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IDAHO PUBLIC
UTILITIES COMMISSION

NATHAN F. GARDINER
Senior Counsel
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April 15, 2021

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-21-10
2021-2022 Power Cost Adjustment – Idaho Power Company's Application
and Testimony

Dear Ms. Noriyuki:

Attached for electronic filing per Order No. 34781, is Idaho Power Company's Application, as well as Direct Testimony of Nicole A. Blackwell, including Exhibit Nos. 1-3 (also attached in Excel format). Also attached are Idaho Power Company's press release, customer notice, and direct mail postcard.

Very truly yours,

Nathan F. Gardiner

NFG:slb
Attachments

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Idaho Power Company
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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| | | |
|----------------------------------|---|----------------------|
| IN THE MATTER OF THE APPLICATION |) | |
| OF IDAHO POWER COMPANY FOR |) | CASE NO. IPC-E-21-10 |
| AUTHORITY TO IMPLEMENT POWER |) | |
| COST ADJUSTMENT ("PCA") RATES |) | APPLICATION |
| FOR ELECTRIC SERVICE FROM JUNE |) | |
| 1, 2021, THROUGH MAY 31, 2022. |) | |
| |) | |

Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* § 61-502 and RP 052, hereby respectfully requests the Idaho Public Utilities Commission ("Commission") approve an update to Schedule 55 based on the quantification of the 2021-2022 Power Cost Adjustment ("PCA") to become effective June 1, 2021, for the period June 1, 2021, through May 31, 2022. If the proposed rates and charges for electric service in the state of Idaho included as Attachment 1 to this Application are approved, the 2021-2022 PCA will result in an overall revenue increase of approximately \$39.1 million, or a 3.36 percent increase from current billed revenue.

In support of this Application, Idaho Power has filed the Direct Testimony of Nicole A. Blackwell, Regulatory Consultant. Ms. Blackwell's testimony details the 2021-2022 PCA amount, explains the factors that impact this year's PCA quantification, details the calculation of the proposed 2021-2022 PCA rates, and discusses the additional PCA component related to revenue sharing.

I. BACKGROUND

1. Idaho Power is an Idaho corporation whose principal place of business is 1221 West Idaho Street, Boise, Idaho 83702.

2. Idaho Power is a public utility supplying retail electric service to more than 580,000 customers in southern Idaho and eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission in Idaho and to the jurisdiction of the Public Utility Commission of Oregon. Idaho Power is also subject to the jurisdiction of the Federal Energy Regulatory Commission.

3. On March 29, 1993, by Order No. 24806 issued in Case No. IPC-E-92-25, the Commission approved the implementation of an annual power cost adjustment procedure in order to provide consistency and stability to rates. The PCA is a cost recovery mechanism that passes on both the benefits and costs of supplying energy to Idaho Power customers. Neither Idaho Power or its shareholders receive any financial return on this filing – money collected from the surcharge can be used only to pay power supply expenses.

4. On January 9, 2009, by Order No. 30715 issued in Case No. IPC-E-08-19, the Commission approved certain changes to the PCA mechanism, including a 95 percent/5 percent sharing mechanism between customers and the Company. Order No.

30715 also approved changes to the Load Growth Adjustment Rate (“LGAR”), third-party transmission expense, the PCA forecast, and power supply expense distribution.

5. On January 13, 2010, the Commission issued Order No. 30978 in Case No. IPC-E-09-30, approving the settlement stipulation filed in lieu of a general rate case. Through this stipulation, a revenue sharing mechanism was established to allow the Company to accelerate the amortization of accumulated deferred investment tax credits if the Company’s actual Idaho jurisdictional year-end Return on Equity (“ROE”) fell below 9.5 percent in any fiscal year from 2009 through 2011. This mechanism also included a provision for revenue sharing if the Company’s actual Idaho jurisdictional year-end ROE exceeded 10.5 percent in any year during the same three-year period. Per the terms of the stipulation, 50 percent of the Idaho jurisdictional year-end ROE in excess of 10.5 percent was to be shared with customers in the form of a rate reduction.

6. On March 15, 2011, the Commission issued Order No. 32206 in Case No. GNR-E-10-03 adopting a revised LGAR methodology and changing the name of the methodology to the Load Change Adjustment Rate (“LCAR”).

