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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY TO INCREASE) CASE NO. IPC-E-11-04
ITS RATES FOR ELECTRIC SERVICE)
TO RECOVER ITS 2010 PENSION CASH)
CONTRIBUTION.)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

KELLEY K. NOE

1 Q. Please state your name and business address.

2 A. My name is Kelley K. Noe. My business address
3 is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Idaho Power Company ("Idaho
6 Power" or "Company") as a Regulatory Analyst II.

7 Q. Please describe your educational background.

8 A. In May of 2004, I received a Bachelor of
9 Business Administration in Finance from Boise State
10 University.

11 Q. Please describe your business experience with
12 Idaho Power.

13 A. In September 2006, I accepted a position at
14 Idaho Power as a Financial Analyst in the Finance
15 Department. My primary duties included performing credit
16 reviews on current and prospective transmission customers
17 as well as providing the financial support for Grid
18 Operations, Planning, and Operations Analysis and
19 development groups.

20 In October 2010, I accepted a Regulatory Analyst II
21 position within the Regulatory Affairs department of the
22 Company. My duties as a Regulatory Analyst II include
23 gathering, analyzing, and coordinating data from various
24 departments throughout the Company required for development

1 of jurisdictional separation studies, as well as other
2 analyses that may be required.

3 Q. What is the scope of your testimony in this
4 proceeding?

5 A. I am sponsoring testimony in this proceeding
6 to present the customer rate impacts resulting from the
7 Company's proposal for recovery of its 2010 cash
8 contributions to the pension plan, as described by Mr.
9 Darrel Anderson in his direct testimony.

10 Q. Have you prepared exhibits for this
11 proceeding?

12 A. Yes. I am offering the following exhibits:
13 Exhibit No. 1, Calculation of Revenue Impact by Rate Class
14 - Adjustment to Base Revenues, Exhibit No. 2, Calculation
15 of Revenue Impact by Rate Class - Adjustment to Billed
16 Revenues.

17 Q. What cash contribution did the Company make to
18 its pension balancing account in 2010?

19 A. As detailed in Darrel Anderson's testimony,
20 the Company contributed \$60 million to the pension
21 balancing account. The Idaho portion of this contribution,
22 \$56,505,566, was added to the balancing account in
23 September 2010. This balance was reduced by the \$5,416,796
24 and was recovered between June 1, 2010, and May 31, 2011.

1 During the same period, the balancing account will have
2 earned carrying charges of \$372,368 to arrive at the ending
3 balance of \$51,461,138.

4 Based on Mr. Anderson's proposal to recover this
5 amount over a three-year period, the Company is seeking the
6 Idaho Public Utilities Commission's ("Commission") approval
7 of an additional \$11,736,917 in annual cost recovery for
8 the Idaho-allocated portion of the 2010 cash contribution
9 to the pension balancing account.

10 Q. If the Commission approves the Company's
11 requested pension recovery amortization, what is the
12 percentage increase in revenue as measured from total base
13 amounts currently recovered from customers?

14 A. Total Idaho jurisdictional base revenue
15 currently recovered from customers is comprised of revenue
16 generated from base rates, including the current Pension
17 Recovery Adjustment. Exhibit No. 1 to my testimony
18 illustrates that the revenue impact of the proposed
19 amortization to Idaho retail customers for the June 1,
20 2011, through May 31, 2012, forecast year is \$11,736,912 or
21 1.47 percent as measured from current base rates.

22 Q. Have you prepared an exhibit that details the
23 quantification of the customer class impacts resulting from

1 the Company's request, as measured from current billed
2 revenue?

3 A. Yes. Exhibit No. 2 to my testimony
4 illustrates quantification of the total revenue impact,
5 including the current Power Cost Adjustment and Fixed Cost
6 Adjustment, for the affected classes for the June 1, 2011
7 through May 31, 2012, period.

8 Q. Is the Company proposing that it continue its
9 pension cost recovery from Idaho customers after the end of
10 the amortization period on May 31, 2014?

