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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for the Industrial Customers of Idaho Power

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER	)	<b>CASE NO. IPC-E-21-17</b>
COMPANY'S APPLICATION FOR	)	
AUTHORITY TO INCREASE ITS RATES	)	OBJECTION OF THE INDUSTRIAL
FOR ELECTRIC SERVICE TO RECOVER	)	CUSTOMERS OF IDAHO POWER TO
COSTS ASSOCIATED WITH THE JIM	)	THE USE OF GNR-U-18-01
BRIDGER PLANT	)	DEFERRALS TO OFFSET BRIDGER-
	)	RELATED-INCREMENTAL COSTS
	)	AND NOTICE OF BREACH OF
	)	STIPULATED SETTLEMENT
	)	AGREEMENT

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At the very last minute, Idaho Power Company ("Idaho Power" or the "Company") has made a proposal to offset ("mitigate") the incremental annual levelized revenue requirement to allow it to recover the proposed accelerated depreciation costs associated with its coal related Jim Bridger Plant investments. According to the Reply Comments in this docket (IPC-E-21-17), that were filed by the Company yesterday:

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 benefits stemming from the federal Tax Cuts and Jobs Act of 2017 ("TCJA"). These non-cash benefits were envisioned to accrue to offset other non-cash costs that customers would otherwise have to pay through rates. ... The Company believes that now is an opportune time to utilize these deferred

TCJA benefits to offset the annual incremental levelized revenue requirement proposed in this case...

Idaho Power made this proposal in its Reply Comments at the very last minute and without consultation of any of the parties to this or the GNR-U-18-01 proceeding. Doing so without prior consultation violates the terms of the Stipulation and Settlement Agreement agreed to by Idaho Power, the Commission Staff (“Staff”) and the Industrial Customers of Idaho (“ICIP”) Power in Docket No. GNR-U-18-01. According to the GNR-U-18-01 Settlement Stipulation that was signed by the Company, the ICIP and Commission Staff and which was approved by the Commission:

Beginning June 1, 2019, and each year thereafter, until the Company’s next general rate case proceeding or until otherwise modified by the Commission, and non-cash customer benefits associated with the Tax Reform are reflected in customer rates, the entire \$7,417,848 will accumulate in a regulatory liability account annually to serve as an offset to non-specific current or future deferrals deemed prudent and approved for recovery from customers by the Commission. Parties agree that deferred Tax Reform benefits used to offset future regulatory deferrals should be applied in a manner consistent with applicable federal and state income tax law. The parties also agree this will be discussed further in future recovery cases as appropriate.<sup>1</sup>

By executing the Settlement Stipulation in GNR-U-18-01, Idaho Power agreed to consult (“discuss”) regarding the appropriate use of the seven-million-dollar deferral with the “parties” to the stipulation; to wit, the ICIP and Staff. Idaho Power has not “discussed” or consulted with the ICIP (nor the Staff so far as the ICIP is aware) regarding the application of the tax deferral to offset accelerated Bridger depreciation costs.

Had Idaho Power “discussed” (as it is required to do by the Stipulation) its proposed use of the deferred tax benefits with the ICIP, it would have learned of the ICIP’s objection to its use

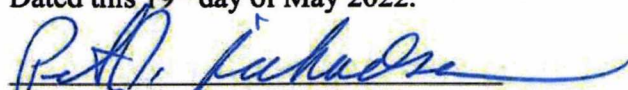
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<sup>1</sup> Emphasis provided.

to offset investments that have been legitimately questioned as to their prudence for ratemaking purposes and the recovery of which the ICIP has lodged its objection.

WHEREFORE, the ICIP respectfully requests the Commission deny the Company's request to recover accelerated depreciation expenses associated with the Jim Bridger Plant and also deny the Company's proposed use of the GNR-U-18-01 deferred tax benefits as a rate recovery mitigation mechanism.

Dated this 19<sup>th</sup> day of May 2022.



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I HEREBY CERTIFY that on the 19th day of May 2022, a true and correct copy of the within and foregoing 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 of the Industrial Customers of Idaho Power in Case No. IPC-E-21-17 was served, pursuant to Commission Order No. 34602, by electronic copy only, to:

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Commission Secretary  
Idaho Public Utilities Commission  
[Jan.noriyuki@puc.idaho.gov](mailto:Jan.noriyuki@puc.idaho.gov)

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