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IDAHO PUBLIC
UTILITIES COMMISSION

March 31, 2023

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
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Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

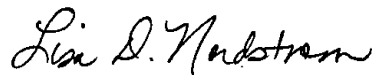
Re: Case Nos. IPC-E-19-08/IPC-E-22-05
In the Matter of the Application for Authority to Increase Its Rates for Electric Service to Recover Costs Associated with the North Valmy Power Plant / In the Matter of the Application for a Determination Validating the North Valmy Power Plant Balancing Account True-Up

Dear Ms. Noriyuki:

Enclosed for electronic filing, please find Idaho Power Company's Motion for Extension of Time to Comply with Order Nos. 34349 and 35494 in the above matters.

If you have any questions about the attached documents, 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-19-08
AUTHORITY TO INCREASE ITS RATES)	CASE NO. IPC-E-22-05
FOR ELECTRIC SERVICE TO RECOVER)	
COSTS ASSOCIATED WITH THE)	
NORTH VALMY POWER PLANT.)	IDAHO POWER COMPANY'S
)	MOTION FOR EXTENSION OF
IN THE MATTER OF IDAHO POWER)	TIME TO COMPLY WITH ORDER
COMPANY'S APPLICATION FOR A)	NOS. 34349 AND 35494
DETERMINATION VALIDATING THE)	
NORTH VALMY POWER PLANT)	
BALANCING ACCOUNT TRUE-UP.)	
_____)	

Idaho Power Company ("Idaho Power" or "Company") respectfully moves the Idaho Public Utilities Commission ("Commission") to (1) acknowledge the Company will file its North Valmy Power Plant ("Valmy") Levelized Revenue Requirement Balancing Account 2022 Annual Review ("2022 Annual Review"), as required by Order No. 34349, as part of Idaho Power's 2023 General Rate Case, and in doing so, (2) approve an extension of time to meet the Valmy prudence determination filing requirements of Order No. 35494.

1. Valmy is a coal-fired power plant that consists of two units and is located near Winnemucca, Nevada. Unit 1 went into service in 1981 and Unit 2 followed in 1985. Idaho Power owns 50 percent of Valmy. NV Energy is the co-owner of the plant with the remaining 50 percent ownership and operates the Valmy facility. The Company exited coal-fired operations of Unit 1 December 31, 2019, as accepted by the Commission in Order No. 33983 as part of Idaho Power's 2017 Integrated Resource Plan.

2. With Order No. 33771 in Case No. IPC-E-16-24, and updated by Order No. 34349 in Case No. IPC-E-19-08, the Commission approved a balancing account mechanism designed to smooth revenue requirement impacts associated with the shutdown of Valmy and allow for full recovery of Valmy-related costs near the plant's end-of-life. In addition, it more closely aligns the cost recovery period with the remaining operating life of the plant, resulting in a better matching of cost recovery from customers who benefit from the plant's operations while mitigating the risk of future customers bearing the costs of a plant that will no longer be providing service.

3. In Case No. IPC-E-19-08, Idaho Power requested the Commission (1) approve the North Valmy Project Framework Agreement between NV Energy and Idaho Power dated as of February 22, 2019, (2) find that all actual Valmy investments through December 31, 2018, were prudently incurred, (3) allow investments forecasted through December 31, 2025, at Valmy to be included in the levelized revenue requirement mechanism, and (4) adjust customer rates to recover the associated incremental annual levelized revenue requirement. As part of their approval of the Company's request, the Commission in Order No. 34349 also instructed Idaho Power to (1) "file an annual report detailing the amounts recorded to the Valmy balancing account," and (2) "to submit a filing no later than February 28, 2022 to true-up the balancing account with forecast-to-actuals, with rates to become effective June 1, 2022."¹

¹ Order No. 34349 at 4.