7. On December 27, 2011, the Commission issued Order No. 32424 in Case No. IPC-E-11-22 approving a settlement stipulation filed on December 12, 2011, extending the revenue sharing mechanism through 2014 and modifying portions of the previous accounting order. More specifically, Order No. 32424 approved modifications to the sharing portion of the mechanism, which allowed for greater customer benefits. First, for actual year-end Idaho jurisdictional earnings greater than a 10 percent ROE, up to and including 10.5 percent in any year from 2012 through 2014, the earnings would be shared equally between Idaho customers and the Company. The customer revenue

sharing benefit would be in the form of a reduction to rates at the same time as the PCA becomes effective. This modification provided customers an additional 25 basis points of sharing potential. Second, Idaho earnings above a 10.5 percent ROE would also be shared, with customers receiving 75 percent of the earnings applied as an offset to the Company's pension balancing account.

8. On October 9, 2014, the Commission issued Order No. 33149 in Case No. IPC-E-14-14 approving the settlement stipulation filed on September 3, 2014, extending the revenue sharing mechanism through 2019 and modifying portions of the previous accounting order. More specifically, Order No. 33149 approved modifications to the sharing mechanism to reflect adjustments to the various sharing thresholds, as well as the method by which shared amounts would be provided to customers. First, for actual year-end Idaho jurisdictional earnings greater than 10 percent ROE, up to and including 10.5 percent in any year from 2015 through 2019, the earnings will be shared between customers and the Company on a 75 percent and 25 percent basis, respectively. The customer revenue sharing benefit will be in the form of a reduction to rates at the same time as the PCA becomes effective. Second, Idaho earnings above a 10.5 percent ROE will also be shared, with customers receiving 50 percent of the earnings in the form of a reduction to rates at the same time as the PCA becomes effective, as well as 25 percent of the earnings applied as an offset to the Company's pension balancing account, with the Company retaining the remaining 25 percent.

9. On May 28, 2015, the Commission issued Order No. 33307 in Case No. IPC-E-15-15 converting the LCAR to a Sales Based Adjustment ("SBA") rate, as well as modifying the PCA deferral balance's monthly interest calculation. Per Order No. 33307,

the SBA rate is calculated in the same manner as the LCAR, with the only modification being the replacement of the load-based megawatt-hour (“MWh”) denominator with the corresponding sales-based MWh denominator. Second, the Order required the Company to calculate monthly interest on the deferral balance by assigning annual base Net Power Supply Expense (“NPSE”) to each month according to expected base rate revenue collection as set in the Company’s last general rate case, Case No. IPC-E-11-08.

10. On May 31, 2018, the Commission issued Order No. 34071 in Case No. GNR-U-18-01 approving the settlement stipulation filed on April 12, 2018, extending the revenue sharing mechanism indefinitely and modifying portions of the previous accounting order. More specifically, Order No. 34071 approved modifications to the sharing portion of the mechanism, which allowed for greater customer benefits. First, for actual year-end Idaho jurisdictional earnings greater than 10 percent ROE, all amounts up to and including 10.5 percent ROE will be shared between customers and the Company on an 80 percent and 20 percent basis, respectively. The customer revenue sharing benefit will be in the form of a reduction to rates at the time the subsequent year’s PCA becomes effective. Second, Idaho earnings above a 10.5 percent ROE will also be shared, with customers receiving 55 percent of the earnings in the form of a reduction to rates at the time the subsequent year’s PCA becomes effective, as well as 25 percent of the earnings applied as an offset to the Company’s pension balancing account, with the Company retaining the remaining 20 percent.

II. 2021-2022 PCA CALCULATION

11. The PCA is a rate mechanism that quantifies and tracks annual differences between actual NPSE and the normalized or “base level” of NPSE recovered in the

Company's base rates for recovery or credit through an annual rate change on June 1. The PCA is also the rate mechanism used by the Company to provide direct revenue sharing benefits resulting from the revenue sharing mechanism approved in Order No. 34071.

12. The PCA mechanism utilizes a 12-month test period of April through March ("PCA Year") and consists of a forecast component and a true-up component ("True-Up"). The PCA forecast component is based on the Company's March Operating Plan and represents the difference between the NPSE forecast in the March Operating Plan and the base level NPSE recovered in the Company's base rates. The True-Up compares actual PCA account results to actual NPSE collections for the prior PCA year. The PCA True-Up contains a second component that tracks the collection of the prior year's True-Up amount, referred to as the "True-Up of the True-Up."

13. With the exception of Public Utility Regulatory Policies Act of 1978 ("PURPA") expenses and demand response incentive costs, the PCA allows the Company to pass through to Idaho customers 95 percent of the annual differences in actual NPSE as compared to the base level NPSE, whether positive or negative.

