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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO IMPLEMENT POWER COST ADJUSTMENT ("PCA") RATES FOR ELECTRIC SERVICE FROM JUNE 1, 2020, THROUGH MAY 31, 2021.	)))))))	CASE NO. IPC-E-20-21

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

NICOLE A. BLACKWELL

Q. Please state your name, business address, and present position with Idaho Power Company ("Idaho Power" or "Company").

A. My name is Nicole A. Blackwell. My business address is 1221 West Idaho Street, Boise, Idaho 83702. I am employed by Idaho Power as a Regulatory Analyst in the Regulatory Affairs Department.

Q. Please describe your educational background.

A. In May of 2010, I received Bachelor of Science degrees in Finance and Economics from the University of Idaho. I have also attended "The Basics: Practical Regulatory Training for the Electric Industry," an electric utility ratemaking course offered through New Mexico State University's Center for Public Utilities, "Electric Utility Fundamentals & Insights," an electric utility course offered through the Western Energy Institute, and Edison Electric Institute's "Electric Rates Advanced Course."

Q. Please describe your work experience with Idaho Power.

A. In January 2016, I accepted my current position at Idaho Power as a Regulatory Analyst in the Regulatory Affairs Department. As a Regulatory Analyst, I provide support for the Company's regulatory activities, including compliance reporting, financial analysis, and the development of revenue forecasts for regulatory filings.

Q. How is your testimony organized?

A. My testimony provides quantification of the 2020-2021 PCA forecast amount, discusses additional PCA components related to revenue sharing and tax reform benefits, and quantifies the 2020-2021 PCA rates to become effective June 1, 2020.

I. <u>PCA FORECAST</u>

Q. How is the PCA forecast amount determined?

A. As described in Mr. Tatum's testimony, the PCA forecast component represents the difference between the Company's forecast of net power supply expense ("NPSE") for the upcoming April – March test year and base level NPSE recovered in the Company's base rates.

Q. What is the Company's determination of the system-level difference between currently approved base level NPSE[1] and the forecast of NPSE for the 2020-2021 PCA Year?

A. The system-level forecast of NPSE for the 2020-2021 PCA Year is $426,904,721, which is $121,219,852 higher than the currently approved base level NPSE of $305,684,869. Table 1 below presents the system-level differences between currently approved base level NPSE and

[1] *In the Matter of the Application of Idaho Power Company for Authority to Establish a New Base Level of Net Power Supply Expense,* Case No. IPC-E-13-20, Order No. 33000 (March 21, 2014).

the forecast of NPSE for the 2020-2021 PCA Year by Federal Energy Regulatory Commission account.

Table 1	2020-2021 PCA FORECAST (Total System)			
Line No.	FERC Account	Base NPSE	Forecast	Difference
	95% Sharing Accounts			
1	Account 501, Coal	$ 108,503,180	$ 102,534,012	$ (5,969,168)
2	Account 536, Water for Power	$ 2,380,597	$ 1,500,000	$ (880,597)
3	Account 547, Other Fuel	$ 33,367,563	$ 42,599,268	$ 9,231,705
4	Account 555, Purchased Power Non-PURPA	$ 62,606,593	$ 89,849,920	$ 27,243,327
5	Account 565, 3rd Party Transmission	$ 5,455,955	$ 5,058,450	$ (397,505)
6	Account 447, Surplus Sales	$ (51,735,153)	$ (16,076,860)	$ 35,658,293
		$ 160,578,735	$ 225,464,790	$ 64,886,055
	100% Sharing Accounts			
7	Account 555, PURPA	$ 133,853,869	$ 193,826,319	$ 59,972,450
8	Account 555, Demand Response Incentives	$ 11,252,265	$ 7,613,612	$ (3,638,653)
9	Total	$ 305,684,869	$ 426,904,721	$ 121,219,852

