



RECEIVED
2023 April 14, 4:58PM
IDAHO PUBLIC
UTILITIES COMMISSION

MEGAN GOICOECHEA ALLEN
Corporate Counsel
mgoicoecheaallen@idahopower.com

April 14, 2023

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-23-12
Application of Idaho Power Company for Authority to Implement Power Cost
Adjustment ("PCA") Rates for Electric Service from June 1, 2023, through May
31, 2024

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Application in the above-entitled matter.

In addition, please find attached the Direct Testimony of Jessica G. Brady filed in support of the Application. A Word version of the testimony will also be sent in a separate email for the convenience of the Reporter.

Accompanying this filing is the Company's Press Release, Customer Notice, and Direct Mail Postcard.

If you have any questions about the attached documents, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Megan Goicoechea Allen".

Megan Goicoechea-Allen

MGA:sg
Enclosures

MEGAN GOICOECHEA ALLEN (ISB No. 7623)
LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-2664
Facsimile: (208) 388-6935
mgoicoecheaallen@idahopower.com
lnordstrom@idahopower.com

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-23-12
AUTHORITY TO IMPLEMENT POWER)	
COST ADJUSTMENT ("PCA") RATES)	APPLICATION
FOR ELECTRIC SERVICE FROM JUNE)	
1, 2023, THROUGH MAY 31, 2024.)	
_____)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* § 61-502 and Commission Rule of Procedure¹ 52, hereby respectfully requests the Idaho Public Utilities Commission ("Commission") approve an update to Schedule 55 based on the quantification of the 2023-2024 Power Cost Adjustment ("PCA") to become effective June 1, 2023, for the period June 1, 2023, through May 31, 2024. If the proposed rates and charges for electric service in the state of Idaho included as Attachment 1 to

¹ Hereinafter cited as RP.

this Application are approved, the 2023-2024 PCA will result in an overall revenue increase of approximately \$200.2 million, or a 14.68 percent increase from current billed revenue.

In support of this Application, Idaho Power has filed the Direct Testimony of Jessica G. Brady, Regulatory Analyst (“Brady Testimony”). Ms. Brady’s testimony details the 2023-2024 PCA amount, explains the factors that impact this year’s PCA quantification, details the calculation of the proposed 2023-2024 PCA rates, and discusses the additional PCA component related to revenue sharing. In further support of this Application, Idaho Power represents as follows:

I. BACKGROUND

1. Idaho Power is an Idaho corporation whose principal place of business is 1221 West Idaho Street, Boise, Idaho 83702.

2. Idaho Power is a public utility supplying retail electric service to more than 600,000 customers in southern Idaho and eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission in Idaho and to the jurisdiction of the Public Utility Commission of Oregon. Idaho Power is also subject to the jurisdiction of the Federal Energy Regulatory Commission.

3. The Company is compensated for “normal” costs of generating electricity through its base electricity rates established by the Commission in general rate cases. However, though the power supply expense component embedded in base rates is static, due to the Company’s unique reliance on hydro generation, actual power supply expenses vary from year to year with changes in streamflow conditions.

4. As a result of the Company's request to establish a permanent mechanism to adjust rates annually to reflect variations in power supply costs in Case No. IPC-E-92-25, the Commission issued Order No. 24806 on March 29, 1993, in which it approved the implementation of an annual Power Cost Adjustment procedure in order to provide consistency and stability to rates.² The PCA is a cost recovery mechanism that passes on both the benefits and costs of supplying energy to Idaho Power customers. Neither Idaho Power nor its shareholders receive any financial return on this filing – money collected from the surcharge can be used only to pay power supply expenses.

5. Since its establishment, the PCA mechanism has been incrementally refined and modified through a series of Commission Orders, as more fully set forth below, to ensure the mechanism achieves its desired purpose and to incorporate other distinct elements, such as revenue sharing, as circumstances dictated.

6. For example, following several Commission orders addressing the need to modify the Company's then-existing PCA methodology, the Company initiated Case No. IPC-E-08-19 requesting the Commission approve a settlement stipulation that addressed a number of issues and components of the PCA. In Order No. 30715, the Commission approved the stipulation and changes to the PCA formula, which included, in pertinent part, revising the PCA sharing methodology that allocates non-PURPA³ power supply expenses between customers and shareholders.⁴ More specifically, the PCA sharing ratio

² *In the Matter of the Application of Idaho Power Company for Authority to Implement a Power Cost Adjustment Tariff for Electric Service to Customers in the State of Idaho and for Approval of New Rates for Service Under the FMC Special Contract*, Case No. IPC-E-92-25, Order No. 24806, p. 25-26 (Mar. 23, 1993).

³ Public Utility Regulatory Policies Act of 1978 ("PURPA").