14. Forecast. The testimony of Ms. Blackwell describes and computes the PCA rate to be effective June 1, 2021, through May 31, 2022. The system-level forecast of NPSE for the 2021-2022 PCA Year is \$442,357,407, which is \$136,672,538 higher than the currently approved base level NPSE of \$305,684,869. The 2021-2022 PCA forecast component to be collected from Idaho customers is \$126,944,108. As described in the testimony of Ms. Blackwell, the system-level forecast of NPSE for the 2021-2022 PCA Year is \$15,452,686 higher than last year's forecast amount of \$426,904,721. This year,

due to an expected reduction in hydro generation, the Company expects to increase thermal generation for load service. Additionally, the Company expects an increase in PURPA generation and expense, a must-take resource. The Company anticipates that market purchases of power will decrease due to higher market energy prices.

15. True-Up. In addition to the NPSE incurred during the April 2020 through March 2021 period, Idaho Power included its actual cost of Western Energy Imbalance Market ("EIM") participation for April 2020 through March 2021 in the True-Up as approved by Commission Order No. 34100. Benefits associated with EIM participation are embedded in actual NPSE experienced over that same period.

16. The True-Up deferral balance at the end of March 2021, with interest applied, was approximately negative \$22.1 million. This credit to customers was largely driven by an increase in market energy prices, which resulted in increased dispatch of thermal generation for economic surplus sales.

17. True-Up of the True-Up. In the True-Up of the True-Up, the Company under collected last year's PCA True-Up balance by approximately \$4.5 million. The 2020-2021 combined PCA True-Up credit balance of \$17.6 million is approximately \$25.3 million less than the credit customers are currently receiving through the 2019-2020 combined PCA True-Up.

18. Combined Uniform PCA Rate. The Company's uniform PCA rate for the 2021-2022 PCA Year is comprised of (1) the 0.8793 cents per kilowatt-hour ("kWh") adjustment for the 2021-2022 projected power cost of serving firm loads under the current PCA methodology and 95 percent sharing, (2) the negative 0.1535 cents per kWh for the 2020-2021 True-Up portion of the PCA, and (3) the 0.0313 cents per kWh for the True-

Up of the True-Up. The sum of these three components results in an approximate 0.7571 cents per kWh charge for all rate classes.

III. ADDITIONAL RATE ADJUSTMENTS

19. Revenue Sharing. The Company's earnings in each year from 2011 through 2015, as well as 2018, resulted in revenue sharing with Idaho 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, 2017 and 2019 were below the revenue sharing threshold. As described in greater detail in the direct testimony of Ms. Blackwell, the Company's 2020 Idaho jurisdictional year-end ROE was 9.98 percent. In accordance with the terms of the modified revenue sharing mechanism approved by Order No. 34071, the Company's Idaho jurisdictional year-end ROE was below the 10.0 percent ROE threshold for revenue sharing. Therefore, the 2021-2022 PCA will not include a revenue sharing component.

IV. CUMULATIVE PROPOSED JUNE 1, 2021, RATE CHANGES

20. The 2021-2022 total PCA amount, as measured from the currently approved base level NPSE, including the revenue sharing provision, is \$109.3 million. This represents an increase in total billed revenue of \$39.1 million, an increase of 3.36 percent, for Idaho customers, effective June 2021 through May 2022.

21. On March 15, 2021, Idaho Power filed its annual Fixed Cost Adjustment ("FCA") in Case No. IPC-E-21-03. The Company's 2020 FCA filing proposes a \$2.1 million increase in current billed revenue, or a 0.38 percent increase, for Idaho Residential and Small General Service customers, effective June 2021 through May 2022.

22. Combined Effect of the PCA and FCA Filings. If the proposed PCA and FCA rate changes are approved as filed, the combined impact is an overall increase in current billed revenue of \$41.2 million, or 3.55 percent, for June 2021 through May 2022.

23. Attachment 1 to this Application is Idaho Power's proposed IPUC No. 29, Tariff No. 101, in both clean and legislative formats, which contains the tariff sheets specifying the proposed Schedule 55 rates for providing retail electric service to its customers in the state of Idaho for June 1, 2021, through May 31, 2022.

24. Attachment 2 to this Application contains a summary of revenue impact showing the effect to each customer class of applying the Company's proposed PCA rates that collect \$39.1 million more, from June 2021 through May 2022, than the PCA rates currently in effect.

V. MODIFIED PROCEDURE

25. Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony and support the Application in such hearing.

VI. COMMUNICATIONS AND SERVICE OF PLEADINGS

26. In conformance with RP 125, this Application will be brought to the attention of Idaho Power's customers by means of a press release to media in the Company's service area and a customer notice distributed in customers' bills, both of which accompany this filing. To ensure that all customers are notified in a timely manner and

have sufficient time to submit comments, Idaho Power is sending a direct mail postcard to a subset of customers that receive their bill toward the end of the processing time for this case. As such, a bill insert and/or the direct mail postcard will be mailed no later than May 15, 2021.

