

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
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)

CASE NO. IPC-E-23-11

Testimony in Support of Settlement Stipulation

Jessica A. York

On behalf of

Micron Technology, Inc.

November 15, 2023

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Jessica A. York. My business address is 16690 Swingley Ridge Road,
3 Suite 140, Chesterfield, Missouri 63017.

4 **Q WHAT IS YOUR OCCUPATION?**

5 A I am a consultant in the field of public utility regulation and an Associate with the
6 firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory
7 consultants.

8 **Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND
9 EXPERIENCE.**

10 A This information is included in Appendix A to my testimony.

11 **Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

12 A I am appearing on behalf of Micron Technology, Inc. ("Micron").

13 **Q WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

14 A The purpose of my testimony is to support the unanimous Stipulation and
15 Settlement ("Stipulation") filed by Idaho Power Company ("IPC" or "Company")
16 and the other parties to this proceeding on October 27, 2023. The Stipulation
17 resolves all revenue requirement, class cost of service, and rate design issues in
18 this proceeding.

19 **Q DO YOU RECOMMEND APPROVAL OF THE STIPULATION?**

20 A Yes. I recommend approval of the Stipulation. The Stipulation is a
21 comprehensive agreement that represents give and take among the parties and

1 resolves the revenue requirement, cost allocation, and rate design issues that
2 would have likely been raised by the parties in this proceeding. The Stipulation is
3 a result of extensive arms-length negotiations between the settling parties in
4 order to reach a comprehensive settlement. Notably, the Stipulation is within the
5 range of outcomes that would have resulted from a litigated case.

6 In sum, the Stipulation should be approved for the following reasons:

- 7 1. The stipulated overall revenue requirement will result in an overall level of
8 revenues for IPC that is just and reasonable and will allow the utility a
9 reasonable opportunity to earn a fair return on its investments. The revenue
10 requirement adjustments contained in the Stipulation represent a compromise
11 on the issues that would have been contested in this case.
- 12 2. The stipulated revenue allocation reflects a compromise between the parties
13 to resolve the issues that would have been contested in this case and is
14 reasonably based on cost of service principles. The compromise revenue
15 allocation in the Stipulation is within the range of what would have likely been
16 the parties' litigated positions in this case.
- 17 3. The stipulated rate design for the various customer rates is fair, reasonable,
18 and in the public interest.
- 19 4. The Stipulation is likely to reduce the Commission's administrative burden
20 and save rate case expenses for all parties.

21 **Q PLEASE DESCRIBE THE STIPULATION'S RESOLUTION OF THE**
22 **COMPANY'S REVENUE REQUIREMENT IN THIS PROCEEDING.**

23 **A** The Stipulation resolves the revenue requirement issues that would have been
24 raised by parties in this rate case.

25 The Company's original filing in this docket proposed to increase base
26 rate revenues by \$111 million, or a system average increase of 8.61 percent.
27 Under the Stipulation, the increase in total revenue was reduced to \$54.7 million,
28 or a system average increase of 4.25 percent.

29 The Stipulation reflects several adjustments to the Company's originally
30 filed revenue requirement, which are summarized in the table on page 4 of the

1 Stipulation. The Commission Staff (“Staff”) and intervenors, including Micron,
2 provided a thorough and detailed assessment of the Company’s cost of service
3 in these negotiations. Staff’s and the other intervenors’ review and input was
4 very useful in identifying and reaching an agreement on the revenue requirement
5 adjustments included in the Stipulation.

6 **Q DID MICRON HAVE CONCERNS ABOUT ANY SPECIFIC COMPONENTS OF**
7 **THE COMPANY’S PROPOSED REVENUE REQUIREMENT?**

8 A Yes. Micron had several concerns with IPC’s originally proposed revenue
9 requirement, which are resolved by the compromise represented in the
10 Stipulation. First, Micron was concerned that the Company’s proposed Return
11 on Equity (“ROE”) of 10.4 percent was excessive based on current market
12 conditions. Micron conducted an independent analysis of IPC’s proposed ROE
13 and concluded that we would, in the context of a litigated case, advocate for an
14 ROE in the range of 9.0 percent. The Stipulation provides for a reasonable
15 compromise between these positions and recommends the Commission approve
16 a 9.6 percent ROE.