⁴ *In the Matter of Idaho Power Company's Petition for Approval of Changes to its Power Cost Adjustment (PCA) Mechanism*, Case No. IPC-E-08-19, Order No. 30715, p. 4-5 (Jan. 9, 2009).

was modified to 95 percent customer, 5 percent Idaho Power.⁵ In addition, in Order No. 30715 the Commission approved changes to the Load Growth Adjustment Rate (“LGAR”), third-party transmission expense, the PCA forecast, and power supply expense distribution.⁶

7. Following the notice of intent to file a general rate case filed by the Company in August 2009, the Company, Commission Staff, and other stakeholders worked together to develop an approach that would allow the Company to implement a multi-year general rate case moratorium while at the same time giving the Company the opportunity to recover a maintenance level of earnings over the term of the moratorium. This ultimately resulted in the Company seeking approval of a settlement stipulation filed in lieu of a general rate case in Case No. IPC-E-09-30, which was granted by the Commission in Order No. 30978.⁷ Through this stipulation, a revenue sharing mechanism was established to allow the Company to amortize Accumulated Deferred Investment Tax Credits (“ADITC”) when earnings fall below a certain Return on Equity (“ROE”) threshold, or share a portion of revenues with Idaho customers in the form of a rate reduction when earnings are above a certain ROE threshold. This ADITC/Revenue Sharing mechanism was subsequently extended, and percentages, thresholds, and accounting were modified

⁵ With respect to PUPRA expenses and demand response incentive payments, when actual annual expenses deviate from base level NPSE, the Company is allowed to pass 100 percent of the difference for recovery or credit through the PCA.

⁶ *Id.*

⁷ *In the Matter of the Application of Idaho Power Company for an Accounting Order to Amortize Additional Accumulated Deferral Income Tax Credit and Approving a Rate Case Moratorium*, Case No. IPC-E-09-30, Order No. 30978, p. 5-7 (Jan. 13, 2010).

by the Commission in Order Nos. 32424,⁸ 33149,⁹ and 34071.¹⁰

8. At the Commission's request, Staff initiated Case No. GNR-E-10-03 to explore issues related to the load growth adjustment portion of the utilities' power cost adjustment mechanisms, particularly considering use of a LGAR in periods of declining load. In that case, the Commission ultimately adopted a revised LGAR methodology and changed the name of the methodology to the Load Change Adjustment Rate ("LCAR"), as set forth in Order No. 32206.¹¹

9. In 2014 and 2015, the Company and Staff considered potential ways to improve the PCA's accuracy and, as a result of these efforts, agreed on a number of changes to the calculation of the PCA true-up. The ensuing proposal, to convert the PCA's existing Load Change Adjustment deferral calculation to a Sales-Based Adjustment ("SBA"), and modify the PCA deferral balance's monthly interest calculation, was set forth in a settlement agreement and submitted to the Commission in Case No. IPC-E-15-15. On May 28, 2015, the Commission issued Order No. 33307 approving the following changes to the PCA pursuant to the settlement agreement: (1) replacing the existing LCAR with the SBA, calculated in the same manner as the LCAR but replacing the load-based megawatt-hour ("MWh") denominator with the corresponding sales-based MWh denominator; and (2) calculating monthly interest on the deferral balance by assigning

⁸ *In the Matter of the Application of Idaho Power Company to Extend and Modify Accounting Order to Amortize Additional Accumulated Deferred Income Tax Credits ("ADITC")*, Case No. IPC-E-11-22, Order No. 32424, p. 4 (Dec. 27, 2011).

⁹ *In the Matter Idaho Power Company's Application to Extend its Accumulated Deferred Investment Tax Credits/Revenue Sharing Mechanism Beyond 2014*, Case No. IPC-E-14-14, Order No. 33149, p. 4-5 (Oct. 9, 2014).

¹⁰ *In the Matter of the Investigation into the Impact of Federal Tax Code Revisions on Utility Costs and Ratemaking*, Case No. GNR-U-18-01, Order No. 34071, p. 4-5 (May 31, 2018).

¹¹ *In the Matter of the Commission's Inquiry into Load Growth Adjustments that Are Part of Power Cost Adjustment Mechanisms*, Case No. GNR-U-10-03, Order No. 32206, p. 6-7 (Mar. 15, 2011).

annual base Net Power Supply Expenses (“NPSE”) to each month according to expected base rate revenue collection as set in the Company’s last general rate case, Case No. IPC-E-11-08.¹²

10. Following changes to federal and Idaho state tax rates implemented in 2018, the Commission opened a multi-utility case, Case No. GNR-U-18-01, to investigate whether to adjust utilities’ rates and charges to reflect the income tax and revenue requirement reductions resulting from the tax changes. After considering the impacts of tax reform on its operations, the Company worked with Staff on a proposal that would return to customers the tax benefits the Company was realizing under the tax law changes with limited negative impact to the Company and entered into a settlement stipulation reflecting the same. The settlement stipulation filed with the Commission on April 12, 2018, included, among other things, extending and modifying the ADITC/Revenue Sharing mechanism to its current iteration. On May 31, 2018, the Commission issued Order No. 34071 approving the settlement stipulation including the following modifications to the sharing portion of the mechanism, which allowed for greater customer benefits.¹³ First, for actual year-end Idaho jurisdictional earnings greater than 10 percent ROE, all amounts up to and including 10.5 percent ROE will be shared between customers and the Company on an 80 percent and 20 percent basis, respectively.¹⁴ The customer revenue sharing benefit will be in the form of a reduction to rates at the time the subsequent year’s PCA becomes effective. Second, Idaho earnings above a 10.5

¹² *In the Matter of Idaho Power Company’s Application for Approval of Computational Modifications to the True-Up Portion of the Power Cost Adjustment*, Case No. IPC-E-15-15, Order No. 33307, p. 4-5 (May 28, 2015).

