



April 15, 2019

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 UE 354 – Idaho Power Company's 2018 Annual Power Supply Expense True-Up

Attention Filing Center:

Attached in the above-referenced docket is an electronic copy of the Supplemental Direct Testimony and Exhibits of Courtney Waites.

Please contact me with any questions

Wendy Mc Indoo

Sincerely,

Wendy McIndoo Office Manager

Attachments

Idaho Power/200 Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

DOCKET NO. UE 354

IN THE MATTER OF THE APPLICATION
OF IDAHO POWER COMPANY FOR
AMORTIZATION IN RATES OF THE POWER
COST ADJUSTMENT MECHANISM AND
INTERVENOR FUNDING AMOUNTS.

IDAHO POWER COMPANY
SUPPLEMENTAL DIRECT TESTIMONY
OF
COURTNEY WAITES

April 15, 2019

- 1 Q. Please state your name and business address.
- A. My name is Courtney Waites. My business address is 1221 West Idaho Street, Boise,
 Idaho 83702.
 - Q. Are you the same Courtney Waites that previously filed direct testimony in this matter?
- 6 A. Yes.

- 7 | Q. What is the scope and purpose of your supplemental direct testimony?
 - A. My supplemental direct testimony will revise the calculation of the Annual Power Supply Expense True-up with use of the 2018 Oregon Results of Operations ("ROO") report to determine the deferral deadbands and the Oregon allocation percentage. However, as I will show later in my testimony, neither of these revisions will change the zero deferral amount Idaho Power Company ("Idaho Power" or "Company") previously proposed be added to the Annual Power Supply Expense True-Up Balancing Account ("True-Up Balancing Account"). With this testimony I am also filing revised Exhibit Nos. 201, 202, 203 and 204.
 - Q. Please explain the revision to the calculation of the Annual Power Supply Expense True-Up you are making.
 - A. Order No. 09-373 clarifies which year's ROO should be relied upon in calculating the deferral deadbands and the Earnings Test components of the Power Cost Adjustment Mechanism ("PCAM"). As directed in Order No. 09-373, Idaho Power's initial February filing included the quantification of the dollar balance proposed to be added to the True-Up Balancing Account based on the 2017 ROO. The results represented a preliminary estimate at the time, with this final determination being filed now that the 2018 ROO has been completed.
 - Q. What are the power supply expense deadbands based on the 2018 ROO?

- A. Using the Company's authorized Return on Equity in effect in 2018 and the Company's 2018 Oregon rate base of \$140,969,719, the Upper Deadband of 250 basis points 2018 equals \$2,584,287 and the Lower Band of 125 Basis Points 2018 equals a negative 31,292,143 (please see Exhibit No. 202).
 - Q. Does the use of the 2018 ROO impact any other areas of the initial filing?
 - A. Yes. In addition to changing the deadbands, the 2018 ROO computes the Oregon allocation percentage used to calculate Oregon's share of the excess net power supply expenses and customer benefits from the sale of Renewable Energy Credits ("REC"). Exhibit No. 201, the Oregon PCAM quantification for 2018, reflects the revised deadbands and the revised Oregon allocation percentage. In addition, using the Oregon allocation percentage of 4.63 percent from the 2018 ROO slightly decreases the total customer benefit of REC sales to \$128,831 (please see Exhibit No. 203).
 - Q. How do the supplemental computations you describe above impact the amount you proposed be added to the True-up Balancing Account?
 - A. Applying the updated Oregon allocation percentage of 4.63 percent to the power cost deviation creates an Oregon Allocated Power Cost Deviation of negative \$373,231.10 which is greater than the Lower Deadband of negative \$1,292,143. Therefore, the dollar amount associated with the Annual Power Supply Expense True-Up to be considered to add to the True-Up Balancing Account is zero. However, the total customer benefit of REC sales will be added to the True-Up Balancing Account, slightly reducing the amount proposed to \$128,831.
 - Q. In your initial filing, an Earnings Test was not performed because the Company was not proposing any deferral amounts be added to the True-Up Balancing Account. Does the use of the 2018 ROO change the need for an Earnings Test?