17 In addition, Micron had several other concerns with the Company’s
18 proposed revenue requirement including the use of end-of-period rate base
19 instead of average rate base; the inclusion of 2024 salary increases, which were
20 outside the test year; an excessive projection of uncollectibles’ expense relative
21 to the three-year average of 2019, 2021, and 2022;¹ the inclusion of incentive
22 compensation tied to financial performance, which benefits shareholders rather
23 than ratepayers; and a potentially understated residential sales forecast. In total,

¹ 2020 was excluded due to the COVID-19 pandemic, which contributed to an abnormally high level of uncollectibles.

1 Micron estimated that its adjustments related to these issues would have
2 reduced the Company's claimed revenue deficiency by approximately
3 \$45 million. The adjustments are, in many instances, incremental to other
4 adjustments that Micron understands that the Staff and other intervenors would
5 have raised. The Stipulation addresses several of Micron's various revenue
6 requirement adjustments and reflects a reasonable compromise of the various
7 issues presented in this proceeding and the parties' positions in those issues.

8 **Q DID THE SETTLING PARTIES REACH AN AGREEMENT ON THE REVENUE**
9 **ALLOCATION?**

10 **A** Yes. Stipulation Exhibit No. 1 provides the parties' agreement regarding revenue
11 allocation. Stipulation Exhibit No. 2 identifies the settlement rates agreed to by
12 all settling parties.

13 As particularly applicable to Micron, the Stipulation provides for an
14 increase of approximately 3.65 percent for Micron's Special Contract Rate
15 Schedule 26. This outcome is consistent with IPC's cost of service study, which
16 concluded that Micron warranted a cost-based rate increase less than the system
17 average rate increase. In addition, Micron is satisfied with the rate design for
18 Rate Schedule 26, as it generally reflects cost-based rates based on its preferred
19 class cost of service study methodology.

20 With regard to the other customer classes, Micron analyzed IPC's class
21 cost of service study and finds the revenue allocation reasonable based on the
22 class cost of service study proposed by IPC, including any adjustments to that
23 study that Micron would have proposed had this case been fully litigated.

1 **Q DID THE SETTLING PARTIES AGREE UPON A PARTICULAR COST OF**
2 **SERVICE STUDY?**

3 A No. The parties did not agree on any particular class cost of service
4 methodology. Instead, the settling parties negotiated a modified revenue
5 allocation to adjust rates and charges for each customer class.

6 **Q IN YOUR OPINION, IS THE STIPULATION REASONABLE AND IN THE**
7 **PUBLIC INTEREST?**

8 A Yes. The settling parties compromised on their various positions in order to
9 reach a Stipulation that economically and efficiently resolves what would have
10 been contested issues in this case. The Stipulation provides the Company with
11 updated rates to better reflect current costs and the ability to economically
12 finance new investments in infrastructure while maintaining just and reasonable
13 rates for its customers.² Furthermore, approving the Stipulation will result in
14 efficiencies for the Commission, Staff, and parties, and reduced rate case
15 expenses to the benefit of all IPC customers.

16 **Q DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE**
17 **SETTLEMENT STIPULATION?**

18 A Yes, it does.

² Settlement Testimony of Timothy Tatum at page 2, ll. 7-17.

Appendix A - Qualifications of Jessica A. York

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A Jessica York. My business address is 16690 Swingley Ridge Road, Suite 140,
3 Chesterfield, Missouri 63017.

4 **Q PLEASE STATE YOUR OCCUPATION.**

5 A I am a consultant in the field of public utility regulation and an Associate with the firm
6 of Brubaker & Associates, Inc. (“BAI”), energy, economic and regulatory consultants.

