

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 460

In the Matter of

IDAHO POWER COMPANY,

Application for Authority to Decrease
Rates Reflecting Three Offsetting
Adjustments.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 30, 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:



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. CA11

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 30, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** January 1, 2026

DATE: December 17, 2025

TO: Public Utility Commission

FROM: David Abraham

THROUGH: Caroline Moore and Scott Gibbens **SIGNED**

SUBJECT: IDAHO POWER COMPANY:
(Docket No. UE 460/Advice No. 25-06)
Application to Decrease Rates Three Offsetting Adjustments.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (OPUC or Commission):

1. Approve Idaho Power Company's (IPC or Company) request to decrease rates.
2. Permanently suspend IPC's Boardman Life Adjustment tariff.
3. Direct IPC to make a compliance filing reflecting the corrected revenue requirement decrease, for service rendered on and after January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve IPC's request to adjust Oregon customer rates effective January 1, 2026, to reflect an overall decrease due to three offsetting adjustments. More specifically, the Company requests to update customer rates to reflect:

- (1) A decrease in rates due to the removal of coal-related costs at North Valmy Generating Station ("Valmy") Unit 2,
- (2) A decrease in rates to return an outstanding regulatory liability related to the Boardman coal plant ("Boardman"), and

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- (3) An increase in rates to recover the amortization of deferred 2023 wildfire mitigation costs.

The combination of these related adjustments results in a rate decrease and administrative simplicity.

Combined Adjustment to Customer Rates	
Decrease due to removal of coal costs - Valmy Unit 2	\$ (1,168,033)
Decrease due to close-out of the Boardman balancing account*	\$ (148,247)
Increase to recover amortization of 2023 wildfire mitigation costs	\$ 734,695
Net Revenue Requirement Decrease	\$ (581,585)

* The initial Boardman refund included in the filing was \$154,957; however, subsequent to the filing, an error was discovered in the calculation reducing the refund to \$148,247.

Applicable Law

ORS 757.205 requires public utilities to file all rates, rules, and charges with the Commission.

ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable.

ORS 757.220 provides that no change shall be made in any schedule, except upon 30 days' notice to the Commission prior to the time the changes are to take effect.

OAR 860-022-0025 and 860-022-0030 require that filings revising tariffs include statements showing the change in rates, the number of customers affected, resulting change in annual revenue, and the reasons for the tariff revision.

ORS 757.963(1) provides that "[a] public utility that provides electricity must have and operate in compliance with a risk-based wildfire protection plan that is filed with the Public Utility Commission and has been evaluated by the commission."

ORS 757.963(8) provides that "[a]ll reasonable operating costs incurred by, and prudent investments made by, a public utility to develop, implement or operate a wildfire protection plan are recoverable in the rates of [a] public utility " ORS 757.963(8) further provides that the Commission "shall establish an automatic adjustment clause, as defined in ORS 757.210, or another method to allow timely recovery of these costs."

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Analysis

I. Valmy Unit 2 Removal

Valmy is a coal-fired power plant that consists of two units. Prior to Idaho Power's exit from Unit 1, Idaho Power owned 50 percent of the facility, and NV Energy owns the other 50 percent and served as the plant operator. Under the 2019 North Valmy Project Framework Agreement between Idaho Power and NV Energy, Idaho Power has committed to exit coal operations of Unit 2 by December 31, 2025.¹

In Order No. 17-235, the Commission approved accelerated depreciation of Valmy coal-related investments and creation of a levelized revenue requirement mechanism. This mechanism provided for recovery of Idaho Power's undepreciated investments, return, and decommissioning costs on a levelized basis through 2025.

Approximately \$1.17 million of Oregon-jurisdictional costs associated with Unit 2 and decommissioning remain in rates. Idaho Power will cease participation in coal operations at Valmy Unit 2 effective December 31, 2025, consistent with the depreciation schedules and cost recovery previously approved by the Commission.

Staff met with Idaho Power through a conference call on November 5, 2025, to discuss the workpapers and calculations. Staff also reviewed the Company's balancing account history and workpapers. Staff is satisfied that the Company's request is prudent and reasonable.