A. No. Using the 2018 ROO still results in a zero deferral amount to be added to the
 True-Up Balancing Account and therefore does not require an Earnings Test to be
 performed.

Q. Will the change in the amount proposed to be added to the True-up Balancing Account affect the proposed Schedule 56 rate?

A. Yes. Although the 2018 ROO does not impact the updated level of amortization collection associated with intervenor funding amounts initially proposed by the Company, the slight change in the total customer benefit of the REC sales and the update to the June 1, 2019, through May 31, 2020, test year forecast was enough to change the proposed Schedule 56 rate. The updated detailed calculations of the rate impact can be found in Exhibit No. 204. Table 1 summarizes the impact on the rates associated with Idaho Power's proposal.

Table 1

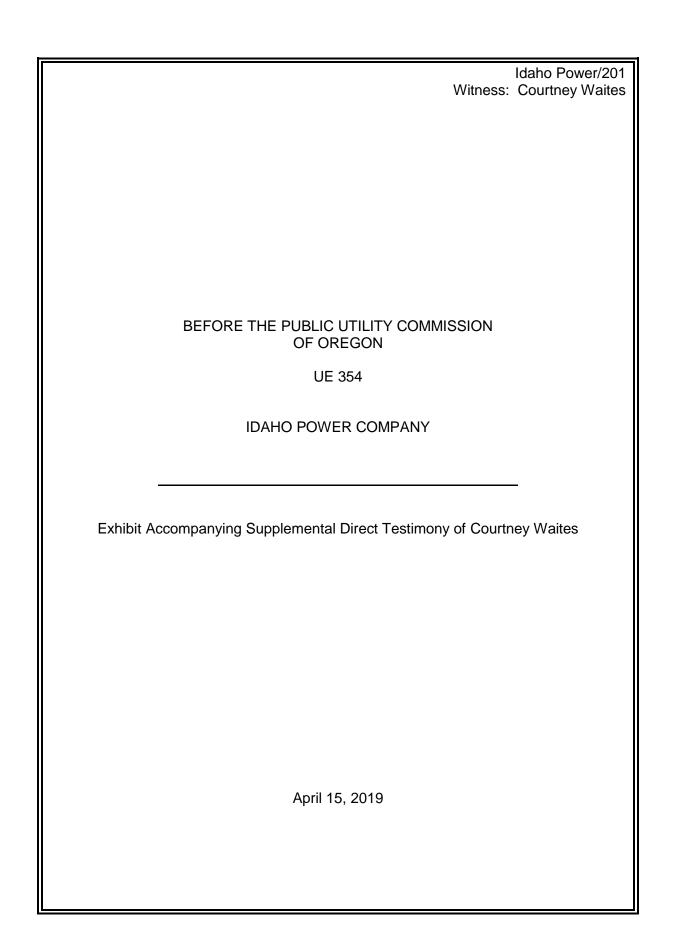
Customer Class	Current (cents per kWh)	Proposed (cents per kWh)
Residential service	0.0172	0.0098
All other	(0.0146)	(0.0187)