7 **Q PLEASE IDENTIFY THE JURISDICTIONS IN WHICH YOU HAVE PREVIOUSLY**
8 **SPONSORED TESTIMONY.**

9 A I have sponsored expert testimony in front of the Idaho Public Utilities Commission,
10 the Illinois Commerce Commission, Indiana Utility Regulatory Commission, the
11 Kansas Corporation Commission, the Michigan Public Service Commission, the
12 Minnesota Public Utilities Commission, the Missouri Public Service Commission, the
13 Public Utilities Commission of Nevada, the Oklahoma Corporation Commission, and
14 the Public Service Commission of Wisconsin.

15 **Q PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL**
16 **EMPLOYMENT EXPERIENCE.**

17 A I graduated from Truman State University in 2008 where I received my Bachelor of
18 Science Degree in Mathematics with minors in Statistics and Actuarial Science. I
19 earned my Master of Business Administration Degree with a concentration in Finance
20 from the University of Missouri-St. Louis in 2014.

1 I joined BAI in 2011 as an analyst. Then, in March 2015, I joined the
2 consulting team of BAI.

3 I have worked in various electric, natural gas and water and wastewater
4 regulatory proceedings addressing cost of capital, sales revenue forecasts, revenue
5 requirement assessments, class cost of service studies, rate design, and various
6 policy issues. I have also conducted competitive power and natural gas solicitations
7 on behalf of large electric and natural gas users, have assisted those large power and
8 natural gas users in developing procurement plans and strategies, assisted in
9 competitive contract negotiations, and power and natural gas contract supply
10 administration. In the regulated arena, I have evaluated cost of service studies and
11 rate designs proffered by other parties in cases for various utilities, including in Idaho,
12 Illinois, Indiana, Kansas, Wisconsin, and others. I have conducted bill audits, rate
13 forecasts and tariff rate optimization studies.

14 I have also provided support to clients with facilities in deregulated markets,
15 including drafting supply requests for proposals, evaluating supply bids, and auditing
16 competitive supply bills. I have also prepared and presented to clients reports that
17 monitor the electric market and recommend strategic hedging transactions.

18 BAI was formed in April 1995. BAI and its predecessor firm have participated
19 in more than 700 regulatory proceedings in forty states and Canada.

20 BAI provides consulting services in the economic, technical, accounting, and
21 financial aspects of public utility rates and in the acquisition of utility and energy
22 services through RFPs and negotiations, in both regulated and unregulated markets.
23 Our clients include large industrial and institutional customers, some utilities and, on
24 occasion, state regulatory agencies. We also prepare special studies and reports,
25 forecasts, surveys and siting studies, and present seminars on utility-related issues.

1 In general, we are engaged in energy and regulatory consulting, economic
2 analysis and contract negotiation.

3 In addition to our main office in St. Louis, the firm also has branch offices in
4 Corpus Christi, Texas; Detroit, Michigan; Louisville, Kentucky and Phoenix, Arizona

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DECLARATION OF JESSICA A. YORK

I, Jessica A. York, declare under penalty of perjury under the laws of the state of Idaho:

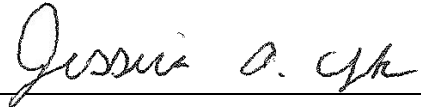
1. My name is Jessica A. York. I am employed by Brubaker & Associates, Inc. (“BAI”) as an Associate and consultant in the field of public utility regulation.

2. On behalf of Micron Technology, Inc., I present this pre-filed testimony in support of the settlement stipulation in this matter.

3. To the best of my knowledge, my pre-filed testimony in support of the settlement stipulation is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 14th day of November 2023, at Chesterfield, Missouri.

