

**LISA D. NORDSTROM**  
Lead Counsel  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

May 29, 2019

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(2)  
In the Matter of Idaho Power Company's Application for Deferred Accounting of  
Certain Costs Associated with the North Valmy Power Plant  
Idaho Power Company's Application

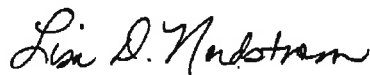
Attention Filing Center:

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 316 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/kkt

Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

**UM 1853(2)**

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**

Pursuant to ORS 757.210, ORS 757.259, and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or "Company") hereby requests an accounting order reauthorizing Idaho Power to defer decommissioning revenues collected and decommissioning costs incurred pursuant to Order No. 17-235. The stipulation approved by Order No. 17-235 includes the collection of the North Valmy Power Plant ("Valmy") amounts and is an "automatic adjustment clause" ("AAC") as defined in ORS 757.210. Idaho Power seeks reauthorization for this deferral effective as of June 1, 2019. 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](mailto:lnordstrom@idahopower.com)  
[dockets@idahopower.com](mailto:dockets@idahopower.com)

Courtney Waites  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707  
[cwaites@idahopower.com](mailto:cwaites@idahopower.com)

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

**A. Description**

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

**B. Reasons for Deferral**

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

In UE 345/Advice No. 18-02, the Commission issued Order No. 18-199, approving the accelerated depreciation associated with Idaho Power’s exit from operations of Valmy Unit 1 by December 31, 2019. Filed pursuant to Order No. 17-235 and ORS 757.259(2)(e), the AAC requires Idaho Power to file a deferral request. This deferral is intended to provide for the deferral and tracking of decommissioning revenues collected and decommissioning costs incurred until decommissioning activities are concluded. In addition, this deferral will allow Idaho Power to appropriately match the costs borne by and benefits received by customers.

1           **C.     Proposed Accounting**

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

11           **D.     Estimate of Amounts**

12           Order No. 17-235 approved an Oregon jurisdictional revenue requirement increase of  
13 \$1,056,800 associated with the recovery of the annual incremental return on and accelerated  
14 depreciation of existing Valmy investments, and decommissioning costs related to the Valmy  
15 shutdown. In addition, Order No. 18-199 approved an Oregon jurisdictional revenue  
16 requirement increase of \$2,498,886 associated with the recovery of the accelerated  
17 depreciation of existing Valmy Unit 1 investments by year end 2019. Idaho Power estimates  
18 the deferral account will contain the Oregon jurisdictional share of decommissioning costs,  
19 approximately \$1,870,000, at December 31, 2025. Because deferred amounts associated  
20 with decommissioning costs are dependent on factors that cannot be precisely forecasted,  
21 Idaho Power cannot provide a precise estimate of the total deferred amount.

22           **E.     Notice**

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

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

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

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

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

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

**III. CONCLUSION**

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

For the reasons stated above, Idaho Power requests permission to defer decommissioning revenues collected and decommissioning costs incurred beginning June 1, 2019, pursuant to Order No. 17-235.

DATED: May 29, 2019

IDAHO POWER COMPANY

*Lisa D. Nordstrom*

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LISA D. NORDSTROM  
Attorney for Idaho Power Company

## **Attachment A**

BEFORE THE PUBLIC UTILITY COMMISSION

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OF OREGON

**UM 1853(2)**

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

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

On May 29, 2019, Idaho Power Company ("Idaho Power") filed an application with the Public Utility Commission of Oregon ("Commission") for an order reauthorizing the deferral of decommissioning revenues collected and decommissioning costs incurred pursuant to Order No. 17-235.

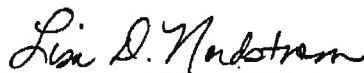
Approval of Idaho Power's Application will not authorize a change in Idaho Power's rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

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

Lisa D. Nordstrom  
Idaho Power Company  
1221 West Idaho Street  
P.O. Box 70  
Boise, ID 83707  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

Any person who wishes to submit written comments to the Commission on Idaho Power's Application must do so by no later than June 26, 2019.