Q. What is the basis for the forecast of NPSE for the 2020-2021 PCA Year?

A. The forecast of NPSE for the 2020-2021 PCA Year is based on the Company’s March 26, 2020, Operating Plan.

Q. How is the NPSE forecast developed for the Company’s Operating Plan?

A. The Operating Plan is prepared monthly and represents a forecast of the Company’s monthly NPSE for the following 18-month period; however, for the PCA, the Company includes only the 12 months that correspond to the PCA Year. The Operating Plan is developed by simulating the dispatch of the Company’s generation resources for each month, segmented by heavy load and light load hours. The dispatch considers a current forecast of forward market energy prices, available hydro generation, coal and natural gas prices, and any existing hedge transactions. The system load forecast is then analyzed against the resulting monthly heavy load and light load dispatch to determine a monthly load and resource balance. Any identified resource deficiency is assumed to be filled with market energy purchases or natural gas to fuel the Langley Gulch power plant ("Langley Gulch"), based on economics and available generating capacity at Langley Gulch. Economically dispatched generation above the system load forecast represents surplus energy sales. The forecast of monthly NPSE and generation for the 2020-2021 PCA Year, as determined in the Company's March 26, 2020, Operating Plan, is provided in Exhibit No. 2.

Q. How are the forecasted NPSE differences presented in Table 1 used to determine the 2020-2021 PCA forecast component to be collected from Idaho customers?

A. The 2020-2021 PCA forecast component to be collected from Idaho customers reflects the Idaho jurisdictional share of the forecasted NPSE differences presented in Table 1, adjusted for the PCA sharing provisions described in Mr. Tatum's testimony. The Idaho jurisdictional share of the forecast NPSE differences is determined by applying a ratio of forecast firm Idaho jurisdictional sales to forecast firm system-level sales to the system-level NPSE differences.

Q. What is the Company's forecast of system-level firm sales and Idaho jurisdictional firm sales for the 2020-2021 PCA Year?

A. The system-level firm sales forecast is 15,039,869 megawatt-hours ("MWh"), with Idaho jurisdictional firm sales of 14,354,874 MWh, or 95.45 percent of the system level.

Q. What is the Company's determination of the 2020-2021 PCA forecast component to be collected from Idaho customers?

A. The 2020-2021 PCA forecast component to be collected from Idaho customers is $112,436,598. Table 2 below presents the determination of the 2020-2021 PCA forecast component by individual PCA expense and revenue category.

Table 2	**2020-2021 PCA FORECAST**			
Line No.	**FERC Account**	**Difference from Base**	**Difference After Sharing**	**Idaho Allocation**
	95% Sharing Accounts	(From Table 1)		
1	Account 501, Coal	$ (5,969,168)	$ (5,670,709)	$ (5,412,435)
2	Account 536, Water for Power	$ (880,597)	$ (836,567)	$ (798,465)
3	Account 547, Other Fuel	$ 9,231,705	$ 8,770,120	$ 8,370,682
4	Account 555, Purchased Power Non-PURPA	$ 27,243,327	$ 25,881,160	$ 24,702,396
5	Account 565, 3rd Party Transmission	$ (397,505)	$ (377,630)	$ (360,430)
6	Account 447, Surplus Sales	$ 35,658,293	$ 33,875,379	$ 32,332,515
		$ 64,886,055	$ 61,641,753	$ 58,834,263
	100% Sharing Accounts			
7	Account 555, PURPA	$ 59,972,450	$ 59,972,450	$ 57,240,988
8	Account 555, Demand Response Incentives	$ (3,638,653)	$ (3,638,653)	$ (3,638,653)
9	Total	$ 121,219,852	$ 117,975,550	$ 112,436,598

Mr. Tatum’s testimony explains how the 2020-2021 PCA forecast amount compares to the 2019-2020 PCA forecast amount currently being collected from Idaho customers.

II. ADDITIONAL PCA RATE ADJUSTMENTS

A. Revenue Sharing.

Q. When was the revenue sharing mechanism originally established?

A. The revenue sharing mechanism was originally established in Case No. IPC-E-09-30 and approved in Order No. 30978, effective for the years 2009-2011. The revenue sharing mechanism was modified and extended for the years 2012-2014 in Order No. 32424 in Case No. IPC-E-11-22, and was again modified and extended for the years 2015-2019 in Order No. 33149 in Case No. IPC-E-14-14.

Q. What are the provisions of the current revenue sharing mechanism?

A. In Case No. IPC-E-14-14, the Company filed a motion to approve a settlement stipulation (“2014 Stipulation”) extending the sharing mechanism, with modifications, through the end of the 2019 fiscal year. The Commission approved the 2014 Stipulation in Order No. 33149.

