

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 425

In the Matter of

IDAHO POWER COMPANY,

2024 Annual Power Cost Update.

ORDER

DISPOSITION: STIPULATION ADOPTED

In this order, we adopt the stipulation entered into by Idaho Power Company, Staff of the Public Utility Commission of Oregon, and the Oregon Citizens' Utility Board (CUB) resolving all issues in this docket.

I. BACKGROUND

On October 31, 2023, Idaho Power filed its 2024 Annual Power Cost Update (APCU). Order No. 08-238¹ allows Idaho Power to annually update its net power supply expense (NPSE) included in rates through an automatic adjustment clause. The APCU has two parts, an October update and March forecast. The October update establishes the prospective base or normalized level of NPSE for an April through March test period. The March forecast contains Idaho Power's forecast of expected NPSE over the same test period. Under Order No. 10-191,² Idaho Power adjusts base rates to reflect changes in revenue requirement related to the October update and the rates resulting from the March forecast are listed on Schedule 55. The rates associated with the APCU are intended to become effective on June 1 of each year.

Idaho Power's 2024 October update resulted in a cost per unit of \$30.63 per megawatt-hour (MWh). Commission Staff filed opening testimony addressing the October update and proposed two adjustments: (1) applying a growth factor to Energy Imbalance Market (EIM) benefits in the March forecast and (2) a downward adjustment of system Public Utility Regulatory Policies Act of 1978 (PURPA) expenses. Idaho Power filed reply testimony responding to Staff's testimony and indicating it did not agree to Staff's proposed adjustments.

¹ *In the matter of Idaho Power Company Application for Authority to Implement a Power Cost Adjustment Mechanism for Electric Service to Customers in the State of Oregon*, Docket No. UE 195, Order No. 08-238 (Apr. 28, 2008).

² *In the Matter of Idaho Power Company 2010 Annual Power Cost Update*, Docket No. UE 214, Order No. 10-191 (May 24, 2010).

On March 25, 2024, Idaho Power filed the APCU’s March forecast, reflecting changes to several variables from the October update, including: (1) fuel process and transportation costs; (2) forced outage rates; (3) heat rates; (4) forecast of normalized sales and load; (5) forecast of hydro generation from stream flow conditions using the most recent water supply forecast and current reservoir levels; (6) known power purchases and surplus sales made in compliance with the Company’s Energy Risk Management Policy; (7) forward price curve; and (8) PURPA contract expenses. Idaho Power calculated a March forecast rate of \$38.63 per MWh and indicated that combining the 2024 October update and 2024 March forecast resulted in an overall proposed revenue decrease of approximately 9.2 percent, or \$6.1 million. Idaho Power’s March forecast also proposed allocating the revenue requirement associated with the 2024 APCU according to the revenue spread methodology agreed to in the stipulation approved by Order No. 18-170.

II. STIPULATION

The parties filed a joint stipulation on April 11, 2024. Idaho Power, Staff, and CUB (stipulating parties) agree to Idaho Power’s filed October update and March forecast amounts with adjustments related to EIM benefits and PURPA expenses.

For EIM benefits, the stipulating parties agree to increase system EIM benefits by \$7.5 million, resulting in \$2.3 million Oregon-allocated EIM benefits in the 2024 APCU.³ This represents a \$0.3 million increase in Oregon-allocated EIM benefits compared to the filed 2024 March forecast. For PURPA expenses, the stipulating parties agree to reduce system PURPA expenses by \$12 million, resulting in an Oregon-allocated reduction of \$0.5 million compared to the filed 2024 March forecast. Based on the EIM benefit and PURPA expense adjustments, the stipulating parties agree to a revenue requirement decrease of \$6.9 million, or 10.42 percent.

The stipulating parties agree that Idaho Power’s forecasted EIM benefits and PURPA expenses for the 2024 APCU are reasonable, but the stipulating parties do not agree on the methodology used to calculate these adjustments. The parties note they reserve the right to dispute the methodologies used in this case in future proceedings.

The stipulating parties agree that the stipulation should be approved and that the resulting rate change results in rates that are fair, just, and reasonable, as required by ORS 756.040.

III. RESOLUTION

We review the terms of any stipulation for reasonableness and accord with the public interest. We have reviewed Idaho Power’s 2024 Annual Power Cost Update, the terms of the stipulation, the joint supporting brief, and Idaho Power’s supporting testimony. We find that the stipulation represents a reasonable and appropriate resolution of this docket and that it will result in fair, just, and reasonable rates. Accordingly, we adopt the stipulation.

³ The stipulation omits the word “million” in characterizing the amount of Oregon-allocated EIM benefits: “The Stipulating Parties agree to increase system EIM benefits by \$7.5 million, resulting in \$2.3 Oregon-allocated EIM benefits * * *.” Stipulation at 7 (Apr. 11, 2024). Based on the context of the stipulation and the stipulating parties’ joint explanatory brief, we understand this to be an omission and understand that the parties agree that the EIM adjustment results in \$2.3 million Oregon-allocated EIM benefits.

IV. ORDER

IT IS ORDERED that:

1. The stipulation between Idaho Power Company, Staff of the Public Utility Commission of Oregon, and the Oregon Citizens' Utility Board, filed on April 11, 2024, attached as Appendix A, is adopted.
2. Idaho Power Company must file a revised Schedule 55, reflecting the terms of the stipulation, to be effective June 1, 2024.

Made, entered, and effective May 21, 2024.



Megan W. Decker
Chair



Letha Tawney
Commissioner



Les Perkins
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.