

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER ) CASE NO. IPC-E-23-28**  
**COMPANY’S APPLICATION TO )**  
**IMPLEMENT THE RESIDENTIAL AND ) ORDER NO. 36036**  
**SMALL FARM ENERGY CREDIT RATE )**  
**EFFECTIVE JANUARY 1, 2024, THROUGH )**  
**DECEMBER 31, 2025 )**  
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On October 25, 2023, Idaho Power Company (“Company”) applied for authorization to implement the Bonneville Power Administration’s (“BPA”) residential and small farm energy rate credit from January 1, 2024, through December 31, 2025 (“Application”). The Company stated that its proposed credit rate would result in an increase of \$6,433,850 to eligible customers in Idaho. The Company asked that its Application be processed under Modified Procedure and requested an effective date of January 1, 2024.

On November 20, 2023, the Commission issued a Notice of Application and Notice of Modified Procedure setting public comment and Company reply deadlines. Order No. 36005.

Commission Staff (“Staff”) filed the only comments in this case.<sup>1</sup> Having reviewed the record, we now approve the Company’s Application.

**BACKGROUND**

Under the Pacific Northwest Electric Power and Conservation Act, BPA is permitted to exchange power with investor-owned utilities (“IOUs”), like the Company, for lower-cost power generated by BPA via a Residential Exchange Program (“REP”). After litigation, a REP Settlement Implementation Agreement was reached (“Settlement”). The Settlement outlines the Company’s REP benefits through September 30, 2028. Certain benefits of these transactions are passed to qualifying residential and small farm customers in participating Northwestern IOUs.

Schedule 98’s rate is currently set at \$0.002534 per kilowatt-hour (“kWh”). The Settlement bases compensation on a utility’s Average System Cost (“ASC”) when compared against BPA’s Priority Firm Exchange rate and “a two-year average of the utility’s historical eligible residential and small farm loads.” Application at 3. This benefit is reviewed and administered by BPA every

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<sup>1</sup> Staff also filed a corrected set of comments in this case to fix a typographical error.

two years. Accordingly, the Company’s qualifying customers received \$19,954,079 a year for both 2022 and 2023. In Order No. 35269, the Commission approved a decrease in Schedule 98’s rate (through the approval of the credit rate) that would be effective from January 1, 2022, through December 31, 2023.

### **THE APPLICATION**

The Company proposed to implement a rate credit of 0.3447 cents per kWh—which represents the Company’s Idaho portion of benefits from the BPA REP. The Company noted that its proposal would increase the credit rate to eligible Idaho customers by \$6,433,850.

The Company stated that BPA’s ASC for the exchange period of October 2023 through September 2025 is \$66.03 per megawatt-hour (“MWh”). Because this amount is \$3.20 per MWh more than BPA’s Priority Firm Exchange Rate, the Company’s Idaho and Oregon qualifying customers may receive \$22,903,010 per year for the subsequent exchange period—a \$2,948,931 increase per year when compared to the previous fiscal year 2022-2023 exchange period when eligible customers received \$19,954,079.

The Company stated that credits would be applied monthly to its qualifying (non-irrigation) customers starting on January 1, 2024. However, the benefits for the Company’s qualifying irrigation customers would accumulate monthly but be collectively discharged to customers on a yearly basis in December.

The proposed credit rate would apply to customers in rate Schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24 effective January 1, 2024, through December 31, 2025.

The Company indicated it will notify customers about the Application via bill message in compliance with IDAPA 31.01.01.125 after approval by the Commission.

### **STAFF COMMENTS**

Staff reviewed BPA’s fiscal year 2024-2025 Final Average System Cost Report as well as the Company’s Application. Staff also audited the initial inputs and performed its own calculation of the appropriate BPA Residential and Small Farm Credit rate. Staff believed that the Company correctly calculated the 0.3447 cents per kWh rate based on an Idaho jurisdictional annual allocation of REP benefits of \$22,903,010. This is a total annual increase of \$2,948,931 when compared to the fiscal year 2022-2023 exchange period.

Staff also believed that the Company proposal of notifying its customers in a bill message complied with the requirements of IDAPA 31.01.01.125. For the reasons stated above, Staff recommended approval of the Company's proposed rate of 0.3447 cents per kWh.

### **COMMISSION FINDINGS AND DISCUSSION**

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. The Commission has reviewed the record, including the Application and Staff's comments.

We find that the proposed rate credit of 0.3447 cents per kWh is just and reasonable. We therefore approve the Application and the Schedule 98 rate credit for Schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24 effective January 1, 2024, through December 31, 2025.

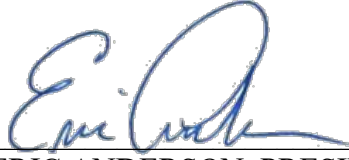
### **ORDER**

IT IS HEREBY ORDERED that the Company's Application to implement the Schedule 98 rate credit is approved for schedules 1, 3, 5, 6, 7, 8, 9, 15, and 24. The Company is authorized to implement its proposed credit rate of 0.3447 cents per kWh effective January 1, 2024, through December 31, 2025.

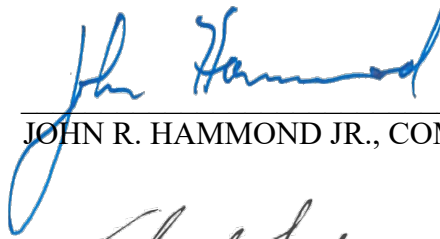
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition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

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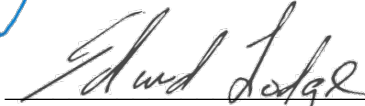
DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup> day of December 2023.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez  
Interim Commission Secretary

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