27. The Company has also prominently displayed its intent to file the PCA on its website since March 15, 2021. Upon filing of this Application, this web graphic will link directly to the PCA press release and bill insert. Idaho Power will also keep its Application, testimony, and exhibits open for public inspection at its offices throughout the state of Idaho. Idaho Power asserts that this notice procedure satisfies the Rules of Procedure of this Commission; however, the Company will, in the alternative, bring the Application to the attention of its affected customers through any other means directed by this Commission.

28. Communications and service of pleadings with reference to this Application should be sent to the following:

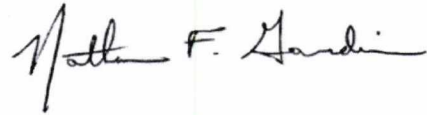
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VII. REQUEST FOR RELIEF

29. As discussed in greater detail above, Idaho Power respectfully requests that the Commission issue an order approving an update to Schedule 55 based on the quantification of the 2021-2022 PCA, resulting in an overall increase to current billed revenue of approximately \$39.1 million to become effective June 1, 2021.

DATED at Boise, Idaho, this 15th day of April 2021.

A handwritten signature in black ink, appearing to read "Nathan F. Gardiner". The signature is written in a cursive style with a large initial "N".

NATHAN F. GARDINER
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-10**

IDAHO POWER COMPANY

ATTACHMENT 1

**PROPOSED TARIFF
(Clean and Legislative Formats)**

CLEAN FORMAT

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules and Special Contracts. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST

The Base Power Cost of the Company's rates is computed by dividing the sum of the Company's power cost components by firm kWh sales. The power cost components are segmented into three categories: Category 1, Category 2 and Category 3. Category 1 power costs include the sum of fuel expense and purchased power expense (excluding purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and revenue from market-based special contract pricing. Category 2 power costs include purchased power expense from cogeneration and small power producers. Category 3 power costs include demand response incentive payments. The Base Power Cost is 2.0237 cents per kWh, which is comprised of Category 1 power costs of 1.0612 cents per kWh, Category 2 power costs of 0.8846 cents per kWh and Category 3 power costs of 0.0779 cents per kWh.

PROJECTED POWER COST

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the Category 1, Category 2 and Category 3 power cost components for the forecasted time period beginning April 1 each year and ending the following March 31. The Projected Power Cost is 2.9258 cents per kWh, which is comprised of Category 1 power costs of 1.5174 cents per kWh, Category 2 power costs of 1.3557 cents per kWh and Category 3 power costs of 0.0527 cents per kWh.

TRUE-UP AND TRUE-UP OF THE TRUE-UP

The True-up is based upon the difference between the previous Projected Power Cost and the power costs actually incurred. The True-up of the True-up is the difference between the previous year's approved True-Up revenues and actual revenues collected. The total True-up is (0.1222) cents per kWh.

EARNINGS SHARING

Order Nos. 30978, 32424, 33149, and 34071 directed the Company to share a portion of its earnings above a certain threshold with customers through the annual Power Cost Adjustment. The Company's 2020 earnings were below the prescribed threshold resulting in a credit of 0.0000 cents per kWh.

| <u>Schedule</u> | <u>Description</u> | <u>¢ per kWh</u> |
|-----------------|--|------------------|
| 1 | Residential Service | 0.0000 |
| 3 | Master Metered Mobile Home Park | 0.0000 |
| 5 | Residential – Time-of-Day Pilot Plan | 0.0000 |
| 6 | Residential Service On-Site Generation | 0.0000 |
| 7 | Small General Service | 0.0000 |

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

EARNINGS SHARING (Continued)

| | | |
|-----|--|--------|
| 8 | Small General Service On-Site Generation | 0.0000 |
| 9S | Large General Service – Secondary | 0.0000 |
| 9P | Large General Service – Primary | 0.0000 |
| 9T | Large General Service – Transmission | 0.0000 |
| 15 | Dusk to Dawn Lighting | 0.0000 |
| 19S | Large Power Service – Secondary | 0.0000 |
| 19P | Large Power Service – Primary | 0.0000 |
| 19T | Large Power Service – Transmission | 0.0000 |
| 24 | Agricultural Irrigation Service | 0.0000 |
| 40 | Unmetered General Service | 0.0000 |
| 41 | Street Lighting | 0.0000 |
| 42 | Traffic Control Lighting | 0.0000 |

| | | <u>Earnings sharing</u> | <u>Tax Reform</u> |
|----|---------|-------------------------|-------------------|
| | | <u>Monthly credit</u> | <u>¢ per kWh</u> |
| 26 | Micron | \$ (0.00) | 0.0000 |
| 29 | Simplot | \$ (0.00) | 0.0000 |
| 30 | DOE | \$ (0.00) | 0.0000 |

POWER COST ADJUSTMENT

The Power Cost Adjustment is the sum of: 1) 95 percent of the difference between the Projected Power Costs in Category 1 and the Base Power Costs in Category 1; 2) 100 percent of the difference between the Projected Power Costs in Category 2 and the Base Power Costs in Category 2; 3) 100 percent of the difference between the Projected Power Costs in Category 3 and the Base Power Costs in Category 3; 4) the True-ups; and 5) Earnings Sharing.