II. Boardman Decommissioning True Up

On September 26, 2011, Idaho Power requested for approval to establish the Boardman Life Adjustment tariff in UE 239. The tariff implemented a balancing account to track and recover the incremental costs associated with the early shutdown of the Boardman power plant. The Commission approved Idaho Power's request in Order No. 12-235.

With decommissioning activities now complete, the account shows a remaining balance available for refund to Oregon customers. The final reconciliation included in the filing identifies a net balance of \$154,957. The Company proposes to return this amount as a one-time giveback over a 12-month period beginning January 1, 2026.

Subsequent to the filing, an error was discovered in the net balance calculation that reduces the customer refund by \$6,710. Staff agreed to allow the Company to correct

¹ Docket No. UE 460/IPC/100, Aschenbrenner/3.

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the balance calculation in a compliance filing and results in a corrected available refund to Oregon customers of \$148,247. Table 1 below displays the correction made to the Boardman refund to customers.

Table 1: Boardman Decommissioning Refund Correction

	Initial Filing	Correction	Corrected Refund Balance
Estimate collected in filing	\$ (264,591)	\$ (6,710)	\$ (257,881)
Sale of Water Rights	\$ (98,670)	\$ -	\$ (98,670)
Decommissioning Costs	\$ 199,548	\$ -	\$ 199,548
Salvage	\$ (60,845)	\$ -	\$ (60,845)
Severance	\$ 22,022	\$ -	\$ 22,022
Inventory Impairment	\$ 47,579	\$ -	\$ 47,579
Net Balance Calculation	<u>\$ (154,957)</u>	<u>\$ (6,710)</u>	<u>\$ (148,247)</u>

Staff reviewed the Company's transaction level data for all costs, associated workpapers and balancing account details. Staff also met with IPC through a conference call on November 5, 2025, to discuss the work papers and calculations. Staff is satisfied with the Company's calculation of amounts due back to the customers and that expenditures associated with decommissioning are prudent and reasonable.

III. Recovery of 2023 Wildfire Deferral

In June 2021, Oregon legislature passed Senate Bill (SB) 762, codified at ORS 757.960 through ORS 757.969, which directs investor-owned utilities (IOU) that provide electricity to have a wildfire mitigation plan (WMP) filed with, and evaluated by, the Commission. ORS 757.963 outlines the utility's responsibilities and requirements, such as a plan that is based on reasonable and prudent practices that seeks to protect public safety, reduce risk to utility customers, and promote electrical system resilience to wildfire damage.

In Order No. 24-010, the Commission authorized Idaho Power's request to defer incremental costs associated with Wildfire Mitigation for the 12-month period beginning December 29, 2022, and ending December 28, 2023, in a regulatory deferral account for future recovery.

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The Company now proposes to amortize the incremental 2023 wildfire-related operations and maintenance expenses over a 12-month period beginning on January 1, 2026. The Oregon-jurisdictional balance to be amortized is \$734,695. These costs are related to enhanced vegetation management, expanded inspection and patrol activities, equipment hardening, and customer outreach designed to reduce wildfire risk and protect customers.

Staff met with Idaho Power through a conference call on November 5, 2025, to discuss the work papers and calculations. Staff also reviewed the Company's transactional level data regarding all costs included in this filing. Staff is satisfied that the Company's expenditures and its associated workpapers are prudent and reasonable.

Conclusion

For the reasons stated above, Staff recommends that the Commission:

1. Approve IPC's request to decrease rates.
2. Permanently suspend IPC's Boardman Life Adjustment tariff.
3. Direct IPC to make a compliance filing reflecting the corrected revenue requirement decrease, for service rendered on and after January 1, 2026.

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

PROPOSED COMMISSION MOTION:

Approve Advice No. 25-06, Idaho Power's request to adjust customer rates with a combined net revenue requirement decrease of \$581,585; for rates effective on and after January 1, 2026.

CA11 - IPC Docket No. UE 460/Advice Filing 25-06 Application to Decrease Rates Three Offsetting Adjustments.