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

A. Yes. Idaho Power is filing a proposed Schedule 56 reflecting the rates above concurrently as Advice No. 19-04.

Q. Does this conclude your testimony?

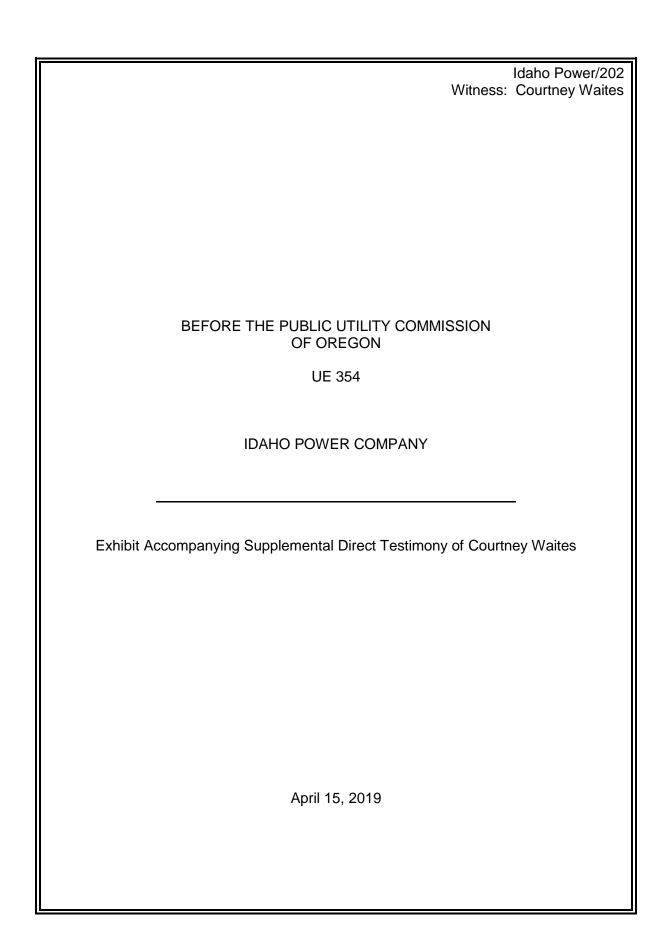
A. Yes, it does.



