

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-24-17
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO IMPLEMENT POWER) NOTICE OF APPLICATION
COST ADJUSTMENT (“PCA”) RATES FOR)
ELECTRIC SERVICE FROM JUNE 1, 2024,) NOTICE OF MODIFIED
THROUGH MAY 31, 2025) PROCEDURE
)
)
) **ORDER NO. 36158**
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On April 15, 2024, Idaho Power Company (“Company”) filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”) requesting an order approving an update to Schedule 55 based on the Company’s quantification of the 2024-2025 Power Cost Adjustment (“PCA”), to become effective June 1, 2024, for the period of June 1, 2024, through May 31, 2025.

BACKGROUND

The PCA mechanism permits the Company to increase or decrease its PCA rates to reflect the Company’s annual “power supply costs.” Due to its diverse generation portfolio, the Company’s actual cost of providing electricity varies from year to year depending on changes in such things as the river streamflow, the amount of purchased power, fuel costs, the market price of power, and other factors. The annual PCA surcharge or credit is combined with the Company’s “base rates” to produce a customer’s overall energy rate.

The PCA quantifies and tracks annual differences between actual Net Power Supply Expenses (“NPSE”) and the normalized or “base level” of NPSE recovered in the Company’s base rates, resulting in a credit or surcharge that is updated annually on, June 1. The PCA mechanism uses a 12-month test period from April through March (“PCA Year”) and includes a forecast component and a Balancing Adjustment. The forecast component represents the difference between the Company’s NPSE forecast from the March Operating Plan and base level NPSE recovered in the Company’s base rates. The Balancing Adjustment includes a backward-looking tracking of differences between the prior PCA Year’s forecast and actual NPSE incurred by the Company, and also tracks the collection of the prior year’s Balancing Adjustment.

Except for Public Utility Regulatory Policies Act of 1978 (“PURPA”) expenses and demand response incentive payments, the PCA allows the Company to pass through to customers 95 percent of the annual differences in actual NPSE as compared with base level NPSE, whether positive or negative. With respect to PURPA expenses and demand response incentive payments and actual annual expenses deviate from base level NPSE, the Company is allowed to pass 100 percent of the difference for recovery or credit through the PCA. The PCA is also the rate mechanism used by the Company to provide customer benefits resulting from the revenue sharing mechanism, approved by the Commission in Order No. 34071.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that the update to Schedule 55, based on the Company’s quantification of the 2024-2025 PCA, will result in an overall decrease to current billed revenue of approximately \$35.7 million, to become effective June 1, 2024. Application at 15.

YOU ARE FURTHER NOTIFIED that the Company represents that the system-level forecast of NPSE for the 2024- 2025 PCA Year is \$509,555,990, which is \$24,648,746 higher than the currently approved base level NPSE of \$484,907,244, and \$31,943,394 lower than last year’s forecast amount of \$541,499,384. *Id.* at 7-8. The Company states that the 2024-2025 PCA forecast component to be collected from Idaho customers is \$22,712,031. *Id.* at 8.

YOU ARE FURTHER NOTIFIED that the Company represents that the PCA Balancing Adjustment deferral balance at the end of March 2024, with interest applied, was approximately \$90 million, which represents a decrease to customers rates in this year’s PCA Balancing Adjustment. *Id.*

YOU ARE FURTHER NOTIFIED that the Company represents that the Company’s Idaho jurisdictional year-end Return on Equity (“ROE”) was below the 10.0 percent ROE threshold for revenue sharing; therefore, the 2024-2025 PCA does not include a revenue sharing component. *Id.* at 9.

YOU ARE FURTHER NOTIFIED that the Company represents that for the 2024-2025 PCA Year, the Company’s uniform PCA is comprised of (1) the 0.1501 cents per kilowatt-hour (“kWh”) for the 2024-2025 projected power cost of serving firm loads under the current PCA methodology and 95 percent sharing and (2) the 0.5946 cents per kWh for the 2023-2024

Balancing Adjustment, with the sum of these two components resulting in a 0.7447 cents per kWh charge for all rate classes. *Id.* at 9-10.

YOU ARE FURTHER NOTIFIED that the Company represents that the 2024-2025 total PCA amount, as measured from the currently approved base level NPSE is \$112.7 million, which represents a decrease in total billed revenue of \$35.7 million, or 2.31 percent, for Idaho customers, effective June 2024 through May 2025. *Id.* at 10.

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission’s office. The Application is also available on the Commission’s website at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code, and that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to the Commission’s Rules of Procedure 201-204, IDAPA 31.01.01.201-.204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments and explain why written comments alone are insufficient. **Persons interested in filing written comments must do so by May 15, 2024.** Comments must be filed through the Commission’s website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission’s website at <http://www.puc.idaho.gov/>. Click the “Case Comment Form” and complete the form using the case number as it appears on the front of this document.

To file by e-mail, persons must e-mail the comments to the Commission Secretary and all parties at the e-mail addresses listed below. Persons submitting a comment by e-mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by e-mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

If computer access is unavailable, then comments may be mailed to the Commission and the Parties at the addresses below. Persons submitting a comment by mail must provide their name, address, and the Case Number under which they are commenting. Persons submitting a comment by mail also acknowledge that submitting a comment in an open case constitutes a public record under *Idaho Code* § 74-101(13), and all information provided by such person is available for public and media inspection.

**For the Idaho Public Utilities
Commission:**

Commission Secretary
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**YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by
May 22, 2024.**

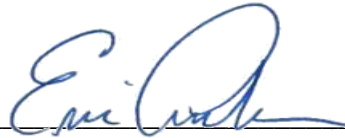
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its final order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

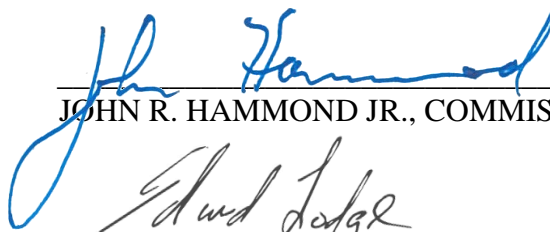
IT IS HEREBY ORDERED that the Application be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in filing written comments must do so by May 15, 2024. The Company must file any reply comments by May 22, 2024.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd day of April 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary

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