The monthly Power Cost Adjustment rates applied to the Energy rate of all metered schedules and Special Contracts are shown below. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times the cents per kWh rates shown below.

| <u>Schedule</u> | <u>Description</u> | <u>¢ per kWh</u> |
|-----------------|--|------------------|
| 1 | Residential Service | 0.7571 |
| 3 | Mastered Metered Mobile Home Park | 0.7571 |
| 5 | Residential – Time-of-Day Pilot Plan | 0.7571 |
| 6 | Residential Service On-Site Generation | 0.7571 |
| 7 | Small General Service | 0.7571 |
| 8 | Small General Service On-Site Generation | 0.7571 |
| 9S | Large General Service – Secondary | 0.7571 |
| 9P | Large General Service – Primary | 0.7571 |
| 9T | Large General Service – Transmission | 0.7571 |
| 15 | Dusk to Dawn Lighting | 0.7571 |
| 19S | Large Power Service – Secondary | 0.7571 |
| 19P | Large Power Service – Primary | 0.7571 |
| 19T | Large Power Service – Transmission | 0.7571 |

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

POWER COST ADJUSTMENT (Continued)

| | | |
|----|---------------------------------|--------|
| 24 | Agricultural Irrigation Service | 0.7571 |
| 40 | Unmetered General Service | 0.7571 |
| 41 | Street Lighting | 0.7571 |
| 42 | Traffic Control Lighting | 0.7571 |
| 26 | Micron | 0.7571 |
| 29 | Simplot | 0.7571 |
| 30 | DOE | 0.7571 |

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 31, 2022.

LEGISLATIVE FORMAT

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules and Special Contracts. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST

The Base Power Cost of the Company's rates is computed by dividing the sum of the Company's power cost components by firm kWh sales. The power cost components are segmented into three categories: Category 1, Category 2 and Category 3. Category 1 power costs include the sum of fuel expense and purchased power expense (excluding purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and revenue from market-based special contract pricing. Category 2 power costs include purchased power expense from cogeneration and small power producers. Category 3 power costs include demand response incentive payments. The Base Power Cost is 2.0~~361~~237 cents per kWh, which is comprised of Category 1 power costs of 1.06~~77~~12 cents per kWh, Category 2 power costs of 0.8~~900~~846 cents per kWh and Category 3 power costs of 0.07~~84~~79 cents per kWh.

PROJECTED POWER COST

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the Category 1, Category 2 and Category 3 power cost components for the forecasted time period beginning April 1 each year and ending the following March 31. The Projected Power Cost is 2.8~~409~~9258 cents per kWh, which is comprised of Category 1 power costs of 1.4~~994~~5174 cents per kWh, Category 2 power costs of 1.2~~888~~3557 cents per kWh and Category 3 power costs of 0.05~~30~~27 cents per kWh.

TRUE-UP AND TRUE-UP OF THE TRUE-UP

The True-up is based upon the difference between the previous Projected Power Cost and the power costs actually incurred. The True-up of the True-up is the difference between the previous year's approved True-Up revenues and actual revenues collected. The total True-up is (0.2~~974~~1222) cents per kWh.

EARNINGS SHARING

Order Nos. 30978, 32424, ~~and~~ 33149, ~~and~~ 34071 directed the Company to share a portion of its earnings above a certain threshold with customers through the annual Power Cost Adjustment. The Company's 20~~19~~20 earnings were below the prescribed threshold resulting in a credit of 0.0000 cents per kWh.

| <u>Schedule</u> | <u>Description</u> | <u>¢ per kWh</u> |
|-----------------|--|------------------|
| 1 | Residential Service | 0.0000 |
| 3 | Master Metered Mobile Home Park | 0.0000 |
| 5 | Residential – Time-of-Day Pilot Plan | 0.0000 |
| 6 | Residential Service On-Site Generation | 0.0000 |
| 7 | Small General Service | 0.0000 |