OREGON PCAM (Schedule 56)		January	January YTD	February	February YTD	March	March YTD	April	April YTD	May	May YTD	<u>June</u>	June YTD	July
ACTUAL POWER COSTS														
Actual NPSE Costs														
Actual Sales - Includes Unbilled	MWh	1,163,414	1,163,414	1,042,299	2,205,713	1,040,017	3,245,730	992,478	4,238,208	1,187,688	5,425,896	1,395,725	6,821,621	1,729,875
Fuel	\$	9,778,165.01	9,778,165.01	8,825,191.08	18,603,356.09	9,131,337.00	27,734,693.09	5,966,982.84	33,701,675.93	5,988,282.47	39,689,958.40	9,559,978.82	49,249,937.22	19,327,230.83
Purchased Power	s	7.590.477.15	7,590,477,15	6.328.171.14	13.918.648.29	5.680.910.90	19.599.559.19	5.139.919.63	24,739,478,82	3.739.590.46	28,479,069,28	5.236.439.08	33.715.508.36	8.515.023.87
Oregon Solar Pilot		647.43	647.43	708.48	1,355,91	830.47	2.186.38	725.68	2.912.06	1,209,97	4,122.03	1.513.12	5,635,15	2.352.27
Surplus Sales	s	(8,499,151,32)	(8.499.151.32)	(4.413.418.33)	(12.912.569.65)	(6.847.560.54)	(19.760,130,19)	(6.413.552.93)	(26.173.683.12)	(2.442.740.98)	(28,616,424,10)	(1.664.674.52)	(30.281.098.62)	(4.770.891.80)
Total Non-QF	s	8.870.138.27	8.870.138.27	10,740,652.37	19,610,790.64	7.965.517.83	27,576,308,47	4.694.075.22	32,270,383.69	7,286,341.92	39,556,725.61	13.133.256.50	52,689,982,11	23.073.715.17
QF - Includes Net Metering and Liquidated Damages	Š	14.865.468.14	14.865.468.14	15,979,792.09	30.845.260.23	13.731.448.66	44,576,708.89	18.903.029.31	63,479,738.20	18.058.087.38	81,537,825,58	23.520.594.37	105.058.419.95	25.187.846.69
Total Actual Power Costs Incurred	\$	23,735,606.41	23,735,606.41	26,720,444.46	50,456,050.87	21,696,966.49	72,153,017.36	23,597,104.53	95,750,121.89	25,344,429.30	121,094,551.19	36,653,850.87	157,748,402.06	48,261,561.86
Actual Power Cost per Unit	\$/MWh	\$20.40	\$20.40	\$25.64	\$22.88	\$20.86	\$22.23	\$23.78	\$22.59	\$21.34	\$22.32	\$26.26	\$23.12	\$27.90
POWER COSTS COLLECTED IN RATES														
Actual Sales	MWh	1,163,414	1,163,414	1,042,299	2,205,713	1,040,017	3,245,730	992,478	4,238,208	1,187,688	5,425,896	1,395,725	6,821,621	1,729,875
Combined Rate (Recovered in Rates)	\$/MWh	\$ 26.91	\$26.91	\$ 26.48	\$26.71	\$ 27.08	\$26.83	\$ 26.16	\$26.67	\$ 25.69	\$26.46	\$ 25.56	\$26.27	\$ 25.70
Total Power Costs Collected in Rates	\$	31,307,470.74	31,307,470.74	27,600,077.52	58,907,548.26	28,163,660.36	87,071,208.62	25,963,224.48	113,034,433.10	30,511,704.72	143,546,137.82	35,674,731.00	179,220,868.82	44,457,787.50
CHANGE FROM FORECAST														
Actual Power Cost per Unit	\$/MWh	\$20.40	\$20.40	\$25.64	\$22.88	\$20.86	\$22.23	\$23.78	\$22.59	\$21.34	\$22.32	\$26.26	\$23.12	\$27.90
Combined Rate (Recoverd in Rates)	\$/MWh	\$26.91	\$26.91	\$26.48	\$26.71	\$27.08	\$26.83	\$26.16	\$26.67	\$25.69	\$26.46	\$25.56	\$26.27	\$25.70
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	(\$6.51)	(\$6.51)	(\$0.84)	(\$3.83)	(\$6.22)	(\$4.60)	(\$2.38)	(\$4.08)	(\$4.35)	(\$4.14)	\$0.70	(\$3.15)	\$2.20
Deviation from Forecast	\$	(7,571,864.33)	(7,571,864.33)	(879,633.06)	(8,451,497.39)	(6,466,693.87)	(14,918,191.26)	(2,366,119.95)	(17,284,311.21)	(5,167,275.42)	(22,451,586.63)	979,119.87	(21,472,466.76)	3,803,774.36
Oregon Allocation	%		4.63%		4.63%		4.63%		4.63%		4.63%		4.63%	
Oregon Allocated Power Cost Deviation (before DB)	\$		(350,577.32)		(391,304.33)		(690,712.26)		(800,263.61)		(1,039,508.46)		(994,175.21)	
Oregon Allocated Power Cost Deviation (before DB)	ð		(350,577.32)		(391,304.33)		(690,712.26)		(800,263.61)		(1,039,508.46)		(994,175.21)	
Deadband - Over 250 Basis Points	s		2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69	
Deadband - Under 125 Basis Points	š		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)	
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True-Up (+)	s		0.00		0.00		0.00		0.00		0.00		0.00	
True-Up (-)	s		0.00		0.00		0.00		0.00		0.00		0.00	
()														
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00		0.00		0.00	
Portion of True-up Change Allowed	%		90%		90%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00		0.00		0.00	
Interest Rate	%		7.757%		7.757%		7.757%		7.757%		7.757%		7.757%	
Interest Accrued to date	s		0.00		0.00		0.00		0.00		0.00		0.00	
			0.00		0.00						0.00			
Total Deferred Balance	_		0.00		0.00		0.00		0.00		0.00		0.00	

