

ITEM NO. CA21

PUBLIC UTILITY COMMISSION OF OREGON
CONFIDENTIAL STAFF REPORT
PUBLIC MEETING DATE: December 18, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2018

DATE: December 5, 2017

TO: Public Utility Commission

FROM: Rose Anderson *RA*

THROUGH: Jason Eisdorfer *E* and John Crider *JPB for JC*

SUBJECT: IDAHO POWER COMPANY: (Docket No. ADV 662/Advice No. 17-10)
Updates Schedule 98, Residential and Small Farm Energy Credit.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Idaho Power Company's (IPCo or Company) request to update Schedule 98, Residential and Small Farm Energy Credit, effective with service rendered on and after January 1, 2018.

DISCUSSION:

Issue

Whether Idaho Power correctly calculated the adjustment to the Residential Exchange Program credit and whether the Commission should the adjusted credit to become effective.

Applicable Rule or Law

Idaho Power filed its proposed changes to Schedule 98 under ORS 757.205. Tariff revisions or corrections may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0005 and OAR 860-022-0025. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220. The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

In addition, the tariff relates to the Residential Exchange Credit and the Regional Power Act for which ORS 757.663 provides the Commission authority to require electric companies to enter into contracts with Bonneville Power Administration (BPA). BPA and Idaho Power Company are operating under the terms of the Residential Exchange Program Settlement Agreement formally supported by the Commission

Analysis

Background

Under the Pacific Northwest Electric Power Planning and Conservation Act (NW Power Act), BPA has a Residential Exchange Program (REP) to pass through benefits from the federal Columbia River power system to qualifying residential and small farm customers of Pacific Northwest utilities. In 2011 Idaho Power, BPA, and others signed a Settlement Agreement resulting in Idaho Power receiving monthly benefits beginning October 1, 2011. The Settlement Agreement fixed the total amount of benefits to be paid to participating utilities from 2011 through 2028. These benefits are allocated to the utilities based on each utility's Average System Cost (ASC) in comparison to BPA's Priority Firm Exchange Rate, and on a two-year average of the utility's historical eligible loads. Every two years a utility's ASC is determined through a process administered by BPA.

Staff Findings

This filing updates the Idaho Power's tariff for approximately 16,000 Oregon residential and small farm customers to reflect the adjustment to the credit for Idaho Power customers resulting from the ASC review process concluded in July of 2017. For the 2018-2019 exchange period, customers will receive \$13,375,537 annually, an increase of \$3,174,602 per year from the 2016-2017 exchange period. Idaho Power passes these benefits through on a cents-per-kWh basis to Oregon customers on Schedules 1, 7, 9, 15, and 24.

Staff has reviewed the confidential spreadsheet provided by the Company and verified the calculations of rates in this filing. Staff also verified that the ASC and PF Exchange Rate used in the Company's filing are the same values published in the BP-18 Rate Case section of BPA's Residential Exchange Program website.

Conclusion

The Commission should approve IPCo's request to update Schedule 98, Residential and Small Farm Energy Credit, effective with service on and after January 1, 2018.

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PROPOSED COMMISSION MOTION:

Approve Idaho Power's application to update Schedule 98, Residential and Small Farm Energy Credit, effective with service rendered on and after January 1, 2018.

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