



LISA RACKNER  
Direct (503) 595-3925  
lisa@mrg-law.com

December 23, 2016

**VIA ELECTRONIC FILING**

Attention: Filing Center  
Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
P.O. Box 1088  
Salem, Oregon 97308-1088

Re: Docket No. UE 316  
Recovery of Costs Associated with North Valmy Power Plant – **Corrected**  
Page 8 of the Direct Testimony of Tom Harvey

Dear Filing Center:

In the process of preparing the response to Staff's Data Request No. 9 of its Second Production Request, Idaho Power Company ("Idaho Power" or "Company") discovered that the answer provided on page 8, lines 20-23 of the Direct Testimony of Tom Harvey contains incorrect average off-system sales prices. Idaho Power regrets the confusion that this may cause and assures the Public Utility Commission of Oregon ("Commission") that the change in testimony has no impact on the economic analyses performed regarding the operating life of Valmy or the conclusions presented by the Company in its original filing.

In order to reflect this change, attached is an electronic copy of **corrected** page 8 of Mr. Harvey's testimony. A redlined copy of page 8 is also attached for reference and the Commission's convenience. If you have any questions regarding the corrected page or this matter, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Lisa F. Rackner". The signature is fluid and cursive, with a large loop at the end.

Lisa F. Rackner

Attachments

1 **Q. What were the factors driving the 2025 Valmy end-of-life in the 2015 IRP**  
2 **preferred portfolio?**

3 A. The preferred portfolio selected as part of the 2015 IRP process contained no other  
4 resource additions through the end of the 2020s. In addition to the absence of  
5 resource needs, the resource sufficiency through the early 2020s shielded the  
6 preferred portfolio from risk exposure associated with the following near-term  
7 uncertainties identified: planned but yet-to-be-built Public Utility Regulatory Policies  
8 Act of 1978 (PURPA) solar facilities, 111(d)'s proposed regulations, the completion  
9 date of B2H, and the alignment of Valmy's early retirement date with NV Energy.

10 **Q. What was the action plan for Valmy's 2025 end-of-life date as identified in**  
11 **Idaho Power's 2015 IRP?**

12 A. The 2015-2018 action plan recognized in the 2015 IRP included ongoing permitting,  
13 planning studies, and regulatory filings associated with the B2H transmission line  
14 during all four years, and indicated, in 2016, Idaho Power would work with NV  
15 Energy to synchronize depreciation dates and determine if a date could be  
16 established to cease coal-fired operations. This filing will synchronize depreciation  
17 rates between the two companies.

18 **Q. How have changes in market energy prices in recent years impacted the value**  
19 **of Idaho Power's surplus energy or "off-system" sales?**

20 A. In 2011, the average price Idaho Power received for off-system sales was \$24.56 per  
21 MW compared to 2015 when the average price Idaho Power received for off-system  
22 sales was only \$19.57 per MW. Moreover, year-to-date 2016, Idaho Power's  
23 average price for off-system sales is only \$15.77 per MW.

24 **Q. How does the decrease in the average price for off-system sales impact Valmy**  
25 **operations?**

26

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18 **Q. How have changes in market energy prices in recent years impacted the value**  
19 **of Idaho Power's surplus energy or "off-system" sales?**

20 A. In 2011, the average price Idaho Power received for off-system sales was  
21 ~~\$22.74~~24.56 per MW compared to 2015 when the average price Idaho Power  
22 received for off-system sales was only ~~\$41.82~~19.57 per MW. Moreover, year-to-date  
23 2016, Idaho Power's average price for off-system sales is only ~~\$8.76~~15.77 per MW.

24 **Q. How does the decrease in the average price for off-system sales impact Valmy**  
25 **operations?**

26