4. Therefore, on February 28, 2022, in Case No. IPC-E-22-05, Idaho Power filed a request with the Commission for an order (1) finding that all actual Valmy investments made during the January 1, 2019, through December 31, 2021, time period were prudently incurred, (2) validating that Idaho Power has accurately quantified the Valmy balancing account true-up as a result of the inclusion of actual costs through December 31, 2021, and updated forecasted investments through December 31, 2025, and (3) confirming the request satisfies the annual reporting required by Commission Order No. 34349. Although Order No. 34349 required the Company's filing to include a rate change effective June 1, 2022, Idaho Power did not propose to adjust customer rates at that time.

5. In their review of Idaho Power's request, Commission Staff found that the Company accurately quantified the Valmy balancing account true-up. In their audit, Staff analyzed two types of prudence, decisional prudence, which is based on need, and operational prudence, which is based on whether or not the Company implemented the investment in the least-cost manner. Commission Staff concluded that the investments were needed to continue safe and reliable operation of the facility, or decisional prudence, but indicated they could not "recommend that the investments were operationally prudent due to lack of sufficient evidence documenting that the projects were done in a least-cost way."² As such, Commission Staff recommended Idaho Power work with them to develop the documentation necessary for Commission Staff's audit and prudence review and provide Commission Staff with the additional information via a compliance filing within six months of the Commission's order to determine prudence.³

6. In Reply Comments, the Company proposed a slightly different procedural approach, under which the information to further support prudence of the investments

² Case No. IPC-E-22-05, Staff Comments, p. 4.

³ *Id.* At 8.

made during the January 1, 2019, through December 31, 2021, time period is submitted as part of the 2022 Annual Review. The Company envisioned filing this report as a new case that would include the 2022 Annual Review and the prudence determination for these investments in the first quarter of 2023, resulting in administrative efficiency for both the Commission and Staff. With Order No. 35494, the Commission indicated it was “fair just and reasonable for the Company to file additional documentation to support a prudence determination as part of the 2022 Annual Review” after working with Commission Staff to expand the documentation process.⁴ Although not explicitly stated, Idaho Power assumes the Commission agreed with Idaho Power’s proposed timing to file the 2022 Annual Review in the first quarter of 2023.

7. Since issuance of Order No. 35494, the Company has been working with Commission Staff to better understand the type of information they need to make a recommendation regarding operational prudence. While significant progress has been made, the parties have not completed memorializing and finalizing the information and documentation necessary for Commission Staff’s prudence review and therefore is not able to file the 2022 Annual Review along with the further support for prudence of the investments made during the January 1, 2019, through December 31, 2021, time period in the first quarter of 2023. However, as indicated in the Notice of Intent filed concurrently with this Motion, the Company anticipates filing a General Rate Case on or after June 1, 2023. Idaho Power proposes to include as part of that proceeding both the 2022 Annual Review, in compliance with Order No. 34349, as well as the information to support prudence of Valmy investments made since January 1, 2019, in compliance with Order No. 35494.

⁴ Order No. 34594 at 6.

8. Idaho Power appreciates Commission Staff's continued coordination with the Company to identify the additional documentation necessary to make a prudence determination. The Company anticipates finalization of the support will occur in the near-term and therefore the filing of the 2022 Annual Review and the prudence determination would coincide with timing of the 2023 General Rate Case filing. For administrative efficiency for both the Commission and Staff, Idaho Power proposes to include the 2022 Annual Review and prudence determination as part of the 2023 General Rate Case proceeding. Therefore, the Company respectfully requests the Commission issue an order (1) acknowledging Idaho Power will file its 2022 Annual Review as part of Idaho Power's 2023 General Rate Case, and in doing so, (2) approve an extension of time to meet the Valmy prudence determination filing requirements of Order No. 35494.

DATED at Boise, Idaho, this 31st day of March 2023.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 31st day of March 2023, I served a true and correct copy of Idaho Power Motion for Extension of Time upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

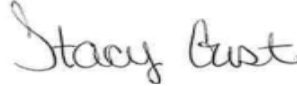
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Stacy Gust, Regulatory Administrative
Assistant