

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-22-05
COMPANY’S APPLICATION FOR A)
DETERMINATION VALIDATING THE) NOTICE OF APPLICATION
NORTH VALMY POWER PLANT)
BALANCING ACCOUNT TRUE-UP) NOTICE OF MODIFIED
) PROCEDURE
)
) ORDER NO. 35349
)

On February 28, 2022, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order (1) finding that all actual North Valmy Power Plant (“Valmy”) investments from January 1, 2019, through December 31, 2021, were prudently incurred; (2) validating that the Company 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 its request satisfies the annual reporting required by Commission Order No. 34349. *Application* at 1. The Company requested that its Application be processed by Modified Procedure. *Id.* at 6.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting deadlines for interested persons to comment on the Application and for the Company to reply.

BACKGROUND

Valmy is a coal-fired power plant that consists of two units and is located near Winnemucca, Nevada. *Application* at 2. NV Energy co-owns the plant with the Company and is Valmy’s main operator. *Id.* The Company exited coal-fired operations of Unit 1 on December 31, 2019. Order No. 33983. The Company anticipates that it will exit from Valmy Unit 2 by end of 2025. *Application* at 2; *see also* Case No. IPC-E-21-43.

In Order No. 34349, 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. *Id.* at 2. The Commission also approved Valmy-related investments forecasted through December 31, 2025, to

be included in the levelized revenue requirement mechanism. *See Id; see also* Order Nos. 34349 and 33771. Order No. 34349 directed the Company (1) to file annual reports detailing the amounts recorded to the Valmy balancing account, and (2) to submit a filing to true-up the balancing account with forecast-to-actuals no later than February 28, 2022. *See* Order No. 34349 at 4; *see also Application* at 3.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED the Company states that “there have been a number of investments required to operate Valmy in a safe, efficient, and reliable manner, including investments required to ensure environmental compliance as well as a number of investments for routine asset replacement.” *Application* at 3. The Company states it completed 57 projects totaling \$4.66 million between January 1, 2019, and December 31, 2021. *Id.* The Company stated that since 2018, the largest expenditures were those made for reliability purposes—\$2.04 million. *Id.* at 3-4. However, the largest single investment made at Valmy for the same time-period was for repair of the Unit 2 turbine high pressure/intermediate pressure section shell steam leak—\$1.24 million. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that the Company provided its spending and investment forecast for 2022 through 2025 in a Confidential Exhibit as required by Order No. 34349. *Id.*

YOU ARE FURTHER NOTIFIED the Company states that there are four costs included in its balancing account: (1) the accelerated depreciation associated with existing Valmy plant investments; (2) the return on the undepreciated capital investments at Valmy; (3) nonfuel operations and maintenance (“O&M”) reductions; and (4) decommissioning costs related to the Valmy shutdown. *Id.* Order No. 34349 approved an Idaho jurisdictional levelized revenue requirement of \$29.90 million that includes all Valmy-related plant investments as of December 31, 2018, projected additions to the Valmy plant through 2025, current and future non-fuel O&M savings through December 31, 2025, and projected decommissioning costs. *Id.*

YOU ARE FURTHER NOTIFIED The Company represents that updating the levelized revenue requirement based on the Valmy balancing account true-up with plant investment balances and actual O&M savings through December 31, 2021, as well as future investments and O&M savings through December 31, 2025, results in an annual levelized revenue

requirement of \$31.68 million on an Idaho jurisdictional level, including \$32.28 million associated with existing investments, \$2.86 million related to incremental investments, \$1.10 million in decommissioning costs, \$4.45 million in non-fuel O&M savings, and a load variance overcollection of \$101,318—all representing an increase of \$1.78 million from the revenue requirement approved in Order No. 34349. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that although Order No. 34349 requires the Company’s filing to include a rate change effective June 1, 2022, the Company is not requesting to adjust customer rates at this time. However, if the Commission determines that a June 1, 2022, rate change is appropriate, the Company’s filing includes the necessary quantifications for the Commission to calculate a rate change resulting from the annual levelized revenue requirement. *Id.*

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission’s office. These documents are also available on the Commission’s website at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons must file written comments by June 22, 2022.** Comments must be filed through the Commission’s website or by e-mail unless computer access is unavailable. To

comment electronically, please access the Commission’s website at www.puc.idaho.gov. Click the “Case Comment Form” and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

For Idaho Power Company:

Lisa D. Nordstrom
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lnordstrom@idahopower.com
dockets@idahopower.com

Matt Larkin
1221 West Idaho Street (83702)
P.O. Box 70
Boise, ID 83707
mlarkin@idahopower.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by July 8, 2022.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

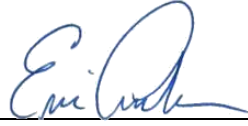
ORDER

IT IS HEREBY ORDERED that the Company’s Application be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by June 22, 2022. The Company must file any reply comments by July 8, 2022.

IT IS FURTHER ORDERED that the parties should continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02.

Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th day of March 2022.



ERIC ANDERSON, PRESIDENT

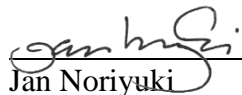


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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