From: PUCWeb Notification
To: Jan Noriyuki
Subject: Notice: A comment was submitted to PUCWeb
Date: Monday, May 2, 2022 7:00:12 AM

The following comment was submitted via PUCWeb:

Name: Jared Eddington
Submission Time: May 1 2022 9:53PM
Email: ipuc-comments@eddmail.net
Telephone: 208-227-6508
Address: 561 W 200 S
Blackfoot, ID 83221

Name of Utility Company: Idaho Power

Case ID: IPC-E-21-17

Comment: "IPUC Thank you for reviewing my comments regarding IPC-E-21-17: IDAHO POWER--APPLICATION FOR AUTHORITY TO INCREASE RATES~RECOVER COSTS JIM BRIDGER POWER PLANT I received a flier in the mail from Idaho Power. This flier discusses 3 bullet points regarding rate increases. The 3rd bullet point states “Idaho Power has requested a price increase to collect the cost of an accelerated depreciation schedule for all coal-related investments at the Jim Bridger Power Plant in Wyoming.” I disagree with this request. Businesses purchase multiple assets. Some of the assets, like a coal plant, have a life span of multiple years. The concept of depreciation is that an asset should be expensed over the life of the asset. For example: Company A gets a loan of $100,000 to purchase a building. The business spends the loan to purchase the building. A depreciation method is chosen, and the expense is split over a set number of years. In this example I’ll use a building life of 30 years. Split evenly over 30 years, the cost of the building is $3333 per year. In this example, I’m assuming the loan is for 5 years with no interest. Here’s how this transaction looks: Year 1: Company A received cash of $100,000. Company A spent cash of $100,000. Company A claims $3333 of expense for the building. Company A makes a loan payment of $20,000 Years 2-5: Company A claims $3333 of expense for the building. Company A makes a loan payment of $20,000 Years 6-30: Company A claims $3333 of expense each year for the building. After five years Company A is no longer spending cash on the building. The depreciation isn’t a cash transaction, it only appears on their books as an offset to their income. Continuing the example… Company A determines in year 6 that the useful life of the building is 15 years instead of the original 30 years. Company A modifies the depreciation amount as follows. $100,000 original purchase price of building (16,665) accumulated depreciation [ie: $3333 * 5 years] $ 83,335 value of building on the books At a new life of 15 years, Company A can deduct $5555 per year for depreciation. The cost of the building hasn’t increased, nor has Company A spent any cash; rather Company A increased the amount of expense they can recognize on their books. Since Company A is now recognizing a larger expense on their books, their profit and loss statement shows they made less income. --End of example— Idaho Power appears to be trying to collect additional cash from me to offset their decision to recognize more of the expense. The customers already paid for the power plant. It’s not fair for the customer to pay again because Idaho Power chose to change their accounting practices. Bottom line: Depreciation is a non-cash expense. Idaho Power is asking me to pay cash to offset a non-cash expense. "