¹³ GNR-U-18-01, Order No. 34071, p. 4-5.

¹⁴ *Id.*

percent ROE will also be shared, with customers receiving 55 percent of the earnings in the form of a reduction to rates at the time the subsequent year's PCA becomes effective, as well as 25 percent of the earnings applied as an offset to the Company's pension balancing account, with the Company retaining the remaining 20 percent.¹⁵

11. On May 28, 2021, the Commission issued Order No. 35054 approving the Company's 2021 annual PCA filing and instructing it, based on Staff's recommendation to simplify the PCA mechanism, "to initiate discussions with interested parties and to file a case with the Commission to review whether the PCA mechanism should be modified" before the Company's next PCA application.¹⁶

12. As a result of this endeavor, the Company proposed in Case No. IPC-E-21-38 to simplify its PCA mechanism by replacing the "true-up" and "true-up of the true-up" components of the PCA with a balancing account. On January 10, 2022, the Commission issued Order No. 35290 approving the Company's request to modify the PCA mechanism thereby combining the two true-up components into one balancing account rate, referred to below as the "Balancing Adjustment."¹⁷ This modification was intended to make the PCA more transparent and easier to understand and does not materially affect the overall cost recovery of the PCA.

¹⁵ *Id.*

¹⁶ *In the Matter of Idaho Power Company's Application for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service from June 1, 2021 through May 31, 2022*, IPC-E-21-10, Order No. 35054, p. 5 (May 21, 2021).

¹⁷ *Idaho Power Company's Application for Modification of the Power Cost Adjustment Mechanism*, Case No. IPC-E-21-38, Order No. 35290, p. 2-3 (Jan. 10, 2022).

II. THE PCA MECHANISM

13. As explained more fully above, the PCA quantifies and tracks annual differences between actual NPSE and the normalized or “base level” of NPSE recovered in the Company’s base rates, resulting in a credit or surcharge that is updated annually on June 1.

14. The PCA mechanism utilizes a 12-month test period of April through March (“PCA Year”) and consists of a forecast component and a Balancing Adjustment (formerly referred to as the “true-up” and the “true-up of the true-up”). The PCA forecast represents the difference between the Company’s NPSE forecast from its March Operating Plan and the base level NPSE recovered in the Company’s base rates. The PCA sharing mechanism allows the Company to pass to Idaho customers 95 percent of the annual differences in actual non-PURPA power expenses as compared to the base level NPSE, whether positive or negative. The Balancing Adjustment includes a backward-looking tracking of differences between the prior PCA Year’s forecast and actual NPSE incurred by the Company and also tracks the collection of the prior year’s Balancing Adjustment.

15. The PCA is also the rate mechanism used by the Company to provide direct revenue sharing benefits resulting from the Revenue Sharing mechanism originally approved in Order No. 34071.

Forecast.

16. The Brady Testimony describes and computes the PCA rate to be effective June 1, 2023, through May 31, 2024. The system-level forecast of NPSE for the 2023-2024 PCA Year is \$541,499,384, which is \$235,814,515 higher than the currently approved base level NPSE of \$305,684,869 and \$52,004,084 higher than last year’s

forecast amount of \$489,495,300. The increase in this year's forecast is attributed primarily to higher forecast market energy and natural gas prices, combined with a limited coal supply.

17. As described in Ms. Brady's testimony, the difference between the system-level forecast NPSE and the currently approved base level NPSE is adjusted for the PCA sharing provisions and allocated to Idaho customers as more fully set forth in the Brady Testimony to determine the 2023-2024 PCA forecast component to be collected from Idaho customers of \$218,005,217.

Balancing Adjustment.

18. Per Order No. 35290,¹⁸ the "true-up" and the "true-up of the true-up" have been combined into a single Balancing Adjustment. In addition to the NPSE incurred during the April 2022 through March 2023 period, Idaho Power included its actual cost of Western Energy Imbalance Market ("EIM") participation for April 2022 through March 2023 in the Balancing Adjustment as approved by the Commission in Order No. 34100.¹⁹ Benefits associated with EIM participation are embedded in actual NPSE experienced over that same period.

19. The PCA Balancing Adjustment deferral balance at the end of March 2023, with interest applied, was approximately \$190 million, which represents an increase in customer rates in this year's Balancing Adjustment. Similar to the forecast, the increase in the Balancing Adjustment is largely attributed to high natural gas and market energy

¹⁸ Case No. IPC-E-21-38.

¹⁹ *In the Matter of the Application of Idaho Power to Establish a Method of Recovery for Costs Associated with Participation in the Western Energy Imbalance Market*, Case No. IPC-E-17-16, Order No. 34100, p. 3-4 (Jul. 2, 2018).

prices during the 2022-2023 PCA Year, combined with a limited coal supply. In addition, hydro generation was 9 percent lower than forecast.

Revenue Sharing.

20. The Company's earnings in each year from 2011 through 2015, as well as 2018 and 2021, resulted in revenue sharing with Idaho customers totaling \$126.7 million, either as a direct rate offset in the PCA or as an offset to amounts that would have otherwise been collected in rates. The Company's earnings in 2016, 2017, 2019, and 2020 were below the revenue sharing threshold. As described in greater detail in the Brady Testimony, the Company's 2022 Idaho jurisdictional year-end ROE was 9.8 percent. In accordance with the terms of the modified revenue sharing mechanism approved by the Commission in Order No. 34071,²⁰ the Company's Idaho jurisdictional year-end ROE was below the 10.0 percent ROE threshold for revenue sharing. Therefore, the 2023-2024 PCA will not include a revenue sharing component.

