

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF IDAHO POWER COMPANY TO )** **CASE NO. GNR-E-17-02**  
**REVIEW THE SURROGATE AVOIDABLE )**  
**RESOURCE (SAR) METHODOLOGY FOR )**  
**CALCULATING PUBLISHED AVOIDED )** **ORDER NO. 33848**  
**COST RATES )**

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This matter comes before the Commission on the “Expedited Joint Protest and Joint Motion in Opposition to Modified Procedure and Joint Motion to Convene Technical Hearing” (the Joint Motion) filed August 4, 2017, by intervenors Idaho Hydroelectric Power Producers Trust dba Idahydro, Renewable Energy Coalition (REC), the J.R. Simplot Company, and Tamarack Energy Partnership (TEP). After the Joint Motion was filed, Idaho Power, Avista, PacifiCorp dba Rocky Mountain Power, and Staff responded to it. Additionally, Idaho Power’s response included a motion asking the Commission to clarify the scope of the proceeding. Staff’s response to the Joint Motion also responded to Idaho Power’s Motion to Clarify.

Having reviewed the record, including the Joint Motion and the responses to it submitted by the other parties, the Commission issues this Order vacating the comment and reply deadlines in this case, and directing that the case proceed using prefiled testimony and live hearings instead of by Modified Procedure. The Commission’s decision is further explained below.

**BACKGROUND**

In Case No. IPC-E-17-07, the Commission approved Staff’s proposed published avoided cost rates for PURPA contracts. Staff used the Energy Information Administration’s (EIA) Mountain Region forecast to calculate the rates. Idaho Power objected to this and argued that the proposal calculated the rates using the EIA’s Henry Hub forecast should be used. The Commission ultimately treated Idaho Power’s objection as an application to initiate this generic case. *See* Order No. 33773 (Case No. IPC-E-17-07).

On June 8, 2017, the Commission issued a Notice of Application and set a deadline for petitions to intervene in the generic case. Order No. 33778 (Case No. GNR-E-17-02). Avista Corporation, the Idaho Hydroelectric Power Producers Trust dba Idahydro, REC, J.R. Simplot Company, and TEP intervened. *See* Order Nos. 33788, 33794, 33802, 33807, 33809. The

Commission Secretary then issued a Notice of Parties that included Idaho Power, Staff, the intervenors, and PacifiCorp (which is a party by virtue of being one of Idaho's three electric utilities in this generic case).

Following this, the parties conferred and agreed that the sole issue in this generic case is “whether the Commission should use the EIA’s Henry Hub forecast instead of the EIA’s Mountain Region forecast in calculating published avoided cost rates each year.” *See* Order No. 33831 at 1 (Notice of Modified Procedure). The parties disagreed, however, on how to process the case. While Avista, Idaho Power, and Staff proposed to use Modified Procedure, intervenors Simplot and REC believed a technical hearing was necessary. *Id.* at 1-2.

The Commission ultimately declined to schedule a technical hearing, finding instead that the case should be processed by Modified Procedure because:

No party filed a motion asking the Commission to set such a hearing. Rules 202 and 203 of the Commission’s Rules of Procedure, IDAPA 31.01.01.202 and .203, state that “[p]ersons desiring a hearing must specifically request a hearing in their written protests or comments” and state “reasons why modified procedure should not be used. . . .”

Based on our review of the record to date, and absent a written submission by a person or party requesting an alternative, the Commission has preliminarily determined that it is appropriate to review this case through Modified Procedure. This preliminary finding does not preclude future consideration of a technical hearing should a request be submitted.

*Id.* at 1-2. The Commission set a 21-day comment deadline, and a 14-day reply deadline. *Id.* at 4. The Commission also clearly notified all parties that the limited “issue to be decided in this case is whether the Commission should use the EIA’s Henry Hub forecast instead of the EIA’s Mountain Region forecast to calculate published avoided cost rates each year.” *Id.* at 2.

### **THE JOINT MOTION AND RESPONSES**

After the Commission issued its Notice of Modified Procedure, intervenors Simplot, REC, TEP, and Idahydro (the “Movants”) jointly moved the Commission to set aside the Notice of Modified Procedure and schedule a technical hearing. *See* Joint Motion, and Idahydro’s Joinder in [the Joint Motion]. The Movants asked for expedited relief within seven days (i.e., by August 11, 2017) to “prevent premature efforts in preparation of comments that would otherwise be due within 21 days of the Notice of Modified Procedure,” i.e., by August 23, 2017. Joint

Motion at 2. The Movants represented that they made good faith efforts to notify all parties of their expedited request before filing the Joint Motion. *Id.*

The Movants argued, in summary, that “the legal standard for use of Modified Procedure is not met” (*id.* at 3-5), and using “Modified Procedure is not in the public interest” (*id.* at 5-8). Further, if Modified Procedure is used, the existing “21-day comment deadline is inadequate;” instead, there should be at least 45 days to comment (*id.* at 8-9).