DATED: May 29, 2019.



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Lisa D. Nordstrom  
Attorney for Idaho Power Company

## **Attachment B**



## PEOPLESFT QUERY OF VALMY OREGON DECOMMISSIONING COSTS COLLECTED THRU 4/30/2019

Year	Account	DB2DATE	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

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**CERTIFICATE OF SERVICE**  
**UM 1853(2)**

I hereby certify that on May 29, 2019, I served a true and correct copy of Idaho Power Company's Application for Deferred Accounting of Certain Costs Associated with the North Valmy Power Plant on the parties in Dockets UM 233 and UE 316 by e-mail to said person(s) as indicated below.

OPUC Dockets  
Citizens' Utility Board of Oregon  
[dockets@oregoncub.org](mailto:dockets@oregoncub.org)

Robert Jenks  
Citizens' Utility Board of Oregon  
[bob@oregoncub.org](mailto:bob@oregoncub.org)

Lisa F. Rackner  
McDowell Rackner & Gibson PC  
[dockets@mrg-law.com](mailto:dockets@mrg-law.com)

Stephanie S. Andrus  
Department of Justice  
Business Activities Section  
[stephanie.andrus@state.or.us](mailto:stephanie.andrus@state.or.us)

Mitch Moore  
Public Utility Commission of Oregon  
[mitch.moore@state.or.us](mailto:mitch.moore@state.or.us)

Scott Gibbons  
Public Utility Commission of Oregon  
[scott.gibbons@state.or.us](mailto:scott.gibbons@state.or.us)

Erik Colville  
Public Utility Commission of Oregon  
[erik.colville@state.or.us](mailto:erik.colville@state.or.us)

Gregory M. Adams  
Richardson Adams, PLLC  
[greg@richardsonadams.com](mailto:greg@richardsonadams.com)

Peter J. Richardson  
Richardson Adams, PLLC  
[peter@richardsonadams.com](mailto:peter@richardsonadams.com)

Joshua D. Johnson  
Attorney at Law  
[jdj@racinelaw.net](mailto:jdj@racinelaw.net)

Dr. Don Reading  
[dreading@mindspring.com](mailto:dreading@mindspring.com)

Anthony J. Yankel  
Utility Net, Inc.  
[tony@yankel.net](mailto:tony@yankel.net)

Randy Dahlgren  
Portland General Electric Company  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

Douglas C. Tingey  
Portland General Electric Company  
[doug.tingey@pgn.com](mailto:doug.tingey@pgn.com)

Irion A. Sanger  
Davison Van Cleve, PC  
[irion@sanger-law.com](mailto:irion@sanger-law.com)

Wendy Gerlitz  
NW Energy Coalition  
[wendy@nwenergy.org](mailto:wendy@nwenergy.org)

Etta Lockey  
Pacific Power  
[etta.lockey@pacificorp.com](mailto:etta.lockey@pacificorp.com)

Sarah Link  
Pacific Power  
[sarah.link@pacificorp.com](mailto:sarah.link@pacificorp.com)

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Oregon Dockets  
PacifiCorp, d/b/a Pacific Power  
[oregondockets@pacificcorp.com](mailto:oregondockets@pacificcorp.com)

John W. Stephens  
Esler Stephens & Buckley  
[stephens@eslerstephens.com](mailto:stephens@eslerstephens.com)  
[ortez@eslerstephens.com](mailto:ortez@eslerstephens.com)

Somer Moser  
Department of Justice  
[somer.moser@doj.state.or.us](mailto:somer.moser@doj.state.or.us)

Donald W. Schoenbeck  
Regulatory & Cogeneration Services, Inc.  
[dws@r-c-s-inc.com](mailto:dws@r-c-s-inc.com)

Renewable Northwest Project  
[dockets@renewablenw.org](mailto:dockets@renewablenw.org)

Ming Peng  
Public Utility Commission of Oregon  
[ming.peng@state.or.us](mailto:ming.peng@state.or.us)

DATED: May 29, 2019.

  
\_\_\_\_\_  
Kimberly Towell, Executive Assistant