III. 2023-2024 PCA CALCULATION AND PROPOSED RATE CHANGES

PCA Rate Calculation.

21. The Brady Testimony describes in detail how the PCA rate is determined, including how each of its components are calculated. For the 2023-2024 PCA Year, the Company's uniform PCA rate is comprised of (1) the 1.4572 cents per kilowatt-hour ("kWh") adjustment for the 2023-2024 projected power cost of serving firm loads under the current PCA methodology and 95 percent sharing and (2) 1.2714 cents per kWh for the 2022-2023 Balancing Adjustment. The sum of these two components results in an approximate 2.7286 cents per kWh charge for all rate classes.

²⁰ GNR-U-18-01, Order No. 34071, p. 4-5.

Cumulative Proposed June 1, 2023, Rate Changes.

22. PCA. The 2023-2024 total PCA amount, as measured from the currently approved base level NPSE is \$408.2 million. This represents an increase in total billed revenue of \$200.2 million, an increase of 14.68 percent, for Idaho customers, effective June 2023 through May 2024.

23. Fixed Cost Adjustment (“FCA”). On March 15, 2023, Idaho Power filed its annual FCA in Case No. IPC-E-23-09. The Company’s 2023 FCA filing proposes a \$10.0 million decrease in current billed revenue, or a 1.56 percent decrease, for Idaho Residential and Small General Service customers, effective June 2023 through May 2024.

24. Combined Effect of the PCA and FCA Filings. If the proposed PCA and FCA rate changes are approved as filed, the combined impact is an overall increase in current billed revenue of \$190.2 million, or 13.94 percent, for June 2023 through May 2024.

25. Attachment 1 to this Application is Idaho Power’s proposed IPUC No. 29, Tariff No. 101, in both clean and legislative formats, which contains the tariff sheets specifying the proposed Schedule 55 rates for providing retail electric service to its customers in the state of Idaho for June 1, 2023, through May 31, 2024.

26. Attachment 2 to this Application contains a summary of revenue impact showing the effect to each customer class of applying the Company’s proposed PCA rates that collect \$200.2 million more, from June 2023 through May 2024, than the PCA rates currently in effect.

Rate Mitigation.

27. Due to the magnitude of the requested increase, Idaho Power considered proposing rate mitigation measures as part of this filing. As detailed in the testimony of Ms. Brady, it has not done so for several reasons. The Company believes that customer interests are generally best served by matching cost recovery as closely as possible with the period in which power supply costs are incurred. Additionally, mitigating rate impacts by spreading recovery over multiple years creates the possibility that the deferred collection will result in “rate pancaking” with potential future rate increases, essentially deferring an increase in the current year to create an even larger increase in the future.

28. The Company’s decision to not propose any rate mitigation measures in this filing is consistent with Commission precedent. In considering the use of rate mitigation measures in prior PCA cases, the Commission has repeatedly declined to spread recovery of amounts into subsequent years citing concerns surrounding rate pancaking, appropriate matching of costs and recovery, and the overall intent of the PCA mechanism.²¹

29. While the Company is not proposing any rate mitigation measures in this filing, it is open to discussing these measures if the Commission determines they may be appropriate.

²¹ See, e.g., *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From May 16, 2002 Through May 15, 2003*, Case No. IPC-E-02-03, Order No. 29026, p. 15-16 (May 13, 2002); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From June 1, 2008 Through May 31, 2009*, Case No. IPC-E-08-07, Order No. 30563, p. 6-7 (May 30, 2008); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From June 1, 2009 Through May 31, 2010*, Case No. IPC-E-09-11, Order No. 30828, p. 10-11 (May 29, 2009); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service from June 1, 2013 Through May 31, 2014*, Case No. IPC-E-13-10, Order No. 32821, p. 10-11 (May 31, 2013).

IV. MODIFIED PROCEDURE

30. Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing. RP 201, *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to present its testimony, including but limited to the Brady Testimony filed contemporaneously herewith, and support the Application in such hearing.

V. COMMUNICATIONS AND SERVICE OF PLEADINGS

31. In conformance with RP 125, this Application will be brought to the attention of Idaho Power's customers by means of a press release to media in the Company's service area and a customer notice distributed in customers' bills, both of which accompany this filing. The customer notice will be distributed over the course of the Company's current billing cycles, and additionally, to ensure that all customers are notified in a timely manner and have sufficient time to submit comments, Idaho Power is sending a direct mail postcard to a subset of customers that receive their bill toward the end of the processing time for this case. As such, a bill insert and/or the direct mail postcard will be mailed no later than May 20, 2023.

32. The Company has also prominently displayed its intent to file the PCA on its website since March 15, 2023. Upon filing of this Application, this web graphic will link directly to the PCA press release and bill insert. Idaho Power will also keep its

Application, testimony, and exhibits open for public inspection at its offices throughout the state of Idaho. Idaho Power asserts that this notice procedure satisfies the Rules of Procedure of this Commission; however, the Company will, in the alternative, bring the Application to the attention of its affected customers through any other means directed by this Commission.

