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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-23-11
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC SERVICE)
IN THE STATE OF IDAHO AND FOR)
ASSOCIATED REGULATORY ACCOUNT)
TREATMENT.)

DIRECT TESTIMONY OF WIL GEHL

IN SUPPORT OF SETTLEMENT STIPULATION ON BEHALF OF THE CITY OF BOISE
CITY

NOVEMBER 15, 2023

1 **I. IDENTIFICATION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

3 A. My name is Wil Gehl and my business address is 150 North Capitol Boulevard, Boise,
4 Idaho.

5 **Q. WHERE ARE YOU EMPLOYED?**

6 A. I am employed by the city of Boise City (“Boise City”) as the Energy Program Manager
7 in the Department of Public Works.

8 **II. PURPOSE AND SUMMARY**

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. I discuss Boise City’s support for the October 27, 2023, Stipulation and Settlement
11 (“Proposed Settlement”) entered into by Idaho Power Company (“Company”), the Idaho
12 Public Utilities Commission (“Commission”) Staff, and all Intervenors in this
13 proceeding, collectively referred to as the “Parties”.

14 **Q. PLEASE SUMMARIZE THE TOPICS COVERED BY YOUR TESTIMONY.**

15 A. First, I describe the settlement process and summarize significant provisions of the
16 Proposed Settlement. I then explain Boise City’s support for the Proposed Settlement and
17 why Boise City believes it is in the public interest.

18 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.**

19 A. I recommend the Commission adopt the Proposed Settlement as agreed to by the Parties.
20 The Proposed Settlement represents a compromise between all Parties, including a
21 significantly lower revenue requirement and corresponding rate increase than originally

1 proposed by the Company and beneficial modifications to rate design and rate spread.
2 Boise City believes the Proposed Settlement is in the public interest.

3 **III. SETTLEMENT SUMMARY**

4 **Q. HAVE YOU REVIEWED THE OCTOBER 27, 2023, PROPOSED SETTLEMENT**
5 **AND THE COMPANY'S ACCOMPANYING SUPPORTING TESTIMONY?**

6 A. Yes.

7 **Q. PLEASE SUMMARIZE THE SETTLEMENT PROCESS AND BOISE CITY'S**
8 **PARTICIPATION?**

9 A. The Parties met for a series of settlement conferences beginning on September 18, 2023
10 and concluding on October 5, 2023. Parties presented positions and engaged in
11 discussions on the Company's application and proposed rate increase as well as
12 additional proposals on cost-of-service, rate design, rate spread, energy efficiency and
13 other items. Boise City participated in all settlement meetings and presented its analysis
14 and proposals to be considered by Parties in the context of the broader settlement
15 discussions. Boise City was particularly concerned with the potential impacts on
16 residential customers from this proceeding. While Parties were not able to reach
17 agreement on all revenue requirement modifications or all proposals made by intervenors,
18 the Parties reached a compromise position, resulting in an overall revenue increase of
19 \$54.7 million or approximately 4.25% average rate increase and an authorized Idaho
20 jurisdictional rate base of \$3,816,351,478.

21 **Q. IN ADDITION TO THE REVENUE REQUIREMENT, PLEASE SUMMARIZE**
22 **KEY PROVISIONS OF THE PROPOSED SETTLEMENT?**

1 A. The Parties reached a compromise position reflected in the Proposed Settlement that is
2 based on an agreement to settle all issues in this docket, including rate design, revenue
3 sharing, prudency determinations, rate spread and other issues. The Proposed Settlement
4 sets out a 2-year increase in monthly service charges for residential customers from the
5 currently authorized level of \$5 per month to \$10 per month in 2024 and \$15 per month
6 in 2025. The Proposed Settlement also includes an agreement reached by Parties to
7 modify the Company’s revenue sharing mechanism and the Company’s ability to
8 accelerate amortization of Accumulated Deferred Investment Tax Credits (“ADITC”).
9 The Parties agreed to a rate spread methodology where each customer class below 120
10 percent of cost of service will be increased by at least 0.5 times the overall 4.25 percent
11 increase and the maximum increase will be capped 1.3 times. Any customer class above
12 120 percent of cost-of-service level will see no rate increase. The Parties agreed to use
13 the Company’s cost of service methodology for limited purposes, including establishing
14 an appropriate rate spread.

15 **Q. PLEASE EXPLAIN WHY THE PROPOSED SETTLEMENT ADDRESSES THE**
16 **CONCERNS OF BOISE CITY.**

17 A. While the Proposed Settlement and Stipulation entered into by all Parties does not
18 address every issue identified by Boise City in its review of the Company’s application,
19 the Proposed Settlement in its entirety, inclusive of the changes to rate spread, monthly
20 service charges, and revenue sharing mechanisms, reasonably addresses the affordability
21 and clean energy concerns of Boise City in this proceeding. Boise City is extremely
22 sensitive to the impacts of any rate increase on its residents and believes the Proposed
23 Settlement strikes a reasonable balance between maintaining affordability for customers

1 and ensuring the Company can recover its prudently incurred costs. The Proposed
2 Settlement, if approved by the Commission, would result in approximately 50% smaller
3 overall rate increase compared to the Company's Application; a smaller and more gradual
4 increase in residential monthly service charges; and improved revenue sharing while
5 maximizing the Company's opportunity to benefit from investment tax credits secured
6 through clean energy deployment. Additionally, the Proposed Settlement promotes
7 continued investment in energy efficiency and promotes demand-side management
8 program participation. Boise City believes these are a significant benefit to Idaho Power
9 ratepayers, including Boise City residents.

10 **Q. DO YOU HAVE ANY ADDITIONAL COMMENTS ON THE SETTLEMENT OR**
11 **PROCESS?**

12 A. Yes. Boise City recognizes the important contributions of the Company, Commission
13 Staff, and Intervenors to effectively reach a settlement in this general rate case. With
14 significant time elapsed since the Company's last General Rate Case, Boise City
15 appreciates the collaborative and straightforward discussions with all parties to resolve as
16 many contested issues as possible in this proceeding. Boise City looks forward to further
17 engagement with Parties in the proposed workshop series and in future proceedings.

18 **IV. RECOMMENDATIONS**

19 **Q. WHAT IS BOISE CITY'S RECOMMENDATION TO THE COMMISSION?**

20 A. Boise City recommends the Commission approve the Proposed Settlement as agreed to
21 by the Parties in its entirety, without material change or condition.

22 **Q. PLEASE EXPLAIN WHY YOU BELIEVE THE PROPOSED SETTLEMENT IS**
23 **IN THE PUBLIC INTEREST.**

1 A. Boise City believes the overall result of the Proposed Settlement is a reasonable and fair
2 compromise between the Company and its customers. The overall revenue requirement in
3 the Proposed Settlement balances customer interests with the Company's ability to make
4 necessary investments to support the safe provision of affordable, clean electricity to its
5 customers. Boise City believes the gradual and moderated rate increase resulting from the
6 Proposed Settlement is in the public interest.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes, thank you.

CERTIFICATE OF SERVICE

I hereby certify that I have on this 15th day of November 2023, served the foregoing documents on all parties of record as follows:

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