Per the terms of the 2014 Stipulation, if the Company’s actual year-end Return on Equity (“ROE”) for the Idaho jurisdiction exceeds 10 percent, all amounts up to and including a 10.5 percent ROE will be shared between customers and the Company on a 75 percent and 25 percent basis, respectively, to be provided as a rate reduction to become effective at the time of the subsequent year's PCA. If the Company's Idaho jurisdictional ROE exceeds 10.5 percent, all amounts in excess of 10.5 percent will be shared 50 percent with Idaho customers as a rate reduction to become effective with the subsequent year's PCA, 25 percent will be shared with Idaho customers in the form of an offset to amounts in the Company's pension balancing account, and 25 percent will be apportioned to the Company.

With regard to the amortization of Accumulated Deferred Investment Tax Credits ("ADITC"), the 2014 Stipulation allows the Company to accelerate the amortization of ADITC to achieve a maximum 9.5 percent Idaho jurisdictional ROE if the Company's year-end actual results fall below that amount in any single year between 2015 and 2019. The extension limits total cumulative accelerated amortization of ADITC to $45 million over the 2015-2019 period, with no more than $25 million to be accelerated in a single year.

Q. Have you provided an exhibit that summarizes the terms of the current sharing mechanism?

A. Yes. Exhibit No. 3 contains a graphical depiction of the current sharing mechanism, detailing the various ROE thresholds and sharing provisions.

Q. Did the revenue sharing mechanism result in any action following the 2009-2018 fiscal years?

A. Yes. The Company's earnings in each year from 2011 through 2015, as well as 2018, resulted in revenue sharing with customers totaling $126.2 million, either as a direct rate offset in the PCA or as an offset to amounts that would have otherwise been collected in rates. The Company's earnings in 2016 and 2017 were below the revenue sharing threshold. These amounts are detailed in Table 3 below.

Table 3	2009-2018 Revenue Sharing				
Line No.	Revenue Sharing Component	2009-2011	2012-2014	2015-2018	
1	Available ADITC For Use	$45 Million	$45 Million	$45 Million	
2	ROE Threshold	9.5%	9.5%	10.0%	
3	50-50 Sharing Threshold	10.5%	10.0%	N/A	
4	75-25 Sharing Threshold	N/A	10.5%	10.0%	
5	Customer Benefits ($ Millions):				
6	Reduction to Rates	$27.1	$22.8	$8.2	**Total**
7	Offset to Pension Balancing Account	$20.3	$47.8	$0.0	**2009-2018**
8	**Total**	$47.4	$70.6	$8.2	**$126.2**

Q. Did the Company's year-end 2019 financial results warrant any action related to the existing sharing agreement per the terms of the 2014 Stipulation?

A. No. The Company's year-end 2019 financial results yielded an actual Idaho jurisdictional ROE of 9.8 percent, falling below the 10 percent ROE threshold for revenue sharing, and thus resulting in no revenue sharing with customers.

Q. Did the Company use the same methodology to determine the Idaho jurisdictional 2019 year-end ROE that was used in prior PCA filings?

A. Yes. The methodology used to determine the Company’s Idaho jurisdictional 2019 year-end ROE is consistent with the methodology used for the year-end ROE determinations since the inception of the mechanism.

Q. Do you have an exhibit demonstrating the application of this methodology?

A. Yes. Exhibit No. 4 provides a step-by-step calculation of the Idaho jurisdictional ROE based on year-end 2019 financial results utilizing the Commission-approved methodology from previous PCA filings.

B. <u>Tax Reform Benefits</u>.

Q. Are customers currently receiving tax reform benefits through the PCA?

A. Yes. Pursuant to the settlement stipulation approved by Order No. 34071 in Case No. GNR-U-18-01 (“Tax Stipulation”), Idaho Power included $2,680,957 in tax savings associated with the federal Tax Cuts and Jobs Act of 2017 (“TCJA”) as a credit to customers through the Earnings Sharing component of the PCA for June 1, 2019, through May 31, 2020.

Q. Will customers continue to receive a tax reform benefit through this year’s PCA?

A. No. Per the terms of the Tax Stipulation, beginning June 1, 2020, this credit to the PCA will be reduced to zero.[2] As a result, the impact to billed revenue is an increase of $2,680,957.