Idaho Power, Avista, PacifiCorp, and Commission Staff responded to the Joint Motion. They argued, in summary, as follows.

Idaho Power argued the proceeding’s scope is “properly limited to which subset of the U.S. [EIA] annual energy outlook’s natural gas forecast is appropriate for Idaho Power in the 2017 annual update of SAR published avoided cost rates” (Idaho Power Response at 2-6). However, the “Commission should vacate and close [this generic case] and proceed pursuant to Modified Procedure under the limited scope of Idaho Power’s response and objection to Staff’s use of the Mountain Region Subset of EIA’s annual energy outlook natural case forecast in Case No. IPC-E-17-07” (*id.* at 6-9).

Avista argued the Commission should proceed as specified in the Notice of Modified Procedure; “The issue in this proceeding is clearly defined and the [Joint Motion] should be rejected” (Avista Response at 2-4).

Rocky Mountain Power argued the Commission should proceed as specified in the Notice of Modified Procedure. Rocky Mountain Power respectfully asked “that the Commission deny the Joint Parties request to vacate its Notice of Modified Procedure and to schedule technical hearings in this case. This case is narrowly focused on a single issue that can be addressed through written comments and processed under Modified Procedure” (Rocky Mountain Power Response at 2-3).

Lastly, Commission Staff argued that the “scope of the case [should] be limited to “whether the Commission should use the EIA’s Henry Hub forecast instead of the EIA’s Mountain Region forecast to calculate published avoided cost rates each year” (Staff Response at 3-4). Further, if “the Commission denies Movants’ request to vacate Order No. 33831 (Notice of Modified Procedure),” then “the Commission [should] extend deadlines to 45 days from the date of its order on [the Joint Motion] for comments, and 21 days from the comment deadline for

replies” (*id.*). Last, Staff argued that “[the] Commission [should] deny Idaho Power’s request to vacate this docket” (*id.*).

### **COMMISSION FINDINGS AND DECISION**

Having reviewed the Motions and responses, we find that good cause exists to vacate the comment and reply deadlines set in Order No. 33831, the Notice of Modified Procedure, and to process this case using prefiled testimony and a technical hearing instead of through Modified Procedure. We continue to believe that Modified Procedure could be an appropriate way to process this case. However, we recognize that half of the intervenors joined in the Joint Motion and requested a technical hearing. Because of that broad support for a technical hearing, and considering the variety of positions set forth in the Motions and responses, we find at this time that a technical hearing may better serve the public interest in developing the record for decision in this case. We thus find it reasonable to direct Staff to informally confer with the parties about a schedule, including dates for filing testimony and for a technical hearing, and to report back to the Commission with a proposed schedule.

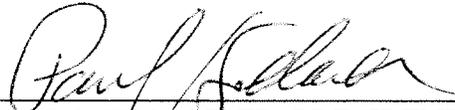
As to the parties debate about the scope of this proceeding, we reiterate that the sole “issue to be decided in this case is whether the Commission should use the EIA’s Henry Hub forecast instead of the EIA’s Mountain Region forecast to calculate published avoided cost rates each year.” Order 33831 at 2.

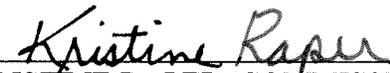
### **ORDER**

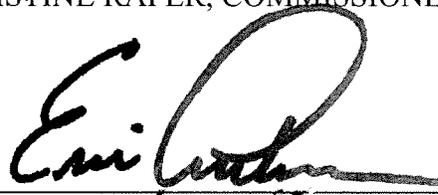
IT IS HEREBY ORDERED that the comment and reply deadlines set in Order No. 33831 are vacated. The Joint Motion is granted, and Idaho Power’s Motion to Clarify is denied, consistent with our discussion above.

IT IS FURTHER ORDERED that Staff shall informally confer with the parties about a schedule, including dates for filing testimony and for a technical hearing, and shall report back to the Commission with a proposed schedule.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22<sup>nd</sup>  
day of August 2017.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

O:GNR-E-17-02\_kk