

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE COMMISSION'S)
INQUIRY INTO THE TRUE-UP COMPONENT) CASE NO. IPC-E-14-16
AND DEFERRAL BALANCE FOR IDAHO)
POWER COMPANY'S POWER COST) ORDER NO. 33089
ADJUSTMENT)**

On May 30, 2014, the Commission issued Order No. 33049 in Idaho Power Company's 2014 Power Cost Adjustment (PCA) Case, IPC-E-14-05. The Commission's Order approved the Company's determination of the PCA's forecast and reconciliation components. But the Commission also acknowledged Staff's concern that the Company may have applied the true-up in a way that introduced a line-loss bias that inflated the net power supply expense true-up revenue to be collected by \$14.2 million. The Commission found, however, that the "abbreviated time allotted for the consideration of a PCA case constrains the parties' ability to more thoroughly vet this issue. The Commission thus directed: "that a separate docket be opened to allow Commission Staff, the Company, and other interested persons to hold a workshop to further evaluate the Company's application of the [PCA] true-up [component] and whether a deferral balance adjustment is appropriate." Order No. 33049 at 13.

On July 1, 2014, the Commission opened this docket, set an intervention deadline, and scheduled a July 30, 2014 public workshop for the Company, Staff, and interested persons to further explore these issues. Following the workshop, further proceedings were to be scheduled in the case as needed. *See* Order No. 33067.

The Industrial Customers of Idaho Power (ICIP) intervened in the case, and the workshop occurred. Workshop participants included Commission Staff, the Company, ICIP, Idaho Conservation League, and Snake River Alliance. After the workshop ended, Staff reported to us that: (1) the Company explained how it calculated its base rate and load change adjustment rate for the April 2013 through March 2014 PCA deferral period; (2) the Company's detailed explanation alleviates Staff's concern about how the Company applied the true-up component in the last PCA case; and (3) Staff withdrew its previously recommended adjustment to the PCA deferral balance. Staff thus recommended we close this docket, and noted that Staff would continue to informally meet with the Company and other interested persons to discuss refining the PCA mechanism to make it more accurate and easy to understand. Staff noted that all parties concur in this approach.

COMMISSION FINDINGS

In the Company's last PCA case, Staff's audit confirmed that the Company has a \$58.1 million true-up deferral balance. Staff was concerned, however, that the Company may have misapplied the true-up in a way that inflates that deferral balance. *See* Order No. 33049 at 7. Based on Staff's report in the present case, we find that Staff's concern that the Company may have misapplied the true-up has been alleviated, and that Staff no longer believes the reported deferral balance should be adjusted. Accordingly, we find there is no need to adjust the \$58.1 million true-up deferral balance that was confirmed in the last PCA case, and the present case should be closed.

We appreciate the parties' willingness to continue to meet outside this case to discuss possible ways to make the PCA mechanism more accurate and understandable. Our goal in implementing the PCA was to "ensure the amount recovered is no more or less than the actual power costs paid by the Company." *See* Order No. 30828, Case No. IPC-E-09-11. If the parties' informal discussions lead them to believe the PCA's accuracy can be improved, Staff should advise us of that fact.

ORDER

IT IS HEREBY ORDERED that this case is closed.

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 6th
day of August 2014.



PAUL KJELLANDER, PRESIDENT

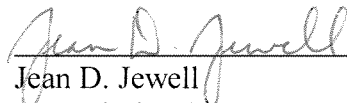


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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