity Tax**

Description	Recorded Date	Amount
2023 CAT ACCRUAL	12/31/2023	\$ 345,789.00
2022 CAT TRUE-UP	12/31/2023	(5,501.00)
CARRYING CHARGES		24,385.59
<b>BALANCE</b>		<b>\$ 364,673.59</b>



Idaho Power/108  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_

IDAHO POWER COMPANY

Exhibit 108  
Oregon Community Solar Deferred Costs

February 28, 2024

Idaho Power Company					
Oregon Community Solar Deferred Costs					
2019	2020	2021	2022	2023	Total 2023 Deferred Amount
\$ 33,681.60	\$ 84,578.68	\$ 51,847.55	\$ 49,176.82	\$ 53,369.61	\$ 272,654.26

Idaho Power/109  
Witness: Jessica G. Brady

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_

IDAHO POWER COMPANY

Exhibit 109  
Idaho Power Company 2023 Earnings Test

February 28, 2024

**Oregon**

12 MOS ENDED DEC 2023

Total Revenues	\$	63,052,615
		6%
Deferral Revenues Allowed	\$	3,783,157
Total Oregon kWh Forecast <sup>1</sup>		682,039,038
Oregon Residential kWh Forecast <sup>1</sup>		193,238,304
<u>True-Up Balancing Account</u>		
Rate (cents per kWh)		(0.2129)
Estimated Collection (Refund)	\$	<b>(1,452,247)</b>
<u>Intervenor Funding deferral</u>		
Rate (cents per kWh)		0.0313
Estimated Collection (Refund)	\$	<b>60,463</b>
<u>Langley Revenue Variance deferral</u>		
Rate (cents per kWh)		0.0226
Estimated Collection (Refund)	\$	<b>153,821</b>
<u>Annual Regulatory Fee Expense deferral</u>		
Rate (cents per kWh)		0.0188
Estimated Collection (Refund)	\$	<b>128,388</b>
<u>Oregon Corporate Activity Tax Expense deferral</u>		
Rate (cents per kWh)		0.0535
Estimated Collection (Refund)	\$	<b>364,674</b>
<u>Oregon Community Solar Expense deferral</u>		
Rate (cents per kWh)		0.0400
Estimated Collection (Refund)	\$	<b>272,654</b>
Total Rate - Residential Service (cents per kWh)		(0.0468)
Total Rate - All Other (cents per kWh)		(0.0781)

1. June 1, 2024 - May 31, 2025 test year.

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document on the parties to Docket UE 417, Idaho Power Company's 2022 Annual Supply Expense True-Up on the following named person(s) on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

### UE 417 Service List

#### **Oregon Citizens' Utility Board**

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Michael Goetz  
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DATED: February 29, 2024.



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Cole Albee  
Paralegal  
McDowell Rackner Gibson PC