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

EARNINGS SHARING (Continued)

| | | |
|-----|--|--------|
| 8 | Small General Service On-Site Generation | 0.0000 |
| 9S | Large General Service – Secondary | 0.0000 |
| 9P | Large General Service – Primary | 0.0000 |
| 9T | Large General Service – Transmission | 0.0000 |
| 15 | Dusk to Dawn Lighting | 0.0000 |
| 19S | Large Power Service – Secondary | 0.0000 |
| 19P | Large Power Service – Primary | 0.0000 |
| 19T | Large Power Service – Transmission | 0.0000 |
| 24 | Agricultural Irrigation Service | 0.0000 |
| 40 | Unmetered General Service | 0.0000 |
| 41 | Street Lighting | 0.0000 |
| 42 | Traffic Control Lighting | 0.0000 |

| | | <u>Earnings sharing</u> | <u>Tax Reform</u> |
|----|---------|-------------------------|-------------------|
| | | <u>Monthly credit</u> | <u>¢ per kWh</u> |
| 26 | Micron | \$ (0.00) | 0.0000 |
| 29 | Simplot | \$ (0.00) | 0.0000 |
| 30 | DOE | \$ (0.00) | 0.0000 |

POWER COST ADJUSTMENT

The Power Cost Adjustment is the sum of: 1) 95 percent of the difference between the Projected Power Costs in Category 1 and the Base Power Costs in Category 1; 2) 100 percent of the difference between the Projected Power Costs in Category 2 and the Base Power Costs in Category 2; 3) 100 percent of the difference between the Projected Power Costs in Category 3 and the Base Power Costs in Category 3; 4) the True-ups; and 5) Earnings Sharing.

The monthly Power Cost Adjustment rates applied to the Energy rate of all metered schedules and Special Contracts are shown below. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times the cents per kWh rates shown below.

| <u>Schedule</u> | <u>Description</u> | <u>¢ per kWh</u> |
|-----------------|--|------------------|
| 1 | Residential Service | 0.48627571 |
| 3 | Mastered Metered Mobile Home Park | 0.48627571 |
| 5 | Residential – Time-of-Day Pilot Plan | 0.48627571 |
| 6 | Residential Service On-Site Generation | 0.48627571 |
| 7 | Small General Service | 0.48627571 |
| 8 | Small General Service On-Site Generation | 0.48627571 |
| 9S | Large General Service – Secondary | 0.48627571 |
| 9P | Large General Service – Primary | 0.48627571 |
| 9T | Large General Service – Transmission | 0.48627571 |
| 15 | Dusk to Dawn Lighting | 0.48627571 |
| 19S | Large Power Service – Secondary | 0.48627571 |
| 19P | Large Power Service – Primary | 0.48627571 |
| 19T | Large Power Service – Transmission | 0.48627571 |

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

POWER COST ADJUSTMENT (Continued)

| | | |
|----|---------------------------------|------------------------------------|
| 24 | Agricultural Irrigation Service | 0. 4862 ⁷⁵⁷¹ |
| 40 | Unmetered General Service | 0. 4862 ⁷⁵⁷¹ |
| 41 | Street Lighting | 0. 4862 ⁷⁵⁷¹ |
| 42 | Traffic Control Lighting | 0. 4862 ⁷⁵⁷¹ |
| 26 | Micron | 0. 4862 ⁷⁵⁷¹ |
| 29 | Simplot | 0. 4862 ⁷⁵⁷¹ |
| 30 | DOE | 0. 4862 ⁷⁵⁷¹ |

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 31, 202~~1~~².

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-10**

IDAHO POWER COMPANY

ATTACHMENT 2

2021 PCA REVENUE IMPACT SUMMARY

Idaho Power Company
Calculation of Revenue Impact 2021-2022
State of Idaho
Power Cost Adjustment
Filed April 15, 2021

