

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2350

In the Matter of

IDAHO POWER COMPANY,

Application for Deferral of Direct
Customer Costs and Benefits of the Bill
Discount Program.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 27, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.



BY THE COMMISSION:

A handwritten signature in blue ink, appearing to read "Alison Lackey".

Alison Lackey
Chief Administrative Law Judge

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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA14

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 27, 2025**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: February 26, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 2350)
Idaho Power Company's Application for Deferred Accounting of Direct Customer Costs and Benefits of the Company's Bill Discount Program.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (Commission) approve Idaho Power's application for deferred accounting of Direct Customer Costs and Benefits of the Company's Bill Discount Program.

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's applications for Deferred Accounting of Direct Customer Costs and Benefits of the Company's Bill Discount Program, beginning June 5, 2024.

Applicable Law

In accordance with ORS 757.259, utilities may seek approval to defer amounts for later inclusion in rates to minimize the frequency of rate changes or to appropriately match customer benefits and costs. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

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OAR 860-027-0300 is the Commission's rule governing the use of deferred accounting by energy and large telecommunications utilities and requires the utility to provide certain information in an application to defer, such as the reason for the deferral and the estimated amount of the deferral.

Analysis

Background

The Company in this application seeks authorization for deferred direct costs and benefits associated with its Bill Discount Program, proposed as part of the Company's general rate case in Docket No. UE 426 and approved by the Commission in Order No. 24-311.

The Company proposes to implement a balancing account as requested in the Company's General Rate Case to support its proposed Schedule 64, which is the Company's mechanism to recover all direct customer assistance amounts provided under its Bill Discount Program. As a result of HB 2475, the Company proposed a Bill Discount Program as part of its General Rate Case, in UE 426.

This deferral application was filed on June 5, 2024, and requests the deferral be effective as of the date of the filing.

In support of this Application, The Company states:

1. Idaho Power is a public utility in the state of Oregon and its rates, services, and accounting practices are subject to the regulation of the Commission.
2. This Application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize the deferral of certain items for later inclusion in rates.

Description of the Expenses

The Company plans to separately track in this new deferral all direct customer assistance costs and revenues incurred in a transparent manner consistent with its Demand-Side Management (DSM) Revenues and Expenses¹ so that Schedule 64's recovery amounts may be periodically increased or decreased, as necessary.

Reason for Deferral

On this application will also minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

¹ Docket No. UM 1974.

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Proposed Accounting

The Company will record amounts that would be subject to the deferral order in accordance with the Code of Federal Regulations to Federal Energy Regulatory Commission (FERC) Account 182.3 – Other Regulatory Assets.

Estimate of Amounts

Based on findings of the Company's completed LINA and the discount percentages settled upon as part of its General Rate Case, the Company currently estimates an annual program funding requirement of approximately \$529,000 to support the provision of all direct customer benefits, assuming a 25 percent saturation rate of the program amongst customers believed to be eligible for participation. This estimated amount will be reconciled within the balancing account created as part of the Company's General Rate Case and, as such, will periodically be trued up to appropriately match the program's costs and benefits.

Information Related to Future Amortization

- Earnings Review – Staff proposes an earnings test is not applied when amortization is requested of any deferred amounts. This recommendation is based on the purpose of these funds.²
- Prudence Review – Should be performed by the Commission Staff as part of their review of this deferral's annual reauthorization filing.
- Rate Spread/Rate Design – Revenues will be allocated to each cost-of-service schedule with the basis to be determined prior to amortization.
- Sharing – This deferral is not subject to a sharing mechanism
- Three Percent Test (ORS 757.259(6)) – The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (with exceptions) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year, nevertheless, this doesn't put the utility over 3 percent.

² While Staff recommends these amortization conditions, they are subject to review and potential modification at the time of amortization.

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Conclusion

Due to the nature of this docket, Staff recommends approval of Idaho Power's application for deferred Accounting of Direct Customer Costs and Benefits of the Company's Bill Discount Program.

The Company has reviewed this memo and agrees with its contents.

PROPOSED COMMISSION MOTION:

Approve Idaho Power Company's request for deferred Accounting of Direct Customer Costs and Benefits of the Company's Bill Discount Program, beginning June 5, 2024.