33. Communications and service of pleadings with reference to this Application should be sent to the following:

Megan Goicoechea Allen
Lisa D. Nordstrom
Regulatory Dockets
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
mgoicoecheaallen@idahopower.com
lnordstrom@idahopower.com
dockets@idahopower.com

Matthew T. Larkin
Timothy E. Tatum
Jessi Brady
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
mlarkin@idahopower.com
ttatum@idahopower.com
jbrady@idahopower.com

VI. REQUEST FOR RELIEF

34. As discussed in greater detail above and in the Brady Testimony filed contemporaneously herewith, Idaho Power respectfully requests that the Commission issue an order approving an update to Schedule 55 based on the quantification of the 2023-2024 PCA, resulting in an overall increase to current billed revenue of approximately \$200.2 million to become effective June 1, 2023.

DATED at Boise, Idaho, this 14th day of April 2023.



MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

**ATTACHMENT 1
PROPOSED TARIFF
(CLEAN AND LEGISLATIVE)**

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules and Special Contracts listed within this schedule. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST AND PROJECTED POWER COST

The Base Power Cost of the Company's rates, expressed in cents per kWh, is computed by dividing the sum of the Company's power cost components by firm kWh sales. The power cost components are segmented into three categories as described in the table below:

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the power cost components for the forecasted time period beginning April 1 each year and ending the following March 31.

BALANCING ADJUSTMENT

The Balancing Adjustment is based upon the differences between previous Projected Power Cost and the power costs actually incurred. The Balancing Adjustment is 1.2714 cents per kWh.

EARNINGS SHARING

Order Nos. 30978, 32424, 33149, and 34071 directed the Company to share a portion of its earnings above a certain threshold with customers through the annual Power Cost Adjustment. The Company's 2022 earnings were not above the prescribed threshold resulting in a credit of 0.0000 cents per kWh.

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

POWER COST ADJUSTMENT

The Power Cost Adjustment (PCA) is the sum of: 1) 95 percent of the difference between the Projected Power Costs in Category 1 and the Base Power Costs in Category 1; 2) 100 percent of the difference between the Projected Power Costs in Category 2 and the Base Power Costs in Category 2; 3) 100 percent of the difference between the Projected Power Costs in Category 3 and the Base Power Costs in Category 3; 4) the Balancing Adjustment; and 5) Earnings Sharing. The following table calculates the rates for Categories 1, 2 and 3.

The following table shows the determination of PCA rates for Categories 1, 2, and 3:

Category	Description	Base Power Cost	Projected Power Cost	Difference	Sharing %	Rate
		(¢ per kWh)				
1	The sum of fuel expense and purchased power expense (excluding purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and revenue from market-based special contract pricing.	1.0253	1.9919	0.9667	95%	0.9183
2	Purchased power expense from cogeneration and small power producers.	0.8546	1.3953	0.5407	100%	0.5407
3	Demand response incentive payments.	0.0752	0.0734	-0.0018	100%	-0.0018
Total		1.9551	3.4606	1.5055		1.4572

SCHEDULE 55
POWER COST ADJUSTMENT
(Continued)

The monthly Power Cost Adjustment rates applied to the Energy rate of all metered schedules and Special Contracts are shown below. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times the cents per kWh rates shown below.

<u>Schedule</u>	<u>Category</u>			<u>Balancing Adjustment</u>	<u>Earnings Sharing</u>	<u>Total PCA</u>
	<u>1</u>	<u>2</u>	<u>3</u>			
1	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
3	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
5	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
6	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
7	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
8	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
9S	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
9P	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
9T	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
15	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
19S	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
19P	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
19T	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
24	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
40	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
41	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
42	0.9183	0.5407	(0.0018)	1.2714	(0.0000)	2.7286
26	0.9183	0.5407	(0.0018)	1.2714	*	2.7286
29	0.9183	0.5407	(0.0018)	1.2714	*	2.7286
30	0.9183	0.5407	(0.0018)	1.2714	*	2.7286

* Earnings Sharing Credits are applied as monthly amounts per the table below.

<u>Schedule</u>	<u>Special Contract</u>	<u>Monthly Credit</u>
26	Micron	(\$0.00)
29	Simplot	(\$0.00)
30	DOE	(\$0.00)

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 31, 2024.

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules and Special Contracts listed within this schedule. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST AND PROJECTED POWER COST

The Base Power Cost of the Company's rates, expressed in cents per kWh, is computed by dividing the sum of the Company's power cost components by firm kWh sales. The power cost components are segmented into three categories as described in the table below:

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the power cost components for the forecasted time period beginning April 1 each year and ending the following March 31.

BALANCING ADJUSTMENT

The Balancing Adjustment is based upon the differences between previous Projected Power Cost and the power costs actually incurred. The Balancing Adjustment is ~~0.25791~~ 1.2714 cents per kWh.

EARNINGS SHARING

Order Nos. 30978, 32424, 33149, and 34071 directed the Company to share a portion of its earnings above a certain threshold with customers through the annual Power Cost Adjustment. The Company's 202~~4~~2 earnings were not above the prescribed threshold resulting in a credit of ~~0.0038~~ 0.0000 cents per kWh.

