

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NOS. IPC-E-19-08</b>
<b>OF IDAHO POWER COMPANY FOR</b>	)	<b>IPC-E-22-05</b>
<b>AUTHORITY TO INCREASE ITS RATES</b>	)	
<b>FOR ELECTRIC SERVICE TO RECOVER</b>	)	
<b>COSTS ASSOCIATED WITH THE NORTH</b>	)	
<b>VALMY POWER PLANT</b>	)	
	)	
<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY’S APPLICATION FOR A</b>	)	<b>ORDER NO. 35774</b>
<b>DETERMINATION VALIDATING THE</b>	)	
<b>NORTH VALMY POWER PLANT</b>	)	
<b>BALANCING ACCOUNT TRUE-UP</b>	)	

On March 31, 2023, Idaho Power Company (“Company”) filed a Motion for Extension of Time (“Motion”) to comply with Order Nos. 34349 in Case No. IPC-E-19-08 and 35494 in IPC-E-22-05.

Having reviewed the Company’s Motion and the Commission Staff’s (“Staff”) recommendation, we now issue this Order granting the Motion as described below.

**BACKGROUND**

On May 31, 2017, the Commission issued Order No. 33770 in Case No. IPC-E-16-23 approving a settlement stipulation adopting revised depreciation accrual rates to become effective on June 1, 2017

Also on May 31, 2017, the Commission issued Order No. 33771 in Case No. IPC-E-16-24 approving a settlement stipulation allowing the Company to recover \$13.3 million annually and establishing a balancing account to track costs and recovery of a levelized revenue requirement to accelerate the depreciation of Valmy Unit #1 and Unit #2 by the end of 2028 for ratemaking purposes and the decommissioning costs associated with a targeted 2019 Unit #1 exit date and a 2025 Unit #2 exit date.

On May 31, 2019, the Commission issued Order No. 34349 in Case No. IPC-E-19-08 approving several items related to the balancing account established in Order No. 33771, and relevant to this Motion, directed the Company to “file an annual report detailing the amounts recorded to the Valmy balancing account;” “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;”

and “work with Staff to identify documentation for audit and prudence review.” Order No. 34349 at 4.

On August 9, 2022, the Commission issued Order No. 35494 in Case No. IPC-E-22-05 updating the balancing account established in Order No. 33771 and affirming the Company’s true-up calculation; however, the Commission did not issue a determination of prudence for actual investments at that time due to lack of documentation. As a result, the Commission directed the Company to “file additional documentation to support a prudence determination as part of the Company’s Valmy Levelized Revenue Requirement Balancing Account 2022 Annual Review after meeting with Staff to expand the documentation process.” *Id.* at 6-7.

### **THE MOTION**

The Company requested the Commission:

1. Allow the Company to file its 2022 Annual Review as part of the Company’s 2023 General Rate Case (“GRC”) to satisfy requirements in Order No. 34349; and
2. Approve a time extension to file for a prudence determination of actual Valmy investments to satisfy requirements in Order No. 35494.<sup>1</sup>

Although the Commission’s Orders relate specifically to Valmy, the issue of obtaining proper documentation generally applies to Staff’s inability to gather the necessary information it needs to review prudence of investments in plants the Company owns in partnership with other utilities, but does not itself operate. Staff believes a process is closer to finalization for this; however, Staff would like to ensure that the final process (1) applies to all of the Company’s partnered plants; (2) provides the same level of transparency, access, and information as if the plant is Company owned and operated; and (3) is completed by the time that the Company files its 2023 GRC. This will ensure Staff has the ability to efficiently and effectively determine the prudence of investments during the 2023 GRC for all of the Company’s partnered plants (i.e. Valmy and Bridger Coal Plants).

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<sup>1</sup> Since issuing Order No. 35494, the Company has met with Staff on several occasions to determine a documentation process that will provide the necessary information for Staff to audit and determine the prudence of actual investments to be included in the Valmy balancing account. Finalization of this process is a necessary step to comply with the two Orders described above.

### **STAFF'S RECOMMENDATION**

Staff recommended the Company's Motion be granted. Additionally, Staff recommended the Commission stress the importance of finalizing the documentation process such that it (1) applies to all the Company's partnered plants; (2) provides the same level of transparency, access, and information as if the plant is Company owned and operated; and (3) is completed by the time that the Company files its 2023 GRC.

### **COMMISSION DECISION AND FINDINGS**

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. After reviewing the record, we find it fair, just, and reasonable to grant the Company's Motion allowing it to file its 2022 Annual Review with its 2023 GRC and subsequently allowing additional time to meet the filing requirements of Order No. 35494.

We strongly encourage the Company to work with Staff to develop a documentation process that (1) applies to each of the Company's partnered plants; and (2) provides the same level of transparency, access, and information as if the plant is Company owned and operated. Staff and the Company should meet in time to finalize this process by the time that the Company files its 2023 GRC.

### **ORDER**

IT IS HEREBY ORDERED that the Company's Motion is granted.

IT IS FURTHER ORDERED that the Company should meet with Staff to develop a documentation process for partnered plants as described above. This should be done in time to finalize this process by the time that the Company files its 2023 GRC.

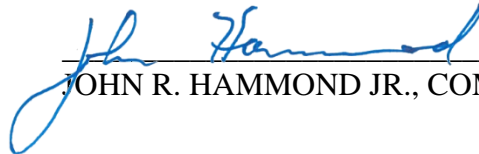
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8<sup>th</sup> day of  
May 2023.



ERIC ANDERSON, PRESIDENT

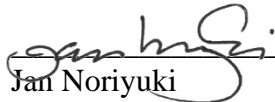


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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