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IDAHO PUBLIC  
UTILITIES COMMISSION

LISA D. NORDSTROM  
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May 20, 2022

**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-21-17  
In the Matter of Idaho Power Company's Application for Authority to  
Increase Its Rates for Electric Service to Recover Costs Associated with the  
Jim Bridger Power Plant

Dear Ms. Noriyuki:

Enclosed for electronic filing please find Idaho Power Company's Response to Industrial Customers of Idaho Power's Objection of Idaho Power to the Use of GNR-U-18-01 Deferrals to Offset Bridger-Related-Incremental Costs and Notice of Breach of Stipulated Settlement Agreement in the above-referenced matter.

If you have any questions about the attached document, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN:sg  
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	
COMPANY'S APPLICATION FOR	)	CASE NO. IPC-E-21-17
AUTHORITY TO INCREASE ITS RATES	)	
FOR ELECTRIC SERVICE TO	)	IDAHO POWER COMPANY
RECOVER COSTS ASSOCIATED WITH	)	RESPONSE TO ICIP OBJECTION
THE JIM BRIDGER POWER PLANT.	)	
_____	)	

Idaho Power Company ("Idaho Power" or "Company") respectfully submits the following Response to the Objection of the Industrial Customers of Idaho Power ("ICIP") to the Use of GNR-U-18-01 Deferrals to Offset Bridger-Related-Incremental Costs and Notice of Breach of Stipulated Settlement Agreement ("Objection") filed by the ICIP on May 19, 2022. In the paragraphs that follow Idaho Power will respond to ICIP's misrepresentation of the settlement provisions in Case No. GNR-U-18-01.

In both the Comments and Reply Comments filed by parties to this proceeding, concerns were raised about the proposed rate increase, particularly coincident to Idaho

Power's proposed rate increase associated with the 2022-2023 Power Cost Adjustment.<sup>1</sup> The Company was cognizant of those concerns and evaluated potential rate mitigation alternatives to the proposed 2.12 percent overall increase to customer rates. In Case No. GNR-U-18-01, the Commission approved a Settlement Stipulation that provided for the annual deferral of approximately \$7.4 million of non-cash deferred tax benefits stemming from the federal Tax Cuts and Jobs Act of 2017 ("TCJA").<sup>2</sup> These deferred non-cash TCJA benefits have accumulated each year to a regulatory liability that Idaho Power estimates will be approximately \$27.7 million as of June 1, 2022. The Company's proposal<sup>3</sup> in this case, which is offered in recognition of concerns raised by parties to this proceeding, is to utilize these deferred TCJA benefits to offset the requested \$27.13 million annual Bridger coal-related levelized revenue requirement, thereby mitigating an immediate increase to customer rates.

In the Objection, ICIP contends Idaho Power's proposal in this case violates the terms of the Settlement Stipulation in Case No. GNR-U-18-01 because the Company "agreed to consult ("discuss") regarding the appropriate use of the seven-million-dollar deferral with the "parties" to the stipulation."<sup>4</sup> However, ICIP is misrepresenting the terms of the settlement provisions. In the Settlement Stipulation, Idaho Power agreed that use of the deferred non-cash TCJA benefits "will be discussed further in future recovery cases

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<sup>1</sup> *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, 2022 through May 31, 2023*, Case No. IPC-E-22-11.

<sup>2</sup> *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 (May 31, 2018).

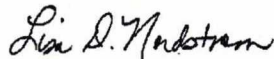
<sup>3</sup> Idaho Power Company's Response to All-Party Reply Comments at 9-11 (May 18, 2022).

<sup>4</sup> Objection of the Industrial Customers of Idaho Power to the Use of GNR-U-18-01 Deferrals to Offset Bridger-Related Incremental Costs and Notice of Breach of Stipulated Settlement Agreement at 2 (May 19, 2022).

as appropriate.”<sup>5</sup> The terms of the Settlement Stipulation do not require the Company to consult with parties prior to suggesting how the deferred TCJA benefits would be used but rather that the application of the benefits would be determined in a future case. This is a “future recovery case” and the Commission will make findings as to whether use of the tax credits in this proceeding is appropriate.

Idaho Power believes that now is an opportune time to utilize these deferred TCJA benefits to offset the annual levelized revenue requirement proposed in this case associated with the prudently incurred Bridger investments. The Company respectfully requests the Commission consider its proposed rate mitigation alternative and authorize the Company to utilize the non-cash deferred TCJA benefits to offset the incremental annual levelized revenue requirement of \$27.13 million associated with its prudent Bridger investments until customer rates can be adjusted in a future revenue requirement proceeding.

DATED at Boise, Idaho, this 20<sup>th</sup> day of May, 2022.



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LISA D. NORDSTROM  
Attorney for Idaho Power Company

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<sup>5</sup> Case No. GNR-U-18-01, Settlement Stipulation and Motion to Approve Settlement Stipulation at 9, ¶ 14.b.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 20<sup>th</sup> day of May 2022 I served a true and correct copy of IDAHO POWER COMPANY RESPONSE TO ICIP OBJECTION upon the following named parties by the method indicated below, and addressed to the following:

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