2018 PCAM Twelve Months Ended December 31, 2018

OREGON PCAM (Schedule 56)		July YTD	August	August YTD	September	September YTD	October	October YTD	November	November YTD	December	December YTD	Annual
ACTUAL POWER COSTS													
Actual NPSE Costs													
Actual Sales - Includes Unbilled	MWh	8,551,496	1,554,050	10,105,546	1,169,538	11,275,084	1,002,036	12,277,120	1,074,223	13,351,343	1,235,178	14,586,521	14,586,521
Fuel	\$	68,577,168.05	20,605,945.78	89,183,113.83	13,689,706.08	102,872,819.91	9,512,807.93	112,385,627.84	5,490,587.90	117,876,215.74	15,321,704.92	133,197,920.66	133,197,920.66
Purchased Power	\$	42,230,532.23	8,485,648.53	50,716,180.76	8,079,458.17	58,795,638.93	10,567,878.76	69,363,517.69	9,558,800.98	78,922,318.67	11,949,756.05	90,872,074.72	90,872,074.72
Oregon Solar Pilot		7,987.42	2,958.92	10,946.34	3,025.60	13,971.94	2,187.08	16,159.02	821.52	16,980.54	898.93	17,879.47	17,879.47
Surplus Sales	\$	(35,051,990.42)	(6,827,982.55)	(41,879,972.97)	(4,272,344.69)	(46,152,317.66)	(4,519,554.54)	(50,671,872.20)	(8,041,368.86)	(58,713,241.06)	(12,690,132.37)	(71,403,373.43)	(71,403,373.43)
Total Non-QF	\$	75,763,697.28	22,266,570.68	98,030,267.96	17,499,845.16	115,530,113.12	15,563,319.23	131,093,432.35	7,008,841.54	138,102,273.89	14,582,227.53	152,684,501.42	152,684,501.42
QF - Includes Net Metering and Liquidated Damages	\$	130,246,266.64	22,600,163.46	152,846,430.10	18,192,298.58	171,038,728.68	13,949,708.91	184,988,437.59	16,395,428.78	201,383,866.37	16,105,972.64	217,489,839.01	217,489,839.01
Total Actual Power Costs Incurred	\$	206,009,963.92	44,866,734.14	250,876,698.06	35,692,143.74	286,568,841.80	29,513,028.14	316,081,869.94	23,404,270.32	339,486,140.26	30,688,200.17	370,174,340.43	370,174,340.43
Actual Power Cost per Unit	\$/MWh	\$24.09	\$28.87	\$24.83	\$30.52	\$25.42	\$29.45	\$25.75	\$21.79	\$25.43	\$24.85	\$25.38	\$25.38
POWER COSTS COLLECTED IN RATES													
Actual Sales	MWh	8,551,496	1,554,050	10,105,546	1,169,538	11,275,084	1,002,036	12,277,120	1,074,223	13,351,343	1,235,178	14,586,521	14,586,521
Combined Rate (Recovered in Rates)	\$/MWh	\$26.16	\$ 25.82	\$26,10	\$ 25.67	\$26.06	\$ 25.51	\$26.01	\$ 25.38	\$25,96	\$ 25.57	\$25.93	\$25.93