SCHEDULE 55
POWER COST ADJUSTMENT
 (Continued)

POWER COST ADJUSTMENT

The Power Cost Adjustment (PCA) is the sum of: 1) 95 percent of the difference between the Projected Power Costs in Category 1 and the Base Power Costs in Category 1; 2) 100 percent of the difference between the Projected Power Costs in Category 2 and the Base Power Costs in Category 2; 3) 100 percent of the difference between the Projected Power Costs in Category 3 and the Base Power Costs in Category 3; 4) the Balancing Adjustment; and 5) Earnings Sharing. The following table calculates the rates for Categories 1, 2 and 3.

The following table shows the determination of PCA rates for Categories 1, 2, and 3:

Category	Description	Base Power Cost	Projected Power Cost	Difference	Sharing %	Rate
		(¢ per kWh)				
1	The sum of fuel expense and purchased power expense (excluding purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and revenue from market-based special contract pricing.	1.02 3453	1.71319919	0.68979667	95%	0.65529183
2	Purchased power expense from cogeneration and small power producers.	0.85 3446	1.35493953	0.50185407	100%	0.50185407
3	Demand response incentive payments.	0.075 42	0.05410734	-0.02090018	100%	-0.02090018
Total		1.95169551	3.12214606	1.17055055		1.136064572

SCHEDULE 55
POWER COST ADJUSTMENT
 (Continued)

The monthly Power Cost Adjustment rates applied to the Energy rate of all metered schedules and Special Contracts are shown below. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times the cents per kWh rates shown below.

Schedule	Category			Balancing Adjustment	Earnings Sharing	Total PCA
	1	2	3			
1	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00470000)</u>	<u>4.38932.7286</u>
3	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00450000)</u>	<u>4.38952.7286</u>
5	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00450000)</u>	<u>4.38952.7286</u>
6	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00470000)</u>	<u>4.38932.7286</u>
7	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00590000)</u>	<u>4.38842.7286</u>
8	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00590000)</u>	<u>4.38842.7286</u>
9S	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00350000)</u>	<u>4.39052.7286</u>
9P	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00310000)</u>	<u>4.39092.7286</u>
9T	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00350000)</u>	<u>4.39052.7286</u>
15	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.01220000)</u>	<u>4.38182.7286</u>
19S	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00350000)</u>	<u>4.39052.7286</u>
19P	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00270000)</u>	<u>4.39132.7286</u>
19T	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00250000)</u>	<u>4.39152.7286</u>
24	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.003800)</u>	<u>4.39022.7286</u>
40	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00420000)</u>	<u>4.38982.7286</u>
41	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00740000)</u>	<u>4.38662.7286</u>
42	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	<u>(0.00300000)</u>	<u>4.39102.7286</u>
26	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	*	<u>4.39402.7286</u>
29	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	*	<u>4.39402.7286</u>
30	<u>0.65529183</u>	<u>0.50185407</u>	<u>(0.02090018)</u>	<u>0.25791.2714</u>	*	<u>4.39402.7286</u>

* Earnings Sharing Credits are applied as monthly amounts per the table below.

Schedule	Special Contract	Monthly Credit
26	Micron	<u>(\$1,307.240.00)</u>
29	Simplot	<u>(\$328.560.00)</u>

Idaho Power Company ~~Eleventh-Twelfth~~ Revised Sheet No. 55-3
Cancels

I.P.U.C. No. 29, Tariff No. 101 ~~Tenth-Eleventh~~ Revised Sheet No. 55-3

30	DOE	(\$ 432,240.00)
----	-----	-----------------------------

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 31, 202~~3~~4.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

**ATTACHMENT 2
REVENUE IMPACT SUMMARY**

Idaho Power Company
Calculation of Revenue Impact 2023-2024
State of Idaho
PCA
Filed April 14, 2023

Summary of Revenue Impact
Current Billed Revenue to Proposed Billed Revenue

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Billed Revenue	Mills Per kWh	Total Adjustments to Billed Revenue	Proposed Total Billed Revenue	Mills Per kWh	Percent Change Billed to Billed ⁽²⁾
<u>Uniform Tariff Rates:</u>										
1	Residential Service	1	494,984	5,417,241,908	\$609,498,865	112.51	\$72,553,085	\$682,051,950	125.90	11.90%
2	Master Metered Mobile Home Park	3	19	4,486,942	\$481,797	107.38	\$60,082	\$541,879	120.77	12.47%
3	Residential Service Energy Watch	4	0	0	\$0	0.00	\$0	\$0	0.00	N/A
4	Residential Service Time-of-Day	5	986	16,988,817	\$1,838,847	108.24	\$227,496	\$2,066,343	121.63	12.37%
5	Residential Service On-Site Generation	6	14,270	80,282,357	\$9,487,053	118.17	\$1,075,221	\$10,562,274	131.56	11.33%
6	Small General Service	7	30,601	139,056,596	\$19,205,888	138.12	\$1,864,119	\$21,070,007	151.52	9.71%
7	Small General Service On-Site Generation	8	93	212,550	\$32,230	151.63	\$2,849	\$35,079	165.04	8.84%
8	Large General Service	9	38,308	3,951,263,560	\$323,736,398	81.93	\$52,870,473	\$376,606,872	95.31	16.33%
9	Dusk to Dawn Lighting	15	0	5,267,423	\$1,334,638	253.38	\$70,942	\$1,405,580	266.84	5.32%
10	Large Power Service	19	115	2,404,729,481	\$160,046,753	66.55	\$32,157,975	\$192,204,727	79.93	20.09%
11	Agricultural Irrigation Service	24	19,271	1,865,582,190	\$166,351,167	89.17	\$24,969,643	\$191,320,811	102.55	15.01%
12	Unmetered General Service	40	1,663	13,925,301	\$1,337,823	96.07	\$186,430	\$1,524,253	109.46	13.94%
13	Street Lighting	41	2,980	23,760,014	\$3,792,768	159.63	\$318,869	\$4,111,637	173.05	8.41%
14	Traffic Control Lighting	42	766	2,847,961	\$205,225	72.06	\$38,093	\$243,318	85.44	18.56%
15	Total Uniform Tariffs		604,056	13,925,645,100	\$1,297,349,452	93.16	\$186,395,278	\$1,483,744,731	106.55	14.37%
16	Total Special Contracts ⁽³⁾		3	1,136,579,568	\$67,017,996	58.96	\$13,836,732	\$80,854,728	71.14	20.65%
17	Total Idaho Retail Sales		604,059	15,062,224,668	\$1,364,367,448	90.58	\$200,232,011	\$1,564,599,459	103.88	14.68%

