

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

November 17, 2017

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

Re: Tariff Advice No. 17-10  
Revisions to Schedule 98, Residential and Small Farm Energy Credit

Attention Filing Center:

Pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule 860-022-0025, Idaho Power Company (“Idaho Power” or “Company”) herewith transmits for filing Tariff Advice No. 17-10 containing proposed revisions to the Company’s Schedule 98. The purpose of this filing is to change the Credit Adjustment section of Schedule 98, increasing the Bonneville Power Administration (“BPA”) Residential and Small Farm Energy Credit (“BPA Credit”) from 0.1397 cents per kilowatt-hour (“kWh”) to 0.1861 cents per kWh for Rate Schedules 7, 9, 15, and 24 and from 0.2546 cents per kWh to 0.3218 cents per kWh for Schedule 1, for the period January 1, 2018, through December 31, 2019. Idaho Power has included Schedule 98 containing the proposed revisions and respectfully requests the Public Utility Commission of Oregon (“Commission”) approve this advice with an effective date of January 1, 2018.

### **Background**

Under the terms and conditions of the Pacific Northwest Electric Power Planning and Conservation Act (“NW Power Act”), BPA has established a Residential Exchange Program (“REP”) to pass through benefits from the federal Columbia River power system directly to qualifying residential and small farm customers of participating Pacific Northwest utilities. The REP was suspended in 2007 due to a ruling by the United States Ninth Circuit Court of Appeals. In 2011, Idaho Power, BPA, and others (“the Parties”) signed a Residential Exchange Program Settlement Agreement (“Settlement Agreement”) (BPA Contract No. 11PB-12322) whereby Idaho Power would start receiving monthly benefits beginning October 1, 2011. The Settlement Agreement settled the Parties’ rights and obligations for the REP provided for by the NW Power Act and fixed the total amount of benefits to be paid to participating utilities from 2011 through 2028.

Although the Settlement Agreement established fixed annual benefits in total for BPA fiscal years 2012 through 2028, these benefits are allocated to the utilities based upon each utility's Average System Cost ("ASC") in comparison to BPA's Priority Firm Exchange Rate ("PF Exchange Rate"), and upon a two-year average of the utility's historical eligible loads. A utility's ASC and the resulting benefits are determined through an ASC filing and review process administered by BPA and conducted every two years.

Idaho Power's benefit levels are subject to change every two years. The benefit levels may change as a result of changes in the Company's ASC as determined by BPA and changes in levels of eligible residential and small farm load. Thus, a change in the ASC and/or eligible load can change the value of the benefits that flow to residential and small farm customers.

#### **Fiscal Year 2016-2017 ASC Filing**

As a result of the ASC review conducted for BPA's Fiscal Years ("FY") 2016 and 2017, Idaho Power's Idaho and Oregon residential and small farm customers were eligible to receive \$10,200,935 of annual benefits for the two-year period beginning October 1, 2015. On November 13, 2015, Idaho Power filed Tariff Advice No. 15-11 with the Commission, seeking to increase the rate on Schedule 98 effective January 1, 2016, whereby Oregon residential and small farm customers would receive a credit on their power bills for the period January 1, 2016, through December 31, 2017. That tariff advice was approved by the Commission on December 16, 2015.

#### **Fiscal Year 2018-2019 ASC Filing**

On June 1, 2016, Idaho Power filed its Appendix 1 with BPA to begin the FY 2018-2019 ASC review process. Appendix 1 is an Excel spreadsheet model completed by the participating utility and used by BPA to determine a utility's ASC and the resulting benefits for the upcoming two-year exchange period (in this case, October 1, 2017, through September 30, 2019). The ASC review process consisted of discovery, two erratas to correct errors, and comments; it concluded in July of 2017 when BPA released its final ASC report. Idaho Power's final ASC for the FY 2018-2019 exchange period is \$63.09 per megawatt-hour ("MWh"). Because Idaho Power's exchange period ASC exceeds BPA's PF Exchange Rate (currently \$61.024 per MWh) by \$2.066 per MWh, the Company's Idaho and Oregon residential and small farm customers are eligible to receive \$13,375,537 annually for the FY 2018-2019 exchange period, an increase of \$3,174,602 per year from the FY 2016-2017 exchange period.