Total Power Costs Collected in Rates	\$	223,678,656,32	40.125.571.00	263.804.227.32	30.022.040.46	293.826.267.78	25.561.938.36	319.388.206.14	27.263.779.74	346.651.985.88	31.583.501.46	378,235,487,34	378,235,487.34
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CHANGE FROM FORECAST													
Actual Power Cost per Unit	\$/MWh	\$24.09	\$28.87	\$24.83	\$30.52	\$25.42	\$29.45	\$25.75	\$21.79	\$25.43	\$24.85	\$25.38	\$25.38
Combined Rate (Recoverd in Rates)	\$/MWh	\$26.16	\$25.82	\$26.10	\$25.67	\$26.06	\$25.51	\$26.01	\$25.38	\$25.96	\$25.57	\$25.93	\$25.93
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	(\$2.07)	\$3.05	(\$1.28)	\$4.85	(\$0.64)	\$3.94	(\$0.27)	(\$3.59)	(\$0.54)	(\$0.72)	(\$0.55)	(\$0.55)
Deviation from Forecast	\$	(17,668,692.40)	4,741,163.14	(12,927,529.26)	5,670,103.28	(7,257,425.98)	3,951,089.78	(3,306,336.20)	(3,859,509.42)	(7,165,845.62)	(895,301.29)	(8,061,146.91)	(8,061,146.91)
Oregon Allocation	%	4.63%		4.63%		4.63%		4.63%		4.63%		4.63%	4.63%
Oregon Allocated Power Cost Deviation (before DB)	\$	(818,060.46)		(598,544.60)		(336,018.82)		(153,083.37)		(331,778.65)		(373,231.10)	(373,231.10)
Deadband - Over 250 Basis Points	s	2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69		2.584.286.69	2.584.286.69
Deadband - Under 125 Basis Points	Š	(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)		(1,292,143.34)	(1,292,143.34)
Deaubariu - Orider 123 Dasis i dirits	Ψ	(1,232,143.34)		(1,232,143.34)		(1,232,143.34)		(1,232,143.34)		(1,232,143.34)		(1,232,143.34)	(1,232,143.34)
True-Up (+)	s	0.00		0.00		0.00		0.00		0.00		0.00	0.00
True-Up (-)	e e	0.00		0.00		0.00		0.00		0.00		0.00	0.00
Пие-ор (-)	Ψ	0.00		0.00		0.00		0.00		0.00		0.00	0.00
OREGON DEFERRAL before sharing	s	0.00		0.00		0.00		0.00		0.00		0.00	0.00
Portion of True-up Change Allowed	%	90%		90%		90%		90%		90%		90%	90%
Totalor or Trad up Orlange / morred	,0	5070		3070		0070		5070		5070		5070	5070
OREGON DEFERRAL w/ SHARING (90/10)	\$	0.00		0.00		0.00		0.00		0.00		0.00	0.00
Interest Rate	%	7.757%		7.757%		7.757%		7.757%		7.757%		7.757%	7.757%
Interest Accrued to date	s	0.00		0.00		0.00		0.00		0.00		0.00	0.00
	*												
Total Deferred Balance	\$	0.00		0.00		0.00		0.00		0.00		0.00	0.00

