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IDAHO PUBLIC  
UTILITIES COMMISSION

MEGAN GOICOECHEA-ALLEN  
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May 9, 2024

Monica Barrios-Sanchez, Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Boulevard  
Building 8, Suite 201-A  
Boise, Idaho 83714

Re: Case No. IPC-E-24-19  
Idaho Power Company's Petition to Update Colstrip-Related Adjustable  
Portion of Avoided Cost Rates for Existing PURPA Contracts

Dear Ms. Barrios-Sanchez:

Attached please find Idaho Power Company's Petition to be filed in the above-entitled matter. If you have any questions about the attached documents, please do not hesitate to contact me.

Sincerely,



Megan Goicoechea Allen

MGA:cd  
Attachments

MEGAN GOICOCHEA ALLEN (ISB No. 7623)  
DONOVAN E. WALKER (ISB No. 5921)  
Idaho Power Company  
1221 West Idaho Street (83702)  
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Boise, Idaho 83707  
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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	CASE NO. IPC-E-24-19
COMPANY'S PETITION TO UPDATE	)	
COLSTRIP-RELATED ADJUSTABLE	)	IDAHO POWER COMPANY'S
PORTION OF AVOIDED COST RATES	)	PETITION
FOR EXISTING PURPA CONTRACTS	)	
_____	)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 201, *Idaho Code* 61-501, -502, and -503, and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), and pursuant to the Idaho Public Utilities Commission ("IPUC" or "Commission") Rules of Procedure 37 and 53, IDAPA 31.01.01.37 and .53, petitions the Commission for an order updating the Colstrip-related adjustable portion of the published avoided cost rates for existing PURPA contracts. The Company requests the Commission issue a final order by July 1, 2024, to allow for new rates to be effective on July 1, 2024.

## I. BACKGROUND

Qualifying Facility (“QF”) contracts that use published avoided cost rates calculated under the Colstrip Method are updated annually on July 1. Historically, Commission Staff (“Staff”) has petitioned the Commission for an order updating the Colstrip-related adjustable portion of the published avoided cost rates for existing PURPA contracts. As Idaho Power is now the only Idaho electric utility (Idaho Power, Avista, and PacifiCorp) with contracts using the Colstrip Method, Staff proposed that Idaho Power initiate the annual update starting in 2024, which the Commission approved in Order No. 35841, Case No. IPC-E-23-16.

In Order No. 28708, Case No. GNR-E-99-01, the Commission established a method for calculating the annual adjustable-rate portion of avoided costs for those QF contracts using variable costs associated with Colstrip, a coal-fired generating facility in southeast Montana. For those QF contracts with Colstrip-related fuel costs and variable O&M, future Colstrip variable cost adjustments are to be calculated by using Avista’s FERC Form 1 Colstrip Unit Coal Costs per megawatt hour (“MWh”) and adding \$2.00 per MWh (the average variable O&M cost of Colstrip plus \$0.20 per MWh for generation taxes plus a five percent adjustment for line loss).

As computed by Idaho Power and shown below, the Colstrip-related adjustable rate will change from 21.67 mills/kilowatt hour (“kWh”) to 22.74 mills/kWh, effective July 1, 2024. The relevant pages from Avista’s FERC Form 1 used to calculate the Colstrip-related adjustable rate are provided in Attachment A.

<b>COLSTRIP ADJUSTABLE RATE CALCULATION</b>	
For Period 7/1/2024 - 6/30/2025	
<b>Colstrip Fuel Cost Data</b>	
Fuel	\$34,049,395
Net Generation (kWh)	1,641,846,600
Fuel Cost per kWh	\$0.020738
Fuel Cost per MWh	\$20.7385
Variable O&M, Taxes, and Line Loss Cost per MWh	\$2.00
<b>Total Colstrip Adjustable Rate</b>	<b>\$22.7385</b>
*Colstrip fuel cost data sourced from Avista FERC Form 1 for CY 2023; Page 402-403, Lines 12 and 20.	