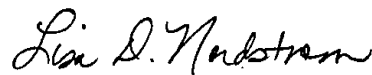
Idaho Power will continue to pass through the benefit amount on a cents-per-kWh basis to all qualifying electric energy delivered to Oregon customers taking service under Schedules 1, 7, 9, 15, and 24. The calculation of the new BPA Credit rate for qualifying customers, based on the new benefit amount determined by the FY 2018-2019 ASC

proceeding, can be found on the confidential spreadsheet on the CD which will be sent separately via Federal Express. Benefits at the new credit rate will be passed through on a monthly basis for qualifying residential and small farm usage commencing January 1, 2018. However, benefits for qualifying irrigation usage will be accrued monthly and passed through to irrigation customers each December, concurrent with the Company's annual kWh and property tax rebate program. The irrigation benefits distributed each December will correspond to a prior 12-month period ending on September 30. For example, irrigation benefits distributed in December 2017 are based on usage from October 2016 through September 2017. Monthly benefits for irrigation customers are limited, for any single customer, to their actual metered energy or 222,000 kWh, whichever is less.

Idaho Power respectfully requests that the Commission approve the revised Schedule 98 effective January 1, 2018, which will adjust the BPA Credit rate for approximately 16,000 Oregon residential and small farm customers for the period January 1, 2018, through December 31, 2019.

If you have any questions regarding this filing, please contact Senior Regulatory Analyst Courtney Waites, at (208) 388-5612.

Sincerely,



Lisa D. Nordstrom

LDN:kkt

Enclosures

SCHEDULE 98  
RESIDENTIAL AND SMALL FARM  
ENERGY CREDIT

APPLICABILITY

This schedule is applicable to the Qualifying Electric Energy, as defined below, delivered to Customers taking service under Schedules 1, 7, 9, 15, or 24.

The Residential and Small Farm Energy Credit ("Credit") is the result of the Settlement Agreement between the Company and the Bonneville Power Administration ("BPA") Contract No. 11PB-12322. The Settlement Agreement provides for the determination of benefits during the period October 1, 2011, through September 30, 2028. This schedule shall expire when the benefits derived from the Settlement Agreement have been credited to Customers as provided for under this schedule.

QUALIFYING ELECTRIC ENERGY

RESIDENTIAL

All kilowatt-hours (kWh) of metered energy, delivered during the Billing Period, to residential Customers taking service under Schedule 1, and all kWh of metered residential electric use delivered to Customers taking service under Schedules 7, 9, or 15, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, will be considered Residential Qualifying Electric Energy under this schedule. For customers taking service under Schedule 1, the credit will be limited to either the residential customer's actual metered energy or 1,000 kWh, whichever is less.

SMALL FARM

All kWh of metered energy, delivered during the Billing Period, to eligible small farm Customers taking service under Schedule 7 or 9, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements will be considered Small Farm Qualifying Electric Energy under this schedule.

IRRIGATION

All kWh of metered energy delivered during the Billing Period to eligible irrigation Customers taking service under Schedule 24, as defined in the BPA Customer Load Eligibility Guidelines for the Residential Exchange Program Residential Purchase and Sale Agreements, limited to either the irrigation Customer's actual metered energy or 222,000 kWh, whichever is less, will be considered Irrigation Qualifying Electric Energy under this schedule. Irrigation Customers will be identified by Tax Identification Number or Social Security Number for purposes of determining Irrigation Qualifying Electric Energy under this schedule.

CREDIT ADJUSTMENT

An energy credit rate will be determined on an annual basis by dividing the sum of the total fiscal year Credit, derived from the Settlement Agreement, plus a true up from the prior year Credit, if applicable, by the sum of the calendar year projected Qualifying Electric Energy as described above. The current energy credit rate is:

Schedule 1:	0.3218 cents per kWh	(l)
Schedules 7, 9, 15, and 24:	0.1861 cents per kWh	(l)

For residential and small farm Customers, the credit adjustment will be reflected on the Customers' monthly bills.

For irrigation Customers, the credit adjustment will be issued in December of each year.