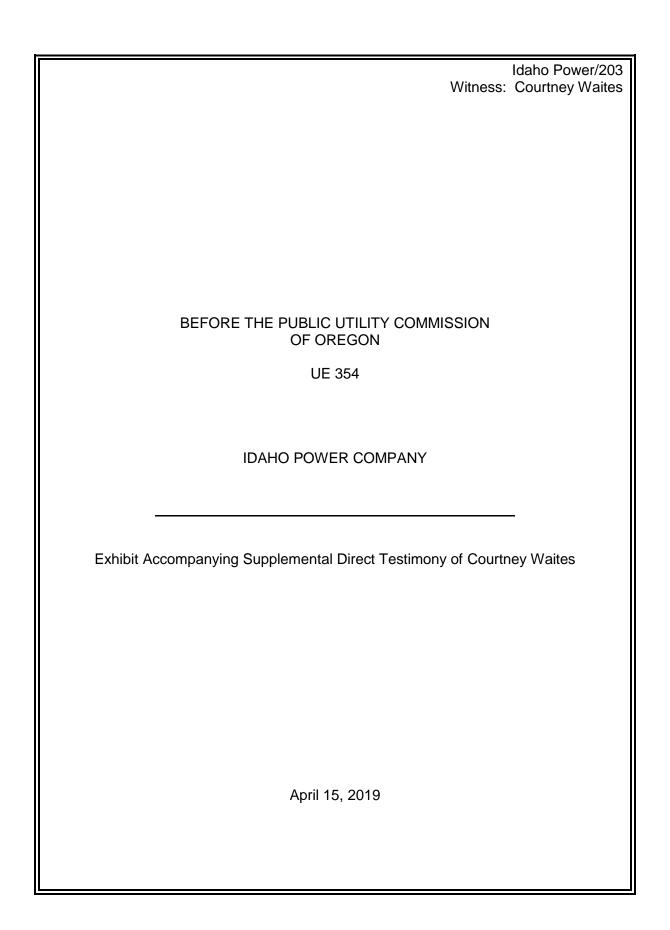


Determination of Oregon PCAM Deadbands Based on Idaho Power 2018 Results of Operations

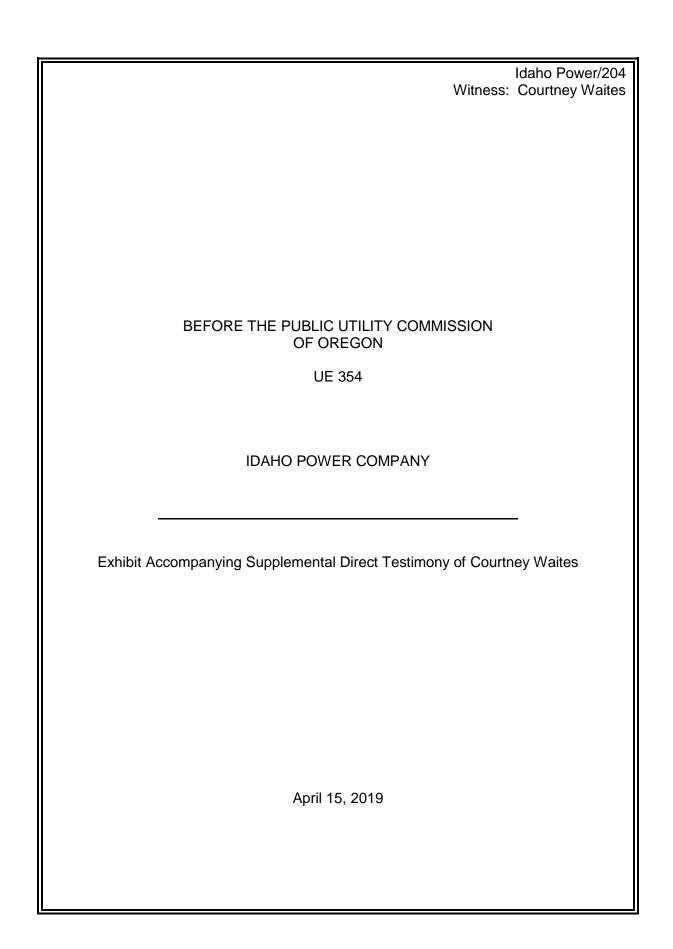
(A) (B)

(1) (2)	Rate Base % Equity in cap structure	Total System \$3,363,070,908 54.454%	Oregon \$140,969,719 54.454%
(3)	Equity in rate base	\$1,831,326,632	\$76,763,651
(4)	100 basis points	1.000%	1.000%
(5)	Resulting return (NOI Effect)	\$18,313,266	\$767,637
(6)	Net-to Gross Factor	1.347	1.347
(7)	Revenue requirement	\$24,661,011	1,033,715
			_

(8) Upper Band of Basis Points 250 \$2,584,286.69 (9) Lower Band of Basis Points 125 (\$1,292,143.34)



