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IDAHO PUBLIC
UTILITIES COMMISSION

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May 22, 2024

Monica Barrios-Sanchez, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-24-17
Application of Idaho Power Company for Authority to Implement Power Cost
Adjustment ("PCA") Rates for Electric Service from June 1, 2024, through May
31, 2025

Dear Ms. Barrios-Sanchez:

Attached for electronic filing is Idaho Power Company's Reply Comments in the
above-reference matter.

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

Sincerely,


Megan Goicoechea Allen

MGA:sg
Enclosure

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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-24-17
AUTHORITY TO IMPLEMENT POWER)	
COST ADJUSTMENT ("PCA") RATES)	IDAHO POWER COMPANY'S
FOR ELECTRIC SERVICE FROM JUNE)	REPLY COMMENTS
1, 2024, THROUGH MAY 31, 2025.)	
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COMES NOW, Idaho Power Company ("Idaho Power" or "Company"), and, pursuant to Idaho Public Utilities Commission's ("Commission") Rule of Procedure¹ 203 and the Notice of Modified Procedure, Order No. 36158, hereby respectfully submits the following Reply Comments in response to Comments filed by Commission Staff ("Staff") in the matter of the Company's application for authority to implement Power Cost

¹ Hereinafter cited as RP.

Adjustment (“PCA”) rates for electric service from June 1, 2024, through May 31, 2025.

I. BACKGROUND

On April 15, 2024, Idaho Power applied to the Commission for an order approving an update to Schedule 55 based on the quantification of the 2024-2025 PCA to become effective June 1, 2024, for the period June 1, 2024, through May 31, 2025. As filed, the 2024-2025 PCA would result in an overall revenue decrease of approximately \$35.7 million, or a 2.31 percent decrease over the current billed revenue.

On May 15, 2024, Staff filed comments that recommended the approval of the Company’s Application and Schedule 55 as filed, that the Commission recognize the net power supply expense (“NPSE”) from the 2022-2023 PCA year as prudent, and that the Company keep the Commission and Staff apprised of any adjustments to the forecast that may warrant an out-of-cycle PCA adjustment.

In addition, Staff’s comments included a discussion of actual versus base-level expenses associated with natural gas generation and market purchases. Staff encouraged the Company to search for solutions to mitigate cost risk associated with these resources in the peak months and to discuss its efforts in next year’s PCA filing. Staff also requested that the Company consider adjusting its annual testimony to focus more on actual NPSE as opposed to the PCA forecast.

II. REPLY COMMENTS

Idaho Power appreciates and acknowledges Staff’s review of the Company’s PCA filing. The Company agrees with Staff’s conclusions that the filed PCA components appropriately calculate the 2024-2025 PCA rates under the currently approved methodology and that the NPSE incurred in the 2022-2023 PCA year was prudent. In

addition, Idaho Power supports Staff's recommendation for the Company to keep the Commission and Staff apprised of changes to the PCA forecast that could warrant an out-of-cycle PCA adjustment.

Idaho Power also appreciates Staff's analysis and discussion regarding actual versus base level expenses associated with natural gas generation and market purchases. Staff expressed concern that "underlying market conditions may be shifting, and the Company's reliance on gas and market purchases in the peak months may continue to be exorbitantly expensive."² As a result, Staff encouraged Idaho Power to "search for solutions to mitigate the cost risk in the peak months, and to discuss its efforts in the next PCA filing."³

Idaho Power manages NPSE risk through the Company's Energy Risk Management Standards ("ERMS"), which set forth guidelines for setting volumetric and financial exposure limits that dictate the Company's allowed hedging activity. In recognition that market conditions are changing, Idaho Power agrees to review these guidelines and discuss potential changes with Staff throughout the 2024-2025 PCA year. Idaho Power will also include a discussion of these efforts in next year's PCA filing.

Lastly, Idaho Power agrees to adjust its annual PCA testimony to focus more on actual generation and expenses as opposed to the PCA forecast. The Company will also include a table that contains actual generation and expenses by resource type.

III. CONCLUSION

Idaho Power acknowledges and appreciates Staff's review of the Company's PCA filing and its conclusions that the filed PCA components appropriately calculate the 2024-

² Staff Comments, p. 9.

³ *Id.*

2025 PCA rates under the currently approved methodology and that the NPSE incurred during the 2022-2023 PCA year was prudent. The Company respectfully requests that the Commission approve its filing to implement PCA rates effective June 1, 2024. In addition, Idaho Power supports Staff's recommendation for the Company to keep the Commission and Staff apprised of changes to the PCA forecast that could warrant an out-of-cycle PCA adjustment. Lastly, the Company is supportive of Staff's requests to: (1) search for solutions to mitigate NPSE risk and to discuss the related efforts in next year's PCA filing and (2) adjust its annual testimony to focus more on actual generation and expenses.

DATED at Boise, Idaho, this 22nd day of May 2024.

A handwritten signature in black ink that reads "Megan Goicoechea Allen". The signature is written in a cursive, flowing style.

MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of May 2024, I served a true and correct copy of Idaho Power Company's Reply Comments upon the following named parties by the method indicated below, and addressed to the following:

<p>Commission Staff Chris Burdin Deputy Attorney General Idaho Public Utilities Commission 11331 W. Chinden Blvd., Bldg No. 8, Suite 201-A (83714) PO Box 83720 Boise, ID 83720-0074</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: Chris.Burdin@puc.idaho.gov</p>
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Stacy Gust

Stacy Gust, Regulatory Administrative
Assistant