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May 29, 2020

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Docket No. UM 1853(3)
In the Matter of Idaho Power Company's Application for Deferred Accounting of
Certain Costs Associated with the North Valmy Power Plant

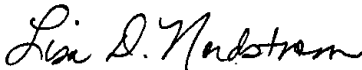
Attention Filing Center:

Attached for filing is an electronic copy of Idaho Power Company's Application for
Deferred Accounting of Certain Costs Associated with the North Valmy Power Plant.

As required by OAR 860-027-0300, the Application has been served on the parties to the
UE 233 service list, and the parties to the UE 363 service list, as indicated in the Certificate of
Service.

Please contact me at (208) 388-5825 or Senior Regulatory Analyst Courtney Waites at (208)
388-5612 with any questions regarding this filing.

Very truly yours,



Lisa D. Nordstrom

LDN/sh

Enclosures

cc: Adam Lowney

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1853 (3)

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In the Matter of Idaho Power Company's
Application for Deferred Accounting of Certain
Costs Associated with the North Valmy Power
Plant

APPLICATION

I. INTRODUCTION

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9 Pursuant to ORS 757.210, ORS 757.259, and OAR 860-027-0300, Idaho Power
10 Company ("Idaho Power" or "Company") hereby requests an accounting order reauthorizing
11 Idaho Power to defer decommissioning revenues collected and decommissioning costs
12 incurred pursuant to Order No. 17-235. The stipulation approved by Order No. 17-235
13 includes the collection of the North Valmy Power Plant ("Valmy") amounts and is an
14 "automatic adjustment clause" ("AAC") as defined in ORS 757.210. Idaho Power seeks
15 reauthorization for this deferral effective as of June 1, 2020. In support of this Application,
16 Idaho Power states:

- 17 1. Idaho Power is a public utility in the state of Oregon and its rates, services, and
- 18 accounting practices are subject to the regulation of the Public Utility
- 19 Commission of Oregon ("Commission").
- 20 2. This Application is filed pursuant to ORS 757.259, which allows the
- 21 Commission, upon application, to authorize the deferral of certain items for
- 22 later inclusion in rates.
- 23 3. Communications regarding this Application should be addressed to:

24 Lisa Nordstrom
25 Idaho Power Company
26 P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com

Courtney Waites
Idaho Power Company
P.O. Box 70
Boise, ID 83707
cwaites@idahopower.com

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

4 **A. Description**

5 With this deferral application, Idaho Power seeks reauthorization from the Commission
6 to defer, for future true-up, decommissioning revenues collected and decommissioning costs
7 incurred in accordance with Order No. 17-235.

8 **B. Reasons for Deferral**

9 On November 2, 2016, Idaho Power filed an application with the Commission
10 requesting approval to update costs associated with Valmy Units 1 and 2 to reflect an end-
11 of-life for those units of 2025, and further requested authority to recover all Valmy-related
12 costs by 2025 to align the expected remaining operating life of the plant with cost recovery,
13 resulting in cost recovery from customers who are served by the plant (Docket No. UE 316).
14 In June 2017, the Commission issued Order No. 17-235, approving the recovery of the
15 following expenses and investment associated with Valmy through an AAC: (1) the
16 accelerated depreciation associated with the existing Valmy plant investments through May
17 31, 2017, (2) the return on undepreciated existing capital investments at Valmy until its end-
18 of-life based upon the then currently authorized rate of return, and (3) estimated future
19 decommissioning expenses.

20 In UE 345/Advice No. 18-02, the Commission issued Order No. 18-199, approving the
21 accelerated depreciation associated with Idaho Power's exit from operations of Valmy Unit 1
22 by December 31, 2019. Due to cessation of Valmy Unit 1, Order No. 19-341 authorized the
23 removal from customer rates of the accelerated depreciation associated with those
24 investments effective January 1, 2020. Filed pursuant to Order No. 17-235 and ORS
25 757.259(2)(e), the AAC requires Idaho Power to file a deferral request. This deferral is
26 intended to provide for the deferral and tracking of decommissioning revenues collected and

1 decommissioning costs incurred until decommissioning activities are concluded. In addition,
2 this deferral will allow Idaho Power to appropriately match the costs borne by and benefits
3 received by customers.

4 **C. Proposed Accounting**

5 Idaho Power records revenues and expenses that would be subject to the deferral
6 order in accordance with the Code of Federal Regulations to the Federal Energy Regulatory
7 Commission ("FERC") Accounts 440-444 (Operating Revenues), FERC Account 557 (Other
8 Expenses), and FERC Accounts 500-598 (Operations and Maintenance Accounts). Upon
9 receiving approval of a deferral, Idaho Power proposes to record the deferred amounts to
10 FERC Account 182 (Regulatory Assets) until decommissioning activities are concluded.
11 After decommissioning activities are concluded, amounts in the deferral account, either
12 positive or negative, will be recovered or refunded in customer rates through a surcharge or
13 credit, as appropriate.