Q. Why are the tax reform benefits being reduced to zero for this year's PCA?

A. Per the terms of the Tax Stipulation, parties agreed that customers would receive a short-term rate reduction associated with the regulatory lag embedded in the Company's Open Access Transmission Tariff ("OATT") formula rate. Because the OATT is calculated on a historical basis, it would take approximately two years for tax savings resulting from the TCJA to be fully reflected in OATT rates. Parties agreed in the Tax Stipulation that tax benefits that would eventually be passed through to OATT customers would be applied to retail rates in the interim. This interim period has ended. Therefore, tax savings resulting from the TCJA will be fully reflected in OATT rates and will be transitioned out of the PCA beginning June 1, 2020.

III. PCA RATE DETERMINATION

Q. How is the rate for the forecast portion of the PCA for April 2020 through March 2021 determined?

A. The rate for the forecast portion of the PCA is equal to the sum of (1) 95 percent of the difference

[2] *In the Matter of the Investigation into the Impact of Federal Tax Code Revisions on Utility Costs and Ratemaking*, Case No. GNR-U-18-01, Order No. 34071, page 3 (May 31, 2018).

between the non-Public Utility Regulatory Policies Act of 1978 ("PURPA") expenses quantified in the Operating Plan and those quantified in the Company's last approved update of NPSE, divided by the Company's forecast of system firm sales for June 1, 2020, through May 31, 2021 ("System-level Sales Forecast"), and (2) 100 percent of the difference between PURPA-related expenses quantified in the Operating Plan and those quantified in the Company's last approved update of NPSE, divided by the Company's System-level Sales Forecast, and (3) 100 percent of the difference between the Idaho jurisdictional demand response incentive payments quantified in the Operating Plan and those quantified in the Company's last approved update of NPSE, divided by the forecast of Idaho jurisdictional firm sales for June 1, 2020, through May 31, 2021.

Q. What is the rate for the forecast portion of the PCA for April 2020 through March 2021?

A. The rate for non-PURPA expenses is 0.4099 cents per kilowatt-hour ("kWh"), which is calculated by multiplying $64,886,055 from Table 1 by 95 percent and then dividing it by the System-level Sales Forecast of 15,039,869 MWh (($64,886,055 * 0.95) / 15,039,869) = $4.099/MWh = 0.4099 cents/kWh). The rate for PURPA expenses is 0.3988 cents per kWh, which is calculated by dividing $59,972,450 from Table 1 by the 15,039,869 MWh

($59,972,450 / 15,039,869 MWh = $3.988/MWh = 0.3988 cents/kWh). The rate for demand response incentive payments is a negative 0.0253 cents per kWh, which is calculated by dividing the negative $3,638,653 from Table 1 by the forecast of Idaho jurisdictional firm sales of 14,354,874 MWh (-$3,638,653 / 14,354,874 MWh = -$0.253/MWh = -0.0253 cents/kWh). The forecast portion of the PCA rate is 0.7833 cents per kWh, which is calculated by adding the non-PURPA expense of 0.4099 cents per kWh to the PURPA expense of 0.3988 cents per kWh to the demand response incentive payment of negative 0.0253 cents per kWh (0.4099 + 0.3988 + -0.0253 = 0.7833 cents/kWh).

Q. How did you compute this year's True-up rate?

A. As discussed in Mr. Tatum's testimony, this year's True-up component of the PCA is approximately negative $31.9 million, which, when divided by the Company's forecast of Idaho jurisdictional sales of 14,354,874 MWh, results in a rate of negative 0.2220 cents per kWh (-$31,869,646 / 14,354,874 = -$2.220/MWh = -0.2220 cents/kWh).

The True-up of the True-up rate is calculated by dividing negative $10,778,801 (also discussed in Mr. Tatum's testimony) by the forecast of Idaho jurisdictional sales of 14,354,874 MWh, which results in a rate of negative 0.0751 cents per kWh (-$10,778,801 / 14,354,874 = -$0.751/MWh = -0.0751 cents/kWh).

Q. What is the resulting PCA rate when you combine all the PCA components described previously?

A. The uniform PCA rate comprises (1) the 0.7833 cents per kWh for the 2020-2021 projected power cost of serving firm loads under the current PCA methodology and 95 percent sharing, (2) the negative 0.2220 cents per kWh for the 2019-2020 True-up portion of the PCA, and (3) the negative 0.0751 cents per kWh for the True-up of the True-up. The sum of these three components is a 0.4862 cents per kWh charge for all rate classes.

Q. What is the total PCA collection that would result under the 2020-2021 PCA rates proposed by the Company in this case?

