

ORDER NO. 26-139

ENTERED Apr 29 2026

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1464(16)

In the Matter of

IDAHO POWER COMPANY,

Application for Reauthorization to Defer
Net Variable Power Cost Variances.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 28, 2026, 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.

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.

In support of this application Idaho Power 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 Public Utility Commission of Oregon (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."

Analysis

Background

With this deferral application, Idaho Power seeks reauthorization from the Commission to accrue, for future amortization, the difference between actual annual net variable power costs and the annual net variable power costs recovered pursuant to Tariff Schedule 55, in accordance with Order No. 08-238. The annual variance will be determined pursuant to the terms of Schedule 56, which includes a Power Supply Expense Deadband and Earnings Test.

Proposed Accounting

Idaho Power records revenues and expenses associated with net annual variable power costs that would be subject to the deferral order in accordance with the Code of Federal Regulations ("C.F.R.") to the Federal Energy Regulatory Commission ("FERC") Account 501 (Fuel), FERC Account 547 (Fuel), FERC Account 577.4 (Energy Storage Rents), FERC Account 447 (Sales for Resale), and FERC Account 555 (Purchased Power). Upon receiving approval of a deferral, Idaho Power proposes to record the deferred amount by debiting FERC 2 Account 182.3 (Regulatory Assets) and crediting FERC Account 557 (Other Expenses) if there is an amount to collect from customers.

If there is a refund to customers, Idaho Power would record the accrued amount in FERC Account 254 (Regulatory Liabilities) and debit FERC Account 557 (Other Expenses).

Estimate of Amounts

The deferred amount is a function of several unknown and unpredictable factors including customer usage, the wholesale market price for electricity, and the wholesale market price for natural gas. Because the deferred amount is dependent on factors that cannot be precisely forecast, Idaho Power cannot provide an estimate of the deferred amount. Idaho Power requests that, in accordance with Order No. 05-1070, it be

allowed to accrue interest on the unamortized balance at a rate equal to its authorized weighted average cost of capital most recently approved by the Commission.

Information Related to Future Amortization

- Earnings Review - Schedule 56 requires an earnings review.
- Prudence Review - A prudence review is a required component of an earnings review and should include a verification of the accounting methodology used to determine the final amortization balance.
- Sharing - Sharing is subject to the terms of Schedule 56.
- Rate Spread/Design - The net variable power cost deferral amortization amount will be spread on an equal cents per kWh basis, as specified in Schedule 56.
- 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 (exceptions at ORS 757.259(7) and (8)) 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. Because Idaho Power is an electric utility, ORS 757.259(8) allows the Commission to consider up to a six percent limit.

Conclusion

The Company's application should be approved since the Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300 and is consistent with operation of Idaho Power's Power Cost Adjustment Mechanism authorized in Order No. 08-238.

The Company has reviewed this memo and has stated no objection

PROPOSED COMMISSION MOTION:

Approve Idaho Power Company's request to defer the difference between actual annual net variable power costs and the annual net variable power costs recovered pursuant to Tariff Schedule 55, in accordance with Order No. 08-238, for the 12-month period beginning January 1, 2026.