14 **D. Estimate of Amounts**

15 Order No. 17-235 approved an Oregon jurisdictional revenue requirement increase of
16 \$1.06 million associated with the recovery of the annual incremental return on and
17 accelerated depreciation of existing Valmy investments, and decommissioning costs related
18 to the Valmy shutdown. In addition, Order No. 18-199 approved an Oregon jurisdictional
19 revenue requirement increase of \$2.50 million associated with the recovery of the
20 accelerated depreciation of existing Valmy Unit 1 investments by year end 2019. The Oregon
21 jurisdictional revenue requirement decreased \$3.17 million with Order No. 19-341 as a result
22 of cessation of Valmy Unit 1 and full collection of the associated investments. Idaho Power
23 estimates the deferral account will contain the Oregon jurisdictional share of
24 decommissioning costs, approximately \$1,870,000, at December 31, 2025. Because
25 deferred amounts associated with decommissioning costs are dependent on factors that
26

1 cannot be precisely forecasted, Idaho Power cannot provide a precise estimate of the total
2 deferred amount.

3 **E. Notice**

4 A copy of the Notice of Application for Deferred Accounting of Certain Costs
5 Associated with the North Valmy Power Plant and a list of persons served with the Notice
6 are attached to the Application as Attachment A.

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

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

9 Attached to the Application as Attachment B is a description and explanation of the
10 entries specific to decommissioning expenses in this deferred account as of the date of the
11 Application.

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

13 As discussed in detail above, this deferral is intended to capture decommissioning
14 revenues collected and decommissioning costs incurred in accordance with Order No. 17-
15 235.

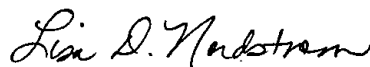
16 **III. CONCLUSION**

17 Reauthorization of deferred accounting treatment is an appropriate, just, and
18 reasonable means of implementing Order No. 17-235.

19 For the reasons stated above, Idaho Power requests permission to defer
20 decommissioning revenues collected and decommissioning costs incurred beginning June
21 1, 2020, pursuant to Order No. 17-235.

22 DATED: May 29, 2020

IDAHO POWER COMPANY

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25 LISA D. NORDSTROM
26 Attorney for Idaho Power Company

Attachment A

BEFORE THE PUBLIC UTILITY COMMISSION

1 OF OREGON

2 **UM 1853 (3)**

3
4 In the Matter of Idaho Power Company's
5 Application for Deferred Accounting of Certain
6 Costs Associated with the North Valmy Power
Plant

**NOTICE OF APPLICATION FOR
DEFERRED ACCOUNTING OF
CERTAIN COSTS ASSOCIATED WITH
THE NORTH VALMY POWER PLANT**

7 On May 29, 2020, Idaho Power Company ("Idaho Power") filed an application with
8 the Public Utility Commission of Oregon ("Commission") for an order reauthorizing the
9 deferral of decommissioning revenues collected and decommissioning costs incurred
10 pursuant to Order No. 17-235.

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

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

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

20 Any person who wishes to submit written comments to the Commission on Idaho
21 Power's Application must do so by no later than June 26, 2020.

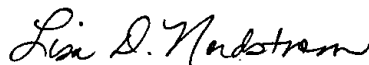
22 DATED: May 29, 2020.

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Lisa D. Nordstrom
Attorney for Idaho Power Company

| Year | Account | DATE | DISTDESC | Descr | Sum TOTAMT |
|------|---------|------------|-------------------------|---------------------------|------------|
| 2017 | 182436 | 7/31/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2017 | 182436 | 8/31/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2017 | 182436 | 9/30/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2017 | 182436 | 10/31/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2017 | 182436 | 11/30/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2017 | 182436 | 12/31/2017 | RECORD COMBINED REVENUE | VALMY OR DECOMM | -6694.00 |
| 2018 | 182436 | 1/31/2018 | RECORD COMBINED REVENUE | VALMY OR DECOMM | -6694.00 |
| 2018 | 182436 | 2/28/2018 | RECORD COMBINED REVENUE | VALMY OREGON DECOMM ENTRY | -6694.00 |
| 2018 | 182436 | 3/31/2018 | LEVELIZED REVENUE | VALMY OREGON DECOMM | -6694.00 |
| 2018 | 182436 | 4/30/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 5/31/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 6/30/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 7/31/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 8/31/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 9/30/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 10/31/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 11/30/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2018 | 182436 | 12/31/2018 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 1/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 2/28/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 3/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 4/30/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 5/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 6/30/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 7/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 8/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 9/30/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 10/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 11/30/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2019 | 182436 | 12/31/2019 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2020 | 182436 | 1/31/2020 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2020 | 182436 | 2/29/2020 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2020 | 182436 | 3/31/2020 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |
| 2020 | 182436 | 4/30/2020 | LEVELIZED REVENUE | VALMY OR DECOMM ENTRIES | -6694.00 |

1 **CERTIFICATE OF SERVICE**

2 **UM 1853(2)**

3 I hereby certify that on May 29, 2020, I served a true and correct copy of Idaho
4 Power Company's Application for Deferred Accounting of Certain Costs Associated with
5 the North Valmy Power Plant on the parties in Dockets UE 233 and UE 363 by e-mail to
6 said person(s) as indicated below.

7 OPUC Dockets
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9 dockets@oregoncub.org
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DATED: May 29, 2019.



Sandra D. Holmes
Legal Administrative Assistant