(1) June 01, 2023 - May 31, 2024 Forecasted Test Year (Spring 2023 Forecast) 4.7

(2) Percentage impact does not include components which are applied as percentages, Riders and Franchise Fees.

(3) Includes Clean Energy Your Way PPA Energy and Revenue

Idaho Power Company
Calculation of Revenue Impact 2023-2024
State of Idaho
PCA
Filed April 14, 2023

Summary of Revenue Impact - Rates 9, 19, and 24 Distribution Level Detail
Current Billed Revenue to Proposed Billed Revenue

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers (1)	Normalized Energy (kWh) (1)	Current Billed Revenue	Mills Per kWh	Adjustments to Billed Revenue	Proposed Total Billed Revenue	Mills Per kWh	Percent Change Billed to Billed (2) Revenue
<u>Uniform Tariff Rates:</u>										
1	Large General Secondary	9S	38,024	3,346,539,551	\$278,708,353	83.28	\$44,781,118	\$323,489,471	96.66	16.07%
2	Large General Primary	9P	280	601,166,866	\$44,742,355	74.43	\$8,041,757	\$52,784,112	87.80	17.97%
3	Large General Transmission	9T	4	3,557,143	\$285,691	80.31	\$47,598	\$333,289	93.70	16.66%
4	Total Schedule 9		38,308	3,951,263,560	\$323,736,398	81.93	\$52,870,473	\$376,606,872	95.31	16.33%
6	Large Power Secondary	19S	0	0	\$0	0.00	\$0	\$0	0.00	0.00%
7	Large Power Primary	19P	113	2,371,527,573	\$157,938,835	66.60	\$31,714,024	\$189,652,859	79.97	20.08%
8	Large Power Transmission	19T	2	33,201,908	\$2,107,917	63.49	\$443,951	\$2,551,868	76.86	21.06%
9	Total Schedule 19		115	2,404,729,481	\$160,046,753	66.55	\$32,157,975	\$192,204,727	79.93	20.09%
11	Irrigation Secondary	24S	19,271	1,865,582,190	\$166,351,167	89.17	\$24,969,643	\$191,320,811	102.55	15.01%
12	Irrigation Transmission	24T	0	0	\$0	0.00	\$0	\$0	0.00	0.00%
13	Total Schedule 24		19,271	1,865,582,190	\$166,351,167	89.17	\$24,969,643	\$191,320,811	102.55	15.01%

(1) June 01, 2023 - May 31, 2024 Forecasted Test Year (Spring 2023 Forecast) 4.7



Opportunities for Public Review

Idaho Power's proposal is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (11331 W. Chinden Blvd. Building 8, Suite 201-A, Boise, ID 83714), Idaho Power offices, or at idahopower.com or puc.idaho.gov. Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via email about the case. Written comments regarding Idaho Power's proposal (Case No. IPC-E-23-12) may be filed with the IPUC.

***Thank you for reading this notice.
We value your business.***



♻️ Printed on recycled paper.
©2023 Idaho Power
31180-I-0223

Idaho Power Files Annual Power Cost Adjustment

Idaho Power has filed the final piece of its annual spring cost adjustments with the Idaho Public Utilities Commission (IPUC). This year's Power Cost Adjustment (PCA) calls for a price increase as a result of higher power costs related to natural gas and market prices, lower than expected hydro generation and a limited coal supply.

Neither Idaho Power nor its shareholders receive any financial return from this filing, which is a request for \$200.23 million. The money collected is used solely to recover expenses associated with annual fluctuations in power supply costs.

Idaho Power previously filed the Fixed Cost Adjustment (FCA) on March 15. If approved, the FCA and PCA rate changes will take effect June 1. A typical Idaho residential customer will see an overall monthly increase of \$11.06 — the combined impact of the following two filings:

- The FCA, which is applicable only to residential and small commercial customers, adjusts prices based on changes in energy use per customer during the previous year. For the average Idaho residential customer using 950 kilowatt-hours (kWh) of energy per month, this year’s FCA requests a monthly bill decrease of \$1.66.
- The PCA is a cost-recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. This year’s PCA requests a monthly bill increase of \$12.72 for the average Idaho residential customer.

