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IDAHO PUBLIC
UTILITIES COMMISSION

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION FOR
AUTHORITY TO INCREASE RATES FOR
ELECTRIC SERVICE TO RECOVER COSTS
ASSOCIATED WITH THE JIM BRIDGER
POWER PLANT

Case No. IPC-E-21-17

**CITY OF BOISE CITY'S
COMMENTS**

The city of Boise City ("Boise City") submits these formal comments on the amended application submitted by Idaho Power Company ("Company") for a prudency determination and approval of its proposed accelerated depreciation schedule for coal-related assets at the Jim Bridger Power Plant ("Bridger Plant"). Boise City submits these formal comments pursuant to Rule 203 of the Commission's Rules of Procedure, IDAPA 31.01.01.203, and pursuant to the Notice of Modified Procedure, Order No. 35340, issued by the Commission on March 10, 2022. Order No. 35340 provides a comment deadline of April 27, 2022, a reply comment deadline for parties that submitted comments of May 13, 2022, and a final reply comment deadline for the Company of May 18, 2022.

1. The accelerated depreciation schedule presented by the Company includes significant total expenditures. The requested prudence determination and ratemaking treatment of past and forecasted expenditures at the Bridger plant would result in a \$27,127,333 increase to the Company's annual revenue requirement. If approved, the amended application would require collecting an additional \$230 million from customers over the proposed eight-and-a-half-year period. Amended Application at 9. While the Company proposes to generally follow the procedure for early retirement and financial treatment of the Valmy Plant, it is important to recognize the proposed accelerated depreciation schedule for the Bridger Plant results in an annual rate increase that is more than twenty times greater than resulted from the accelerated depreciation of the Valmy Plant, which was \$1.21 million on an annual basis. Additionally, the length of time between the Company's last general rate case in 2011 and this application results in more than \$266 million in coal-related plant investments across 841 projects at the Bridger Plant requiring prudence determination, significantly greater than requested for the Valmy Plant. *Compare Adelman, Di. at 12 with Harvey, Di. at 7, Exh. 4, IPC-E-16-24.* Boise City believes the Company's request to spread recovery of prudently incurred costs over a definite timeline is generally reasonable, even if the timeline does not directly align with the currently anticipated useful life of the Bridger Plant. Boise City views this docket as an important opportunity to ensure prudently incurred costs are incorporated into rate base and recovered by the Company.
2. Boise City believes the prudence determination is a critical part of this proceeding and recognizes the need to assess both the individual expenses incurred at the Bridger Plant and the system of controls in place between the Company and the plant co-owner, PacifiCorp, to ensure any costs approved here are reasonable. Based on the Company's


response to Commission Staff's Third Production Request, Boise City is interested in hearing more from Commission Staff, and other parties in this comment period, regarding the appropriateness and strength of documentation supporting prudence across the significant range of expenses presented by the Company.

3. If ratemaking treatment is granted here, Boise City believes the Company should, upon conclusion of this proceeding, immediately begin work to negotiate "on or before" closure dates with PacifiCorp for all coal-fired units at the Bridger Plant. While closure dates for operational purposes can be different than closure dates for ratemaking purposes, the Commission ordered "on or before" closure dates when approving ratemaking treatment for the Valmy Plant in IPC-E-16-24. Order No. 33771 (approving the settlement stipulation, as submitted). Although there are near-term complicating factors because of uncertainty in the ongoing negotiations with the state of Wyoming and the U.S. Environmental Protection Agency regarding Clean Air Act compliance at Bridger Units 1 and 2 and the Company is forecasting near-term capacity-deficits, establishing exit date parameters when approving ratemaking treatment provides clear expectations for the medium-term and is a good practice that furthers ratepayer interests by providing rate certainty and stability. Boise City recognizes the Company's efforts in its application to promote rate certainty.
4. In this docket, the Company and the Commission must look backwards to manage appropriate recovery for incurred expenses. More generally, the Company is also looking forward to transition to new clean generation resources with lower operating costs than its current coal units. Across all these efforts, and in the broader context of the changing energy landscape, affordability must continue to be a key consideration. Idaho Code Title

61, Chapter 16 provides public utilities in Idaho the option to apply for a utility cost reduction order that would allow the utility to issue cost reduction instruments, such as bonds. Idaho Code § 61-1601 *et seq.* The cost reduction instruments allow the Company to recover its prudently incurred investments upfront, providing greater cash on hand for the Company as it looks to make significant investments in replacement generation resources. While Idaho Power did not apply for a utility cost reduction order in this case, Boise City would support the Company applying for a cost reduction order for the expenses currently in front of the Commission, and for future decommissioning of the Bridger Plant including environmental remediation and other to-be-determined costs. Boise City believes this path would allow the Company to reduce ratepayer impact and generational cost shifting, while allowing the Company to recover its prudently incurred investments more rapidly.

5. In conclusion, Boise City commends the Company on its continued efforts to exit coal-fired power plants while pursuing cost-effective clean energy generation resources. In the proposed ratemaking treatment and prudence determination of coal-fired assets in this application, Boise City highlights the importance of thoughtfully determining prudence of the significant costs incurred by the Company in the operation of the Bridger Plant. Boise City urges the Company to consider the opportunity to ensure long-term affordability presented by Idaho Code Title 61, Chapter 16. Boise City believes it would be prudent and consistent with treatment for the Valmy Plant for the Company to begin negotiations with PacifiCorp to establish “on or before” closure dates for each unit at the Bridger Plant.

DATED this 27th day of April 2022.



Ed Jewell,
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 27th day of April 2022, served the foregoing documents on all parties of counsel as follows:

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