A. The total PCA collection that would result under the 2020-2021 PCA rates proposed in this case is $69.8 million. If approved, the 2020-2021 PCA rates will result in an increase in total billed revenue of approximately $58.7 million, or 5.21 percent.

Q. Does this conclude your testimony?

A. Yes, it does.

DECLARATION OF NICOLE A. BLACKWELL

I, Nicole A. Blackwell, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Nicole A. Blackwell. I am employed by Idaho Power Company as a Regulatory Analyst in the Regulatory Affairs Department.

2. On behalf of Idaho Power, I present this pre-filed direct testimony and Exhibit Nos. 2-4 in this matter.

3. To the best of my knowledge, my pre-filed direct testimony and exhibits are true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 15th day of April 2020, at Boise, Idaho.

Signed: ______________________
Nicole A. Blackwell

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-20-21

IDAHO POWER COMPANY

BLACKWELL, DI TESTIMONY

EXHIBIT NO. 2

IDAHO POWER PCA FORECAST
APRIL 1, 2020 - MARCH 31, 2021

Line No.	FERC Account	April	May	June	July	August	September	October	November	December	January	February	March	Annual
	95% Sharing Accounts													
1	**Hydroelectric Generation (MWh)**	1,040,241	892,665	830,550	561,326	478,233	475,229	471,460	384,668	444,890	512,157	476,827	773,472	7,341,717
	Account 536, Water for Power													
2	Total Expense	$ -	$ -	$ -	$ 1,500,000	$ -	$ -	$ -	$ -	$ 0	$ -	$ -	$ -	$ 1,500,000
	Account 501, Coal													
	Boardman													
3	Energy (MWh)	-	-	9,979	36,053	36,053	22,106	-	-	-	-	-	-	104,191
4	Total Expense	$ 13,557	$ 13,557	$ 239,881	$ 833,945	$ 838,328	$ 526,541	$ 13,557	$ 13,557	$ 13,557	$ -	$ -	$ -	$ 2,506,482
	Bridger													
5	Energy (MWh)	144,160	147,920	206,480	271,960	311,171	172,400	183,980	197,868	379,775	317,459	188,300	178,580	2,700,051
6	Total Expense	$ 4,739,817	$ 4,879,979	$ 6,726,140	$ 8,871,007	$ 10,200,174	$ 5,804,103	$ 6,243,157	$ 6,753,014	$ 12,837,625	$ 10,810,622	$ 6,503,348	$ 6,169,172	$ 90,538,157
	Valmy													
7	Energy (MWh)	-	-	49,680	51,336	66,896	-	-	-	-	-	-	-	167,912
8	Total Expense	$ 250,000	$ 250,000	$ 2,168,691	$ 2,232,662	$ 2,838,020	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 9,489,373
	Account 547, Other Fuel													
	Langley Gulch													
9	Energy (MWh)	-	109,600	115,360	198,800	199,216	196,720	-	204,145	214,992	215,136	191,328	207,625	1,852,922
