

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) **CASE NO. IPC-E-12-21**
ACCOUNTING ORDER REGARDING)
PURPA DELAY DAMAGES) **ORDER NO. 32625**

On July 27, 2012, Idaho Power Company filed an Application requesting an accounting order to address damages it receives as a result of firm energy sales agreements with small power producers. As required by the Public Utility Regulatory Policies Act of 1978 (PURPA) Idaho Power enters into energy sales agreements with qualifying facilities (QFs), which agreements include the Company's right to recover damages if a QF fails to perform its contractual obligations. The Company's Application recognizes that recovery of these damages may occur infrequently, but when it does, Idaho Power requests authority to provide 100% of the recovered funds to customers through the Power Cost Adjustment (PCA) mechanism.

The Company's Application states that it currently is seeking to collect \$200,000 from Yellowstone Power, Inc. as settlement of its failure to produce energy. See Case No. IPC-E-10-22. Similarly, in Case No. IPC-E-10-44, Idaho Power is proposing to collect damages from Hidden Hollow Energy 2, LLC. The Application states that with the resolution of these cases by the Commission, "the Company is compelled to seek authorization regarding the process and accounting to flow the potential collection of these damages back to Idaho Power's customers." Application, p. 2.

Idaho Power proposes to record funds received as liquidated damages by debiting either Federal Energy Regulatory Commission (FERC) Account 143 for funds to be received, or if the funds are already on deposit with the Company, by debiting FERC Account 235 (Customer Deposits) and crediting FERC Account 555 (Purchased Power). The Company would then debit FERC Account 557 (Other Expenses) and credit FERC Account 182.3 (Regulatory Assets/PCA). The affect of these entries would be a direct benefit to the Company's customers as a reduction in net power supply expenses reflected in the annual PCA adjustment.

Idaho Code § 61-524 authorizes the Commission to establish a system of accounts to be kept by public utilities and to prescribe the manner in which such accounts shall be kept. The Commission finds that the proposed accounting for liquidated damages Idaho Power may

recover as result of sales agreements with qualifying facilities is appropriate. The Commission determined to approve the Company's proposed accounting treatment for these damages at its Decision Meeting on August 20, 2012.

ORDER

IT IS HEREBY ORDERED that Idaho Power's Application for an accounting order to account for damages it receives from small energy producers is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd day of August 2012.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Barbara Barrows
Assistant Commission Secretary

O:IPC-E-12-21_ws