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L.	A B	С	D	E	F	G	Н	ı	J	K	L	М	N	0
1														
	Oregon Renewable Energy Credit Sales													
3	January 2018 thru December 2018						201	-						
4		January	February	March	April	May	June	July	August	September	October	November	December	Totals
	Prior Month Sale(s) \$	921,003.50	52,500.00	1,304,825.75	241,395.70	0.00	0.00	0.00	0.00	41,850.00	25,479.60	5,052.00	290,046.00	2,882,152.55
	Annual Certification	0.00	0.00	0.00	0.00	0.00	0.00	(3,500.00)	0.00	0.00	0.00	0.00	0.00	(3,500.00)
	Brokerage Fee's Paid in Prior Month \$	0.00	(6,752.54)	(3,550.00)	0.00	(3,375.00)	0.00	0.00	0.00	(418.50)	0.00	0.00	0.00	(14,096.04)
	Washington REC Registration Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Western Electric Coordinating Council Fees	(282.52)	(272.57)	(1,140.35)	(1,153.42)	(1,216.93)	(207.33)	(218.13)	(212.49)	(177.27)	(286.10)	(352.65)	(201.44)	(5,721.20)
10		920,720.98	45,474.89	1,300,135.40	240,242.28	(4,591.93)	(207.33)	(3,718.13)	(212.49)	41,254.23	25,193.50	4,699.35	289,844.56	2,858,835.31
11														
	Oregon Allocation	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	
	Sharing Percentage	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	
14														
15		38,366.44	1,894.94	54,176.64	10,010.90	(191.35)	(8.64)	(154.93)	(8.85)	1,719.06	1,049.81	195.82	12,077.82	119,127.66
16														
17														
18														
19	Principle													
20	Beginning Balance \$	0.00	38,366.44	40,261.38	94,438.02	104,448.92	104,257.57	104,248.93	104,094.00	104,085.15	105,804.21	106,854.02	107,049.84	0.00
21														
22	Amount Deferred	38,366.44	1,894.94	54,176.64	10,010.90	(191.35)	(8.64)	(154.93)	(8.85)	1,719.06	1,049.81	195.82	12,077.82	119,127.66
23														
24	Ending Balance \$	38,366.44	40,261.38	94,438.02	104,448.92	104,257.57	104,248.93	104,094.00	104,085.15	105,804.21	106,854.02	107,049.84	119,127.66	119,127.66
25			·			·	·	·				,		
26														
27	Interest													
28	Beginning Balance \$	3,149.30	3,149.30	3,397.31	3,657.57	4,268.03	4,943.21	5,617.15	6,291.03	6,963.91	7,636.73	8,320.67	9,011.39	3,149.30
29			·			·	·	·				,		
30	Annual Interest Rate	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%	7.757%
31														
32	Monthly Interest \$	0.00	248.01	260.26	610.46	675.18	673.94	673.88	672.88	672.82	683.94	690.72	691.99	6,554.08
33														
34	Interest Accrued to Date \$	3,149.30	3,397.31	3,657.57	4,268.03	4,943.21	5,617.15	6,291.03	6,963.91	7,636.73	8,320.67	9,011.39	9,703.38	9,703.38
35		,								, , , , ,		,		.,
36	Deferral Balance Including Interest \$	41,515.74	43,658.69	98,095.59	108,716.95	109,200.78	109,866.08	110,385.03	111,049.06	113,440.94	115,174.69	116,061.23	128,831.04	128,831.04
37	 	,, ,												-,
38														
39														128.831.04
40														0,001.01
40	1													



Oregon

Oregon		
_	12 MOS	S ENDED DEC 2018
Total Revenues	\$	55,160,426
		6%
Deferral Revenues Allowed	\$	3,309,626
True-Up Balancing Account		
Oregon kWh Forecast ¹		687,203,565
Rate (cents per kWh)		(0.0187)
Estimated Collection (Refund)	\$	(128,831)
Intervenor Funding deferrals		
Oregon Residential kWh Forecast ¹		182,860,882
Rate (cents per kWh)		0.0286
Estimated Collection (Refund)	\$	52,240
Total Rate - Residential Service (cents per kWh	1)	0.0098
Total Rate - All Other (cents per kWh)	•	(0.0187)
• • •		` ,

^{1.} Revised June 1, 2019 - May, 31, 2020 test year.