10	Total Expense	$ 379,598	$ 1,475,393	$ 1,647,641	$ 3,517,258	$ 3,679,112	$ 3,375,983	$ 391,449	$ 3,974,887	$ 4,816,390	$ 5,157,983	$ 3,821,030	$ 3,702,060	$ 35,938,784
	Danskin													
11	Energy (MWh)	-	-	-	87,576	17,048	16,000	-	-	-	-	-	-	120,624
12	Total Expense	$ 182,118	$ 188,399	$ 181,754	$ 2,675,656	$ 696,606	$ 540,633	$ 188,399	$ 181,754	$ 188,399	$ 188,575	$ 168,589	$ 188,575	$ 5,569,457
	Bennett Mountain													
13	Energy (MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Total Expense	$ 89,700	$ 92,794	$ 89,521	$ 92,794	$ 92,794	$ 89,521	$ 92,794	$ 89,521	$ 92,794	$ 92,880	$ 83,036	$ 92,880	$ 1,091,026
	Account 555, Purchased Power Non-PURPA													
15	Energy (MWh)	39,797	73,134	142,362	297,973	333,371	193,674	279,982	191,770	184,456	184,680	136,194	38,062	2,095,454
16	Total Expense	$ 2,831,626	$ 2,623,456	$ 4,294,380	$ 10,108,472	$ 13,194,949	$ 8,097,322	$ 9,949,149	$ 9,129,641	$ 10,525,609	$ 9,182,890	$ 6,943,438	$ 2,968,987	$ 89,849,920
	Account 565, 3rd Party Transmission													
17	Total Expense	$ 346,272	$ 281,137	$ 589,891	$ 801,716	$ 760,479	$ 466,953	$ 492,503	$ 274,571	$ 251,301	$ 261,870	$ 259,540	$ 272,217	$ 5,058,450
	Account 447, Surplus Sales													
18	Energy (MWh)	418,081	235,856	118,963	-	-	16,000	-	-	-	-	1,822	271,355	1,062,077
19	Total Expense	$ (5,591,471)	$ (2,657,553)	$ (1,777,923)	$ -	$ -	$ (408,000)	$ -	$ -	$ -	$ -	$ (56,608)	$ (5,585,305)	$ (16,076,860)
	100% Sharing Accounts													
	Account 555, PURPA													
20	Energy (MWh)	301,016	294,946	313,541	300,001	282,053	241,496	226,416	200,971	185,330	188,369	204,883	237,532	2,976,554
21	Total Expense	$ 14,618,549	$ 13,884,141	$ 19,912,913	$ 22,026,372	$ 21,115,698	$ 15,646,170	$ 14,811,970	$ 16,277,824	$ 15,425,548	$ 13,492,199	$ 14,452,604	$ 12,162,331	$ 193,826,319
	Account 555, Demand Response Incentives													
22	Total Expense	$ -	$ -	$ 280,500	$ 2,937,960	$ 3,068,678	$ 1,292,814	$ 33,660	$ -	$ -	$ -	$ -	$ -	$ 7,613,612
23	**Total Net Power Supply Expense**	$ 17,859,767	$ 21,031,304	$ 34,353,389	$ 55,597,843	$ 56,484,837	$ 35,682,039	$ 32,466,638	$ 36,944,769	$ 44,401,222	$ 39,437,018	$ 32,424,977	$ 20,220,918	**$ 426,904,721**
24	Total Generation (MWh)	1,525,215	1,518,264	1,667,952	1,805,025	1,724,040	1,317,624	1,161,838	1,179,421	1,409,442	1,417,801	1,197,531	1,435,271	17,359,425
25	Total Load (MWh)	1,107,134	1,282,409	1,548,989	1,805,025	1,724,040	1,301,624	1,161,838	1,179,421	1,409,442	1,417,801	1,195,709	1,163,916	16,297,349

