

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) **CASE NO. IPC-E-14-08**
ACCOUNTING ORDER)
) **NOTICE OF APPLICATION**
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 33040**

On May 9, 2014, Idaho Power Company filed an Application seeking an accounting order to “flow back \$1,884,406.85 to customers through the [annual] Power Cost Adjustment (“PCA”) mechanism” starting in 2015. Application at 1. Idaho Power and J.R. Simplot Company have entered into a confidential Settlement Agreement regarding the recovery of the utility’s overpayments to Simplot.

BACKGROUND

Simplot operates a PURPA cogeneration facility at its Pocatello plant. In February 2006, Idaho Power and Simplot entered into a Power Purchase Agreement (the “2006 PPA”) whereby Simplot agreed to sell power to the utility over a seven-year period ending on February 28, 2013. See Order No. 30028, Case No. IPC-E-06-03. Under the terms of the 2006 PPA, Simplot was generally required to deliver no less than 90% of the contracted monthly amount of power and no more than 110% of the monthly amount (commonly referred to as the “90-110 performance band”). If Simplot’s delivery of energy was outside of the 90-110 band, then Idaho Power was required to adjust (e.g., lower) the payments to Simplot in those months.

THE APPLICATION

A. Settlement Agreement

Idaho Power asserts that upon termination of the 2006 PPA in February 2013, it “discovered an overpayment [to Simplot] had occurred” during the term of the expired contract. Application at 2. Apparently Idaho Power did not adjust the monthly payments to Simplot for power outside the 90-110 band. The parties subsequently began discussions regarding the recovery of the overpayments made to Simplot. *Id.* As a result of these discussions, Idaho Power and Simplot entered into a confidential Settlement Agreement in February 2014. Under

the terms of the Settlement Agreement, Simplot agreed to repay \$1,564,503.76 of the \$1,884,406.85 that was overpaid to Simplot. *Id.* at ¶ 3. Idaho Power will also repay to customers the unrecovered balance of \$319,903.09 (\$1,884,406.85 - \$1,564,503.76). *Id.* Idaho Power proposes to record the recovery of the overpayments to customers through the annual PCA mechanism.¹ The utility asserts that the recovery of the overpayments “will be a direct benefit to . . . customers in the form of a reduction in net power supply expense.” Application at 3.

The Application contains two attachments: a confidential “Settlement Agreement and Release”; and a “Confidential Summary”² of the Settlement Agreement. The Company maintains that these attachments “contain information that is a trade secret, privileged or confidential as described in *Idaho Code* § 9-340 *et seq.* and § 48-801 *et seq.*” See Certificate of Attorney. The Company has indicated that the confidential attachments will be provided to parties that have signed a Protective Agreement pursuant to Commission Rule 67.04, IDAPA 31.01.01.067.04.

B. Proposed Accounting Treatment

Idaho Power proposes to record recovery of the overpayments by debiting either the Federal Energy Regulatory Commission (FERC) Account No. 143 (Other Accounts Receivable) for funds to be received, or by debiting FERC Account No. 235 (Customer Deposits) and crediting FERC Account No. 555 (Purchased Power) if the funds are already on deposit with the Company.

The Company has proposed, and Staff concurred, that the Application be processed under Modified Procedure pursuant to Commission Rule 201 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified

¹ The Company’s proposed recovery of the overpayments does not affect the current PCA application before the Commission, Case No. IPC-E-14-05.

² The Confidential Summary describes the manner of the proposed recovery.

Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **within twenty-eight (28) days from the service date of this Notice**. The Company shall file a reply (if necessary) **within thirty-five (35) days from the service date of this Order**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Donovan E. Walker
Julia A. Hilton
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: dwalker@idahopower.com
jhilton@idahopower.com

Michael J. Youngblood
Regulatory Dockets
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: myoungblood@idahopower.com
dockets@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at www.puc.idaho.gov. Click the “Case Comment or Question Form” under the “Consumers” tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

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 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.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then 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 specifically *Idaho Code* § 61-524. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

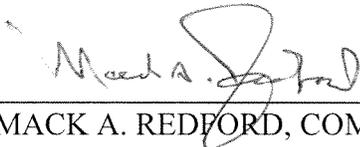
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons shall have 28 days from the service date of this Order to file written comments, and the Company shall have 35 days from service of this Order to file reply comments (if any).

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of May 2014.



PAUL KJELLANDER, PRESIDENT

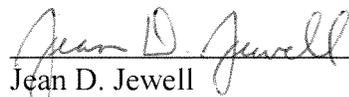


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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