11 A. Yes. The Commission-ordered pension balancing
12 account mechanism is intended to smooth out the
13 amortization of pension costs over a reasonable time
14 period. Therefore, the Company will continue to track the
15 difference between its cash contributions to the pension
16 balancing account and amounts recovered in rates until the
17 Commission authorizes a new amount and amortization period
18 for recovery of the Idaho portion of the Company's pension
19 cost balancing account. The computed amounts of pension
20 cost recovery from Idaho customers accumulated in the
21 pension cost balancing account will reduce the amount
22 placed into customers' rates for the ensuing authorized
23 amortization period.

1 Company's Residential Service and Small General Service
2 rate schedules?

3 A. In Case No. IPC-E-09-30, the Company and the
4 other settlement parties signed a Stipulation that was
5 later approved in Commission Order No. 30978. In paragraph
6 7.2.1.1 of the Stipulation, it states:

7 The Company's share of the PCA rate
8 reduction will be applied to increase
9 permanent base rates on a uniform
10 percentage basis to all customer
11 classes and special contract
12 customers. Schedule 1 and Schedule 7
13 customer classes will have any
14 increase placed on their respective
15 energy rates. This increase in base
16 rates will remain in effect until new
17 base rates, which are ordered in a
18 future Idaho Power Company general
19 rate case, become effective.

20
21 (Emphasis added.)

22
23 The Company is proposing similar treatment for
24 pension cost recovery by applying additional charges to
25 only the respective Residential and Small General Service
26 rate schedules' energy billing component. This will
27 necessitate an increase in excess of 1.47 percent to each
28 affected rate class's energy component to recover the total
29 pension costs allocated to that rate class.

30 Q. Will the recovery of pension expense costs
31 appear as a separate line item on customers' bills?

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-04

IDAHO POWER COMPANY

NOE, DI
TESTIMONY

EXHIBIT NO. 1

Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Pension Funding
Filed March 15, 2011

Summary of Revenue Impact

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Base Revenue	Mills Per kWh	Total Adjustments to Base Revenue	Proposed Base Revenue	Mills Per kWh	Percent Change Base to Base Revenue
Uniform Tariff Rates:										
1	Residential Service	1	398,890	4,990,482,967	\$372,591,212	74.66	\$5,475,494	\$378,066,706	75.76	1.47%
2	Master Metered Mobile Home Park	3	22	5,160,634	\$366,181	70.96	\$5,378	\$371,559	72.00	1.47%
3	Residential Service Energy Watch	4	42	741,745	\$54,506	73.48	\$800	\$55,306	74.56	1.47%
4	Residential Service Time-of-Day	5	74	1,175,190	\$86,349	73.48	\$1,270	\$87,619	74.56	1.47%
5	Small General Service	7	28,258	149,738,642	\$14,215,379	94.93	\$208,894	\$14,424,273	96.33	1.47%
6	Large General Service	9	31,067	3,509,395,076	\$187,300,125	53.37	\$2,752,229	\$190,052,354	54.16	1.47%
7	Dusk to Dawn Lighting	15	0	6,562,095	\$1,112,397	169.52	\$16,347	\$1,128,744	172.01	1.47%
8	Large Power Service	19	115	2,059,207,437	\$82,380,412	40.01	\$1,210,487	\$83,590,899	40.59	1.47%
9	Agricultural Irrigation Service	24	16,710	1,679,705,737	\$101,574,212	60.47	\$1,492,561	\$103,066,773	61.36	1.47%
10	Unmetered General Service	40	1,984	16,000,941	\$1,046,754	65.42	\$15,361	\$1,062,115	66.38	1.47%
11	Street Lighting	41	314	23,018,849	\$2,742,055	119.12	\$40,294	\$2,782,349	120.87	1.47%
12	Traffic Control Lighting	42	358	3,477,113	\$157,861	45.40	\$2,330	\$160,191	46.07	1.48%
13	Total Uniform Tariffs		477,834	12,444,666,426	\$763,627,443	61.36	\$11,221,445	\$774,848,888	62.26	1.47%
Special Contracts:										
15	Micron	26	1	466,741,299	\$16,000,607	34.28	\$235,338	\$16,235,945	34.79	1.47%
16	J R Simplot	29	1	180,758,797	\$5,802,146	32.10	\$85,205	\$5,887,351	32.57	1.47%
17	DOE	30	1	251,548,881	\$7,988,552	31.76	\$117,272	\$8,105,824	32.22	1.47%
18	Hoku	32	1	137,503,800	\$5,284,383	38.43	\$77,652	\$5,362,035	39.00	1.47%
19	Total Special Contracts		4	1,036,552,777	\$35,075,688	33.84	\$515,467	\$35,591,155	34.34	1.47%
20	Total Idaho Retail Sales		477,838	13,481,219,203	\$798,703,131	59.25	\$11,736,912	\$810,440,043	60.12	1.47%

