

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER'S) CASE NO. IPC-E-16-06
COMPLIANCE-FILING REQUEST)
FOLLOWING THE COMMISSION'S PRIOR) NOTICE OF APPLICATION
APPROVAL FOR THE COMPANY TO)
EXCHANGE CERTAIN TRANSMISSION) NOTICE OF
ASSETS WITH PACIFICORP) MODIFIED PROCEDURE
)
)
) **ORDER NO. 33500**

In February 2016, Idaho Power Company filed a request for approval of its regulatory accounting documents, intended to comply with the Commission's prior Order authorizing Idaho Power's exchange of certain transmission assets with PacifiCorp dba Rocky Mountain Power and Pacific Power (collectively "PacifiCorp").

BACKGROUND

In December 2014, PacifiCorp and Idaho Power filed a joint Application asking the Commission to approve the exchange of certain transmission assets. Over the past 40 years, the parties have entered into a number of agreements (generally referred to as "Legacy Agreements") through which they jointly own and operate the Jim Bridger power plant and associated transmission assets. In October 2014, the parties entered into a Joint Purchase and Sale Agreement (JPSA) and a Joint Ownership and Operating Agreement (JOOA) to largely replace or amend three prior Legacy Transmission Agreements. The agreements addressed inefficiencies caused by changes in "the regulatory landscape, . . . load growth, and investments in system upgrades" by exchanging assets, and re-allocating ownership interests and operational responsibilities. Application at 2-3 in Case No. IPC-E-14-41.

The "changes in the regulatory landscape" included the "advent of the Federal Energy Regulatory Commission's (FERC) open access policies." Duvall Direct at 4, Case No. PAC-E-14-11. FERC's open access policies were initiated in 1996, under FERC Order No. 888, which required public utilities to provide open access transmission service on a comparable basis to the transmission service they provide themselves (i.e., non-discriminatory access). 61 Fed.Reg. 21540, 21541. Order No. 888 required electric utilities providing transmission services to file an Open Access Transmission Tariff (OATT) with "minimum terms and conditions of non-discriminatory service." *Id.*

The Commission granted the Utilities' Application in June 2015, in Case Nos. IPC-E-14-41 and PAC-E-14-11. Order No. 33313. As part of that Order, the Commission directed the Utilities to establish regulatory deferral accounts for transmission revenues resulting from the transaction and the resulting changes in the Utilities' OATT rates. Although the parties anticipated that the transaction would ultimately result in an increase in Idaho Power's OATT rate, FERC subsequently denied Idaho Power's petition for a one-time adjustment to its transmission formula rate. Application at 5-7, *citing* "OATT Rate Order," 153 FERC § 61,212 (2015). According to Idaho Power, the effect of FERC's Order "will delay the full realization of increased OATT-related revenues resulting from termination of the Legacy Agreements until October 1, 2017." *Id.* at 7.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on February 19, 2016, Idaho Power filed a request, styled as a "Compliance Filing" under Case No. IPC-E-14-41. The Commission accepts the request as an Application, under the new Case No. IPC-E-16-06.

YOU ARE FURTHER NOTIFIED that, in the Application, Idaho Power has provided an updated revenue analysis. Idaho Power states the net result of FERC's Order denying the Company's requested increase in OATT rate is a \$1.1 million decrease in Idaho Power's transmission revenues in 2015, thus creating a regulatory liability balance. Application at 10. Idaho Power anticipates that its total cumulative transmission revenue will decrease over the next three years before turning positive in 2019. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power seeks approval or verification of its regulatory accounting, as required under Commission Order No. 33313, in light of FERC's ruling and the impacts therefrom. The Company is not requesting any rate increase as a result of this filing.

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 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 **by no later than June 9, 2016**. 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	Julia A. Hilton
Idaho Public Utilities Commission	Tim Tatum
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	P.O. Box 70
	Boise, ID 83707
Street Address for Express Mail:	E-Mail: jhilton@idahopower.com
	dockets@idahopower.com
472 W. Washington Street	ttatum@idahopower.com
Boise, ID 83702-5918	

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 the Company may file a reply if necessary, **by no later than June 16, 2016**.

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 and attachments have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and attachments are 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* §§ 61-503, 61-523, and 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.*

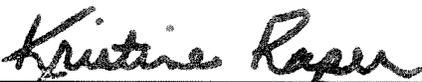
ORDER

IT IS HEREBY ORDERED that Idaho Power's Application be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than June 9, 2016. The Company's reply, if needed, shall be submitted no later than June 16, 2016.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of April 2016.



PAUL KJELLANDER, PRESIDENT

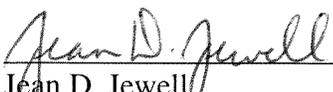


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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