

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION) **CASE NOS. IPC-E-23-16**
STAFF’S PETITION TO UPDATE)
COLSTRIP-RELATED ADJUSTABLE) **NOTICE OF PETITION**
PORTION OF AVOIDED COST RATES)
FOR EXISTING PURPA CONTRACTS) **NOTICE OF**
) **MODIFIED PROCEDURE**
) **ORDER NO. 35789**
)

On May 3, 2023, Staff of the Idaho Public Utilities Commission (“Staff”) petitioned the Commission to approve the annual update to the Colstrip-related adjustable portion of published avoided cost rates for existing Public Utility Regulatory Policies Act of 1978 (“PURPA”) contracts. Staff requested its Petition be processed by Modified Procedure with an effective date of July 1, 2023.

The Commission now sets deadlines for commenting on the Petition.

NOTICE OF PETITION

YOU ARE HEREBY NOTIFIED that in 1999 the Commission established a method for the annual adjustable-rate portion of avoided costs for those Qualifying Facility (“QF”) contracts using variable costs associated with Colstrip—a coal-fired generating facility in southeast Montana. *See* Order No. 28708, Case No. GNR-E-99-01.

YOU ARE FURTHER NOTIFIED that Idaho Power Company (“Idaho Power”) has contracts with Colstrip-related adjustable portion of avoided cost rates. The last Idaho Power contract expires in September 2030.

YOU ARE FURTHER NOTIFIED that for those QF contracts with Colstrip-related fuel costs and variable O&M, future Colstrip variable cost adjustments are calculated using FERC Form 1 Colstrip Unit Coal Costs per megawatt hour (“MWh”) and adding \$2.00/MWh (the average variable O&M cost of Colstrip, plus 20¢/MWh for generation taxes, plus a five percent adjustment for line loss). Relevant pages from Avista Corporation’s (“Avista”) FERC Form 1 are attached to Staff’s Petition as Attachment A.

YOU ARE FURTHER NOTIFIED that as computed by Staff, the Colstrip-related adjustable rate will change from 19.13 mill/kilowatt hour (“kWh”) to 21.67 mill/kWh, effective July 1, 2023.

YOU ARE FURTHER NOTIFIED that because Idaho Power is the last Idaho regulated utility using Colstrip-related adjustable rates for certain contracts, Staff proposes that Idaho Power be directed to file future updates instead of Staff. Staff also proposes that Idaho Power use data from Avista’s FERC Form 1 until it is no longer possible and at that point, use data from NorthWestern Energy’s FERC Form 1 for the remainder of the necessary updates (unless data availability becomes an issue).¹

YOU ARE FURTHER NOTIFIED that the Petition 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” tab at the top of the home page, then select “Open Cases,” and then locate and click on the case numbers 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 that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the 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 anyone, including Idaho Power, desiring to state a position on this Petition must file a written comment in support or opposition with the Commission **within 21 days of the service date of this Order**. The comment must explain why the person supports or opposes the Petition. Persons desiring a hearing must specifically request a hearing in

¹ On January 16, 2023, Avista entered into an agreement with Northwestern Energy (“NorthWestern”) and will transfer its 15 percent ownership in Colstrip Units 3 and 4 to NorthWestern, effective December 31, 2025. Petition at 2. If data availability becomes an issue, Staff recommends Idaho Power work with Staff to develop a new method.

their written comments. Comments must be filed through the Commission’s website or by email unless computer access is unavailable. To comment electronically, please access the Commission’s home page 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, persons 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

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714
secretary@puc.idaho.gov

For Commission Staff:

Dayn Hardie
Mike Louis
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
Dayn.Hardie@puc.idaho.gov
Mike.Louis@puc.idaho.gov

For Idaho Power:

Donovan Walker
Camille Christen
Idaho Power Company
1221 West Idaho Street 83702
P.O. Box 70
Boise, ID 83707-0070
DWalker@idahopower.com
CChristen@idahopower.com
dockets@idahopower.com
energycontracts@idahopower.com

YOU ARE FURTHER NOTIFIED that Staff must file any reply comments within 28 days of the service date of this Order.

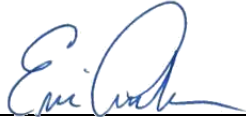
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and,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

ORDER


IT IS HEREBY ORDERED that Staff's Petition be processed by Modified Procedure. Persons interested in submitting written comments must do so within 21 days of the service date of this Order. Staff must file any reply comments within 28 days of the service date of this Order.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, 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 24th day of May 2023.



ERIC ANDERSON, PRESIDENT

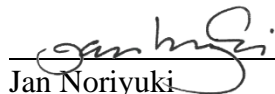


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

I:\Legal\ELECTRIC\IPC-E-23-16_Colstrip\IPCE2316_ntc app mod_dh.docx