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

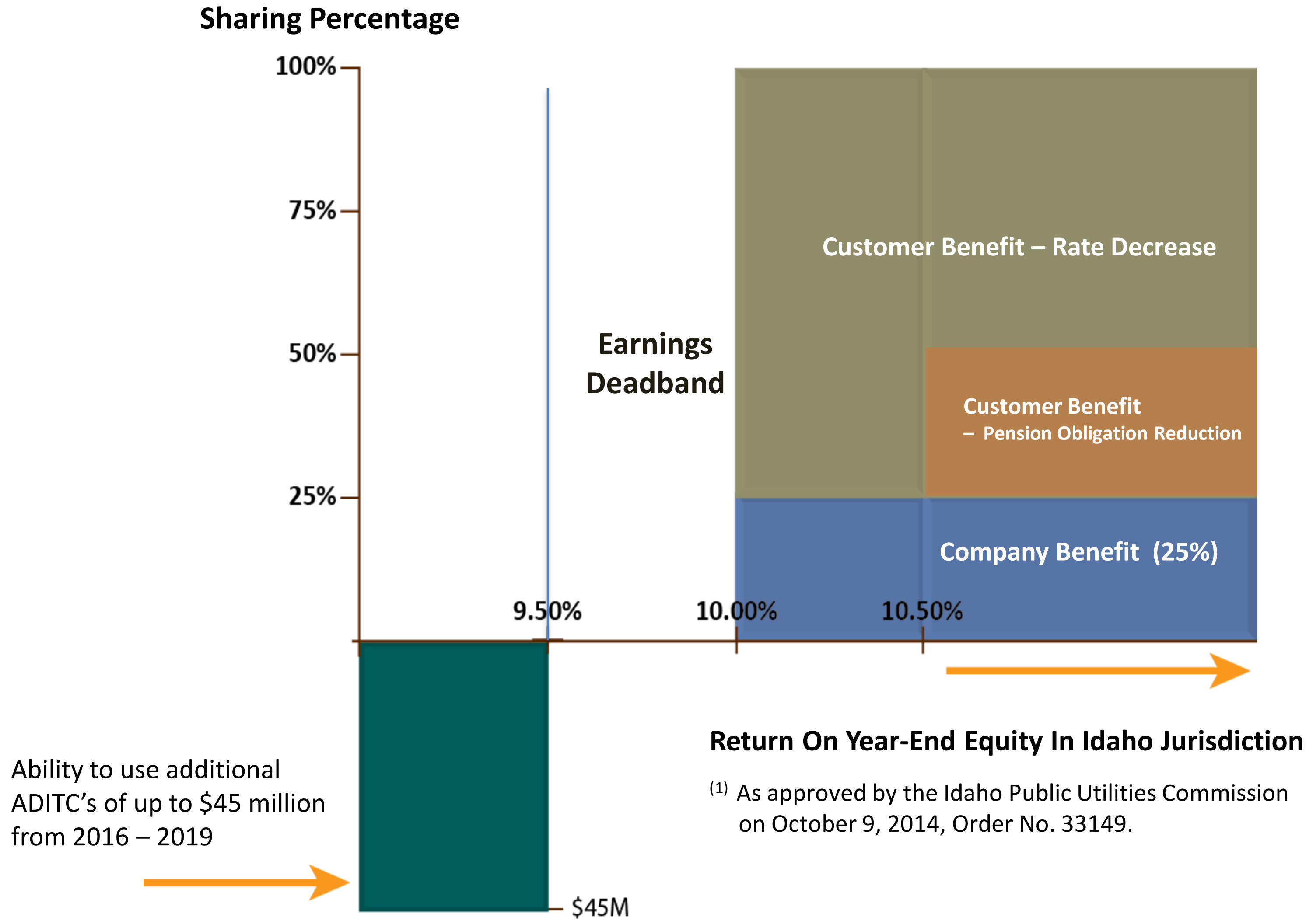
CASE NO. IPC-E-20-21

IDAHO POWER COMPANY

BLACKWELL, DI
TESTIMONY

EXHIBIT NO. 3

Revenue Sharing/ADITC Settlement 2015-2019[(1)]



(1) As approved by the Idaho Public Utilities Commission on October 9, 2014, Order No. 33149.

ADITC—Accumulated Deferred Investment Tax Credits

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-20-21

IDAHO POWER COMPANY

BLACKWELL, DI TESTIMONY

EXHIBIT NO. 4

IDAHO POWER COMPANY

ADDITIONAL INVESTMENT TAX CREDIT ANALYSIS
For the Twelve Months Ended December 31, 2019