(1) June 1, 2011 - May 31, 2012 Forecasted PCA Test Year

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-04

IDAHO POWER COMPANY

NOE, DI
TESTIMONY

EXHIBIT NO. 2

Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Pension Funding
Filed March 15, 2011

Summary of Revenue Impact

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers (1)	Normalized Energy (kWh) (1)	Current Billed Revenue	Mills Per kWh	Total Adjustments to Billed Revenue	Proposed Total Billed Revenue	Mills Per kWh	Percent Change Billed to Billed Revenue
Uniform Tariff Rates:										
1	Residential Service	1	398,890	4,990,482,967	\$394,209,984	78.99	\$5,475,494	\$399,685,478	80.09	1.39%
2	Master Metered Mobile Home Park	3	22	5,160,634	\$388,537	75.29	\$5,378	\$393,915	76.33	1.38%
3	Residential Service Energy Watch	4	42	741,745	\$57,719	77.82	\$800	\$58,519	78.89	1.39%
4	Residential Service Time-of-Day	5	74	1,175,190	\$91,440	77.81	\$1,270	\$92,710	78.89	1.39%
5	Small General Service	7	28,258	149,738,642	\$14,911,514	99.58	\$208,894	\$15,120,408	100.98	1.40%
6	Large General Service	9	31,067	3,509,395,076	\$198,228,381	56.49	\$2,752,229	\$200,980,610	57.27	1.39%
7	Dusk to Dawn Lighting	15	0	6,562,095	\$1,132,831	172.63	\$16,347	\$1,149,178	175.12	1.44%
8	Large Power Service	19	115	2,059,207,437	\$88,792,784	43.12	\$1,210,487	\$90,003,271	43.71	1.36%
9	Agricultural Irrigation Service	24	16,710	1,679,705,737	\$106,804,816	63.59	\$1,492,561	\$108,297,377	64.47	1.40%
10	Unmetered General Service	40	1,984	16,000,941	\$1,096,581	68.53	\$15,361	\$1,111,942	69.49	1.40%
11	Street Lighting	41	314	23,018,849	\$2,813,736	122.24	\$40,294	\$2,854,030	123.99	1.43%
12	Traffic Control Lighting	42	358	3,477,113	\$168,689	48.51	\$2,330	\$171,019	49.18	1.38%
13	Total Uniform Tariffs		477,834	12,444,666,426	\$808,697,012	64.98	\$11,221,445	\$819,918,457	65.89	1.39%
Special Contracts:										
15	Micron	26	1	466,741,299	\$17,454,039	37.40	\$235,338	\$17,689,377	37.90	1.35%
16	J R Simplot	29	1	180,758,797	\$6,365,029	35.21	\$85,205	\$6,450,234	35.68	1.34%
17	DOE	30	1	251,548,881	\$8,771,875	34.87	\$117,272	\$8,889,147	35.34	1.34%
18	Hoku	32	1	137,503,800	\$5,712,570	41.54	\$77,652	\$5,790,222	42.11	1.36%
19	Total Special Contracts		4	1,036,552,777	\$38,303,513	36.95	\$515,467	\$38,818,980	37.45	1.35%
20	Total Idaho Retail Sales		477,838	13,481,219,203	\$847,000,525	62.83	\$11,736,912	\$858,737,437	63.70	1.39%

(1) June 1, 2011 - May 31, 2012 Forecasted PCA Test Year