Summary of Revenue Impact
Current Billed Revenue to Proposed Billed Revenue

| Line No | Tariff Description | Rate Sch. No. | Average Number of Customers ⁽¹⁾ | Normalized Energy (kWh) ⁽¹⁾ | Current Billed Revenue | Mills Per kWh | Total Adjustments to Billed Revenue | Proposed Total Billed Revenue | Mills Per kWh | Percent Change Billed to Billed ⁽²⁾ Revenue |
|------------------------------|--|---------------|--|--|------------------------|---------------|-------------------------------------|-------------------------------|---------------|--|
| <u>Uniform Tariff Rates:</u> | | | | | | | | | | |
| 1 | Residential Service | 1 | 473,382 | 5,218,521,002 | \$531,364,631 | 101.82 | \$14,136,973 | \$545,501,605 | 104.53 | 2.66% |
| 2 | Master Metered Mobile Home Park | 3 | 21 | 4,323,473 | \$420,778 | 97.32 | \$11,712 | \$432,491 | 100.03 | 2.78% |
| 3 | Residential Service Energy Watch | 4 | 0 | 0 | \$0 | 0.00 | \$0 | \$0 | 0.00 | N/A |
| 4 | Residential Service Time-of-Day | 5 | 1,031 | 17,728,975 | \$1,741,847 | 98.25 | \$48,028 | \$1,789,875 | 100.96 | 2.76% |
| 5 | Residential Service On-Site Generation | 6 | 9,689 | 53,601,936 | \$5,784,379 | 107.91 | \$145,208 | \$5,929,586 | 110.62 | 2.51% |
| 6 | Small General Service | 7 | 29,751 | 136,618,976 | \$17,425,852 | 127.55 | \$370,101 | \$17,795,953 | 130.26 | 2.12% |
| 7 | Small General Service On-Site Generation | 8 | 69 | 197,244 | \$26,936 | 136.56 | \$534 | \$27,470 | 139.27 | 1.98% |
| 8 | Large General Service | 9 | 37,035 | 3,859,260,546 | \$276,707,983 | 71.70 | \$10,454,737 | \$287,162,720 | 74.41 | 3.78% |
| 9 | Dusk to Dawn Lighting | 15 | 0 | 6,042,348 | \$1,295,205 | 214.35 | \$16,369 | \$1,311,574 | 217.06 | 1.26% |
| 10 | Large Power Service | 19 | 117 | 2,290,962,223 | \$129,456,049 | 56.51 | \$6,206,217 | \$135,662,266 | 59.22 | 4.79% |
| 11 | Agricultural Irrigation Service | 24 | 18,844 | 1,855,297,472 | \$146,112,723 | 78.75 | \$5,026,001 | \$151,138,724 | 81.46 | 3.44% |
| 12 | Unmetered General Service | 40 | 1,585 | 12,559,488 | \$1,075,124 | 85.60 | \$34,024 | \$1,109,147 | 88.31 | 3.16% |
| 13 | Street Lighting | 41 | 2,687 | 25,881,987 | \$3,567,488 | 137.84 | \$70,114 | \$3,637,602 | 140.55 | 1.97% |
| 14 | Traffic Control Lighting | 42 | 728 | 2,765,756 | \$171,455 | 61.99 | \$7,492 | \$178,947 | 64.70 | 4.37% |
| 15 | Total Uniform Tariffs | | 574,939 | 13,483,761,426 | \$1,115,150,450 | 82.70 | \$36,527,510 | \$1,151,677,959 | 85.41 | 3.28% |
| 16 | Total Special Contracts | | 3 | 953,189,313 | \$47,407,703 | 49.74 | \$2,582,190 | \$49,989,893 | 52.44 | 5.45% |
| 17 | Total Idaho Retail Sales | | 574,942 | 14,436,950,739 | \$1,162,558,153 | 80.53 | \$39,109,700 | \$1,201,667,852 | 83.24 | 3.36% |

(1) June 01, 2021 - May 31, 2022 Forecasted Test Year

(2) Percentage impact does not include components which are applied as percentages, Riders and Franchise Fees.

Shoshone Falls

Shoshone Falls

Opportunities for Public Review

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***Thank you for reading this notice.
We value your business.***

Idaho Power Files Annual Power Cost Adjustment

Idaho Power has filed the final piece of its annual spring cost adjustments with the Idaho Public Utilities Commission (IPUC). This year's Power Cost Adjustment (PCA) calls for a price increase of \$39.1 million across all customer classes. Overall, Idaho Power's prices remain about 20% lower than the national average for residential customers and 30% lower for business customers.

Idaho Power understands some customers are still facing hardship from the pandemic and remains committed to helping those struggling with their bills. Expanded payment arrangement options are available to help customers with past-due balances. Customers can call the Customer Care team at 208-388-2323 or 1-800-488-6151 to help set up payment arrangements or learn more about bill assistance.

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The overall impact to customer bills for residential and small general service customers is dependent on the outcome of the following two filings:

- The annual PCA, filed April 15, is a cost-recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. If the PCA proposal is approved by the IPUC as filed, the typical Idaho residential customer using 950 kilowatt-hours (kWh) of energy per month will see a \$2.57 increase on their bill related to this request, beginning June 1.
- The annual Fixed Cost Adjustment (FCA), filed in March and applicable to only residential and small commercial customers, adjusts prices based on changes in energy use per customer during the previous year. If the FCA proposal is approved as filed, a typical residential customer will see an increase of \$0.37, beginning June 1.