Signed:


CERTIFICATE OF SERVICE

I hereby certify that on November 15, 2023, a true and correct copy of the within and foregoing TESTIMONY IN SUPPORT OF SETTLEMENT STIPULATION OF JESSICA A. YORK ON BEHALF OF MICRON TECHNOLOGY, INC. was served in the manner shown to:

Electronic Mail

Idaho Power Company

Lisa D. Nordstrom
Donovan E. Walker
Megan Goicoechea Allen
Idaho Power Company
1221 W. Idaho Street (83702)
PO Box 70
Boise, ID 83707-0070
lnordstrom@idahopower.com
dwalker@idahopower.com
mgoicoecheaallen@idahopower.com
dockets@idahopower.com

Timothy E. Tatum
Connie Aschenbrenner
Matt Larkin
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5515
Facsimile: (208) 388-6449
ttatum@idahopower.com
caschenbrenner@idahopower.com
mlarkin@idahopwer.com

Commission Staff

Dayn Hardie
Chris Burdin
Jan Noriyuki
Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Building 8,
Suite 201-A
Boise, ID 83714
Jan.noriyuki@puc.idaho.gov
secretary@puc.idaho.gov
dayn.hardie@puc.idaho.gov
chris.burdin@puc.idaho.gov

Idaho Conservation League

Matthew Nykiel
Brad Heusinkveld
710 N. 6th Street
Boise, ID 83702
matthew.nykiel@gmail.com
bheusinkveld@idahoconservation.org

Clean Energy Opportunities

Kelsey Jae
Law for Conscious Leadership
920 N. Clover Drive
Boise, ID 83703
kelsey@kelseyjae.com

Courtney White
Mike Heckler
Clean Energy Opportunities for Idaho
3778 Plantation River Drive, Suite 102
Boise, ID 83703
courtney@cleanenergyopportunities.com
mike@cleanenergyopportunities.com

Idaho Irrigation Pumpers Association, Inc.

Eric L. Olsen
Echo Hawk & Olsen, PLLC
505 Pershing Avenue, Suite 100
P.O. Box 6119
Pocatello, ID 83205
elo@echohawk.com

Lance Kaufman, Ph.D.
2623 NW Bluebell Place
Corvallis, OR 97330
lance@aegisinsight.com

Industrial Customers of Idaho Power

Peter J. Richardson
Richardson Adams, PLLC
515 N. 27th Street
P.O. Box 7218
Boise, ID 83702
peter@richardsonadams.com

Dr. Don Reading
280 Silverwood Way
Eagle, ID 83616
dreading@mindspring.com

Micron Technology, Inc.

Jim Swier
Micron Technology, Inc.
8000 South Federal Way
Boise, ID 83707
jswier@micron.com

Austin Rueschhoff
Thorvald A. Nelson
Austin W. Jensen
Holland & Hart, LLP
555 17th Street, Suite 3200
Denver, CO 80202
darueschhoff@hollandhart.com
tnelson@hollandhart.com
awjensen@hollandhart.com
aclee@hollandhart.com
clmoser@hollandhart.com

City of Boise City

Ed Jewell
Darrell Early
Wil Gehl
150 N. Capitol Blvd.
P.O. Box 500
Boise, ID 83701-0500
boca@cityofboise.org
dearly@cityofboise.org
ejewell@cityofboise.org
wgehl@cityofboise.org

NW Energy Coalition

F. Diego Rivas
Benjamin J. Otto
1101 8th Avenue
Helena, MT 59601
diego@nwenergy.org
ben@nwenergy.org

Federal Executive Agencies

Peter Meier
Paige Anderson
Tanner Crowther
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, D.C. 20585
peter.meier@hq.doe.gov
paige.anderson@hq.doe.gov
crowthtf@id.doe.gov

Walmart

Norman M. Semanko
Justina A. Caviglia
Parsons Behle & Latimer
800 West Mian Street, Suite 1300
Boise, ID 83702
nsemanko@parsonsbehle.com
jcaviglia@parsonsbehle.com

IdaHydro

Tom Arkoosh
Arkoosh Law Offices
913 W. River Street, Suite 420
P.O. Box 83701
tom.arkoosh@arkoosh.com
erin.cecil@arkoosh.com

Dwight Etheridge
Exeter Associates
5565 Sterrett Place, Suite 310
Columbia, MD 21044
detheridge@exeterassociates.com

Steve W. Chriss
Walmart Inc.
2608 Southeast J Street
Bentonville, AR 72716
stephen.chriss@walmart.com

s/ Chelsey Moser