Line		Actual September 30, 2019			Actual December 31, 2019		
		TOTAL SYSTEM	IDAHO	IDAHO %	TOTAL SYSTEM	IDAHO	IDAHO %
9	**** * * SUMMARY OF RESULTS * * ****						
10	TOTAL COMBINED RATE BASE	3,450,267,867	3,306,302,492	95.8%	September Allocations/Ratios		
12	DEVELOPMENT OF NET INCOME						
13	OPERATING REVENUES						
14	RETAIL SALES REVENUES (Incl 449.1 Rev)	876,922,193	837,369,834	Direct Assign	1,130,610,828	1,078,620,003	Direct Assign
15	OTHER OPERATING REVENUES	170,723,811	162,834,273	95.4%	208,415,969	198,784,590	95.4%
16	TOTAL OPERATING REVENUES	1,047,646,004	1,000,204,107		1,339,026,797	1,277,404,593	
18	OPERATING EXPENSES						
19	OPERATION & MAINTENANCE EXPENSES	652,997,716	623,072,417	95.4%	839,892,687	801,402,445	95.4%
20	DEPRECIATION EXPENSE	119,623,897	114,634,234	95.8%	160,712,358	154,008,845	95.8%
21	AMORTIZATION OF LIMITED TERM PLANT	5,165,262	4,952,039	95.9%	6,900,068	6,615,232	95.9%
22	TAXES OTHER THAN INCOME	27,064,120	25,216,636	93.2%	34,045,010	31,720,989	93.2%
23	REGULATORY DEBITS/CREDITS	984,502	806,515	81.9%	1,312,670	1,075,354	81.9%
24	PROVISION FOR DEFERRED INCOME TAXES	(5,291,665)	(5,074,157)	95.9%	10,407,226	9,979,448	95.9%
25	INVESTMENT TAX CREDIT ADJUSTMENT	5,813,032	5,571,695	95.8%	2,016,034	1,932,335	95.8%
26	FEDERAL INCOME TAXES	20,949,176	20,045,565	95.7%	18,660,529	17,855,636	95.7%
27	STATE INCOME TAXES	6,009,129	5,742,878	95.6%	(4,663,949)	(4,457,300)	95.6%
28	TOTAL OPERATING EXPENSES	833,315,168	794,967,822		1,069,282,635	1,020,132,983	
30	OPERATING INCOME	214,330,836	205,236,285		269,744,162	257,271,609	
31	ADD: IERCO OPERATING INCOME	6,116,900	5,833,615	95.4%	8,489,145	8,095,997	95.4%
33	OPERATING INCOME BEFORE OTHER INCOME AND DEDUCTION	220,447,736	211,069,900		278,233,308	265,367,606	95.4%
34	ADD: AFUDC EQUITY				27,112,279	25,980,996	95.8% (L 10)
35	ADD: OTHER INCOME AND DEDUCTIONS				5,791,096	5,523,311	95.4% (L 33)
37	INCOME BEFORE INTEREST CHARGES				311,136,682	296,871,913	
38	LESS: INTEREST CHARGES				86,699,860	83,082,234	95.8% (L 10)
40	NET INCOME				224,436,822	213,789,679	
42	ACTUAL YEAR-END RESULTS - BEFORE ITC ADJUSTMENT						
43	EARNINGS ON COMMON STOCK				224,436,822	213,789,679	
44	COMMON EQUITY AT YEAR END				2,275,558,405	2,180,608,786	95.8% (L10)
46	RETURN ON YEAR-END COMMON EQUITY				9.86%	9.80%	
48	EARNINGS ON COMMON STOCK @ 9.50 ROE				216,178,048	**207,157,835**	(L44 * 9.5%)
49	EARNINGS ON COMMON STOCK @ 10 ROE				227,555,840	**218,060,879**	(L44 * 10%)
50	EARNINGS ON COMMON STOCK @ 10.50 ROE				238,933,633	**228,963,922**	(L44 * 10.5%)
53	ACTUAL YEAR-END RESULTS - AFTER ITC ADJUSTMENT:						
54	INVESTMENT TAX CREDIT ADJUSTMENT					(7,328,005)	(L48-L43) / (1-9.5%)
55	ADJUSTED EARNINGS ON COMMON STOCK					206,461,674	
56	ADJUSTED COMMON EQUITY AT YEAR-END					2,173,280,780	
57	ADJUSTED RETURN ON YEAR-END COMMON EQUITY					9.50%	
59	**IF IDAHO RETURN ON COMMON EQUITY (Line 46) <9.5%**						
60	ADDITIONAL ITC ADJUSTMENT (Annualized)	If L 54 is negative, then 0; if positive, then smaller of L54 or $25,000,000				0	
62	**IF IDAHO RETURN ON COMMON EQUITY (Line 46) >10%**						
63	IDAHO EARNINGS GREATER THAN 10% ROE BUT LESS THAN 10.5%					0	(L43-L49)/(1-10%)
65	**IF IDAHO RETURN ON COMMON EQUITY (Line 46) >10.5%**						
66	INCREMENTAL IDAHO EARNINGS GREATER THAN 10.50% ROE					0	(L43-L50)/(1-10.5%)
68	**Per Order #33149:**					After Tax	Tax Gross Up
69	ROE between 10%-10.5% --CUSTOMER SHARE - 75% (Reduction to rates)					0	-
70	ROE between 10%-10.5% --COMPANY SHARE - 25%					0	
71	ROE greater than 10.5% (Incremental) -- CUSTOMER SHARE - 50% (Reduction to rates)					0	-
	ROE greater than 10.5% (Incremental) -- CUSTOMER SHARE - 25% (Offset to Pension balance)					0	-
72	ROE greater than 10.5% (Incremental) --COMPANY SHARE - 25%					0	
73						0	

Exhibit No. 4
Case No. IPC-E-20-21
N. Blackwell, IPC