The impact of these two filings is shown in the table. A typical Idaho residential customer will see an overall monthly increase of \$2.94. The actual percentage of change will depend on a customer's class and the rate they pay.

| 2021 RATE FILINGS | | | | | |
|---|--------------|-----------------------|------------------------------------|--------------------------|--------------|
| PERCENTAGE CHANGE FROM CURRENT BILLED REVENUE | | | | | |
| Revenue Change (millions) | Residential | Small General Service | Large General Service ¹ | Large Power ² | Irrigation |
| FIXED COST ADJUSTMENT (FCA) | | | | | |
| \$2.1 | 0.38% | 0.38% | N/A | N/A | N/A |
| POWER COST ADJUSTMENT (PCA) | | | | | |
| \$39.1 | 2.66% | 2.12% | 3.74% | 4.97% | 3.44% |
| COMBINED IMPACT | | | | | |
| \$41.2 | 3.04% | 2.50% | 3.74% | 4.97% | 3.44% |

¹ Includes lighting schedules;

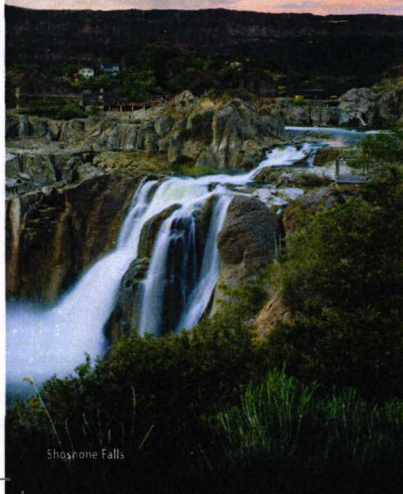
² Includes special contracts

The PCA has two main components: the forecast and the true-up. The forecast reflects Idaho Power's anticipated fuel costs, purchased power costs and customer benefits from sales of surplus energy for the coming April through March. The true-up brings last year's forecasted costs in balance with costs actually incurred by the company by looking back at what happened the previous April through March.

The increase in this year's PCA is primarily attributed to a smaller credit to customers through the true-up component. In addition, this year's PCA forecast reflects expected increases to power costs primarily due to weaker forecast water conditions, which would result in less low-cost hydro generation available to serve customers, as well as higher costs associated with power purchase agreements under the *Public Utilities Regulatory Policy Act of 1978* (PURPA).



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| PERCENTAGE CHANGE FROM CURRENT BILLED REVENUE | | | | | |
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| COMBINED IMPACT | | | | | |
| \$41.2 | 3.04% | 2.50% | 3.74% | 4.97% | 3.44% |

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Continued on reverse side

Idaho Power Files Annual Power Cost Adjustment

Continued from reverse side

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Important Information:

Please Note: We want to ensure all of our customers have sufficient time to submit comments to the IPUC. Because your bill is processed toward the end of the IPUC's review of our request, you will receive this notification twice: first in this postcard and then in an insert in your bill later this month.

NEWS RELEASE

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April 15, 2021

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| 2021 RATE FILINGS | | | | | | |
|---|---------------------------|-------------|-----------------------|------------------------------------|--------------------------|------------|
| Percentage Change from Current Billed Revenue | | | | | | |
| Filing | Revenue Change (millions) | Residential | Small General Service | Large General Service ₁ | Large Power ₂ | Irrigation |
| | | | | | | |

| | | | | | | |
|------------------------------|--------|-------|-------|-------|-------|-------|
| FCA | \$2.1 | 0.38% | 0.38% | N/A | N/A | N/A |
| PCA | \$39.1 | 2.66% | 2.12% | 3.74% | 4.97% | 3.44% |
| Combined Impact ₃ | \$41.2 | 3.04% | 2.50% | 3.74% | 4.97% | 3.44% |

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About Idaho Power

Idaho Power, headquartered in vibrant and fast-growing Boise, Idaho, has been a locally operated energy company since 1916. Today, it serves a 24,000-square-mile area in Idaho and Oregon. The company's goal to provide 100% clean energy by 2045 builds on its long history as a clean-energy leader that provides reliable service at affordable prices. With 17 low-cost hydroelectric projects at the core of its diverse energy mix, Idaho Power's residential, business and agricultural customers pay among the nation's lowest prices for electricity. Its 2,000 employees proudly serve more than 580,000 customers with a culture of safety first, integrity always and respect for all.

IDACORP Inc. (NYSE: IDA), Idaho Power's independent publicly traded parent company, is also headquartered in Boise, Idaho. To learn more, visit idahopower.com or idacorpinc.com.

Jordan Rodriguez

Communications Specialist

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