The impact of both filings for all Idaho customers is shown in the table below. The actual percentage will depend on a customer’s classification and the rate they pay.

2023 RATE FILINGS					
PERCENTAGE CHANGE FROM CURRENT BILLED REVENUE					
Overall Percentage Impact	Residential	Small General Service	Large General Service ¹	Large Power ²	Irrigation
POWER COST ADJUSTMENT (PCA)					
14.68%	11.90%	9.70%	16.19%	20.26%	15.01%
FIXED COST ADJUSTMENT (FCA)					
-0.73%	-1.56%	-1.63%	N/A	N/A	N/A
COMBINED IMPACT³					
13.94%	10.34%	8.08%	16.19%	20.26%	15.01%

¹ Includes lighting schedules; ² Includes special contracts;

³ Totals may not sum due to rounding

The PCA has two main components: a true-up mechanism for power costs incurred the previous year and an estimate of what energy will cost in the coming year. The true-up brings last year’s anticipated costs in balance with costs actually incurred the

previous April through March. The estimate reflects Idaho Power’s anticipated fuel costs, purchased power costs and customer benefits from sales of surplus energy for the coming April through March.

The increase in this year’s PCA is primarily due to last year’s actual power supply costs, which exceeded the forecast, driven by lower-than-expected hydro generation, high natural gas prices, high market prices and a limited coal supply. This year’s PCA forecast also reflects expected increased costs primarily due to continued high natural gas and market prices and a limited coal supply.



Idaho Power Files Annual Power Cost Adjustment

Idaho Power has filed the final piece of its annual spring cost adjustments with the Idaho Public Utilities Commission (IPUC). This year's Power Cost Adjustment (PCA) calls for a price increase as a result of higher power costs related to natural gas and market prices, lower than expected hydro generation and a limited coal supply.

Neither Idaho Power nor its shareholders receive any financial return from this filing, which is a request for \$200.23 million. The money collected is used solely to recover expenses associated with annual fluctuations in power supply costs.

Idaho Power previously filed the Fixed Cost Adjustment (FCA) on March 15. If approved, the FCA and PCA rate changes will take effect June 1. A typical Idaho residential customer will see an overall monthly increase of \$11.06 — the combined impact of the following two filings:

- The FCA, which is applicable only to residential and small commercial customers, adjusts prices based on changes in energy use per customer during the previous year. For the average Idaho residential customer using 950 kilowatt-hours (kWh) of energy per month, this year's FCA requests a monthly bill decrease of \$1.66.
- The PCA is a cost-recovery tool that passes on both the benefits and costs of supplying energy to Idaho Power customers. This year's PCA requests a monthly bill increase of \$12.72 for the average Idaho residential customer.

The impact of both filings for all Idaho customers is shown in the table to the right. The actual percentage will depend on a customer's classification and the rate they pay.



2023 RATE FILINGS					
PERCENTAGE CHANGE FROM CURRENT BILLED REVENUE					
Overall Percentage Impact	Residential	Small General Service	Large General Service ¹	Large Power ²	Irrigation
POWER COST ADJUSTMENT (PCA)					
14.68%	11.90%	9.70%	16.19%	20.26%	15.01%
FIXED COST ADJUSTMENT (FCA)					
-0.73%	-1.56%	-1.63%	N/A	N/A	N/A
COMBINED IMPACT³					
13.94%	10.34%	8.08%	16.19%	20.26%	15.01%

¹ Includes lighting schedules; ² Includes special contracts;

³ Totals may not sum due to rounding

The PCA has two main components: a true-up mechanism for power costs incurred the previous year and an estimate of what energy will cost in the coming year. The true-up brings last year's anticipated costs in balance with costs actually incurred the previous April through March. The estimate reflects Idaho Power's anticipated fuel costs, purchased power costs and customer benefits from sales of surplus energy for the coming April through March.

The increase in this year's PCA is primarily due to last year's actual power supply costs, which exceeded the

Continued on reverse side

Idaho Power Files Annual Power Cost Adjustment



Continued from reverse side

forecast, driven by lower-than-expected hydro generation, high natural gas prices, high market prices and a limited coal supply. This year's PCA forecast also reflects expected increased costs primarily due to continued high natural gas and market prices and a limited coal supply.

Opportunities for Public Review

Idaho Power's proposal is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (11331 W. Chinden Blvd. Building 8, Suite 201-A, Boise, ID 83714), Idaho Power offices, or at idahopower.com or puc.idaho.gov. Customers also may subscribe to the IPUC's RSS feed to receive periodic updates via email about the case. Written comments regarding Idaho Power's proposal (Case No. IPC-E-23-12) may be filed with the IPUC.

*Thank you for reading this notice.
We value your business.*



P.O. Box 70 (83707)
1221 W. Idaho St.
Boise, ID 83702

PRE-SORTED
STANDARD
U.S. POSTAGE
PAID
BOISE, ID
PERMIT NO. 679

Important Information:

Please Note: We want to ensure all of our customers have sufficient time to submit comments to the IPUC. Because your bill is processed toward the end of the IPUC's review of our request, you will receive this notification twice: first in this postcard and then in an insert in your bill later this month.