## II. Colstrip Method after December 31, 2025

On January 16, 2023, Avista entered into an agreement with NorthWestern Corporation d/b/a Northwestern Energy (“NorthWestern”) and will transfer its 15 percent ownership in Colstrip Units 3 and 4 to NorthWestern, effective December 31, 2025. After December 31, 2025, Avista will no longer include Colstrip data in its FERC Form 1.<sup>1</sup> At the recommendation of Staff, the Commission directed Idaho Power to use Colstrip data from NorthWestern’s FERC Form 1 for the annual update after Avista stops including Colstrip data in its FERC Form 1. Additionally, in the event Idaho Power is unable to access necessary data after NorthWestern assumes Avista’s interest in Colstrip or if Idaho Power suspects the NorthWestern data results in a skewed update due to ownership and reporting differences, the Company will work with Staff to find a dataset or mechanism that leads to an adjustable rate that meets the intent of Order No. 28708.<sup>2</sup>

<sup>1</sup> *In the Matter of Commission Staff’s Petition to Update Colstrip-related Adjustable Portion of Avoided Cost Rates for Existing PURPA Contracts.* Case No. IPC-E-23-16, pages 2-3 (May 3, 2023).

<sup>2</sup> *In the Matter of Commission Staff’s Petition to Update Colstrip-related Adjustable Portion of Avoided Cost Rates for Existing PURPA Contracts.* Case No. IPC-E-23-16, Order No. 35841, Page 3 (June 30, 2023).

### III. PROCEDURE

Idaho Power believes that a hearing is unnecessary to consider the issues and requests its Petition be processed under the Commission's Rules of Modified Procedure, i.e., by written submissions rather than by hearing. See Commission Rule of Procedure 201. *et seq.*

### IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

Communications and service of pleadings, exhibits, order, and other documents relating to this proceeding should be sent to:

DONOVAN E WALKER  
MEGAN GOICOECHEA ALLEN  
REGULATORY DOCKETS  
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### V. REQUEST FOR RELIEF

Idaho Power respectfully requests that the Commission issue an order approving the updated Colstrip-related adjustable portion of the published avoided cost rate of 22.74 mill/kWh, effective July 1, 2024.

Respectfully submitted this 9<sup>th</sup> day of May, 2024.



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MEGAN GOICOECHEA ALLEN  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 9<sup>th</sup> day of May, 2024, I served the foregoing Idaho Power Company's Petition, in Case No. IPC-E-24-19, upon the following named parties by the method indicated below, and addressed to the following:

Dayne Hardie  
Deputy Attorney General  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Hand Delivered  
 U.S. Mail  
 Overnight Mail  
 FAX  
 Email  
[dayne.hardie@puc.idaho.gov](mailto:dayne.hardie@puc.idaho.gov)



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Christy Davenport, Legal Assistant

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-24-19**

**IDAHO POWER COMPANY**

**ATTACHMENT A**

Name of Respondent: Avista Corporation	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/12/2024	Year/Period of Report End of: 2023/ Q4
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**Steam Electric Generating Plant Statistics**

1. Report data for plant in Service only.
2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants.
3. Indicate by a footnote any plant leased or operated as a joint facility.
4. If net peak demand for 60 minutes is not available, give data which is available, specifying period.
5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant.
6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mcf.
7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20.
8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.
9. Items under Cost of Plant are based on USofA accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses.
10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants.
11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant.
12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Line No.	Item (a)	Plant Name: Boulder Park	Plant Name: Colstrip	Plant Name: Coyote Springs 2	Plant Name: Kettle Falls	Plant Name: Rathdrum	Plant Name: Spokane N.E.
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Internal Comb	Steam	Gas Turbine	Steam	Gas Turbine	Gas Turbine
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional	Not Applicable	Conventional	Not Applicable	Not Applicable
3	Year Originally Constructed	2002	1984	2003	1983	1995	1978
4	Year Last Unit was Installed	2002	1984	2003	1983	1995	1978
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	25	233	286	51	167	62
6	Net Peak Demand on Plant - MW (60 minutes)	26	228	319	95	172	53
7	Plant Hours Connected to Load	3,221	8,758	8,011	7,209	6,063	3
8	Net Continuous Plant Capability (Megawatts)	25	222	322	54	167	65
9	When Not Limited by Condenser Water	0	222	322	54	0	0
10	When Limited by Condenser Water	0	222	322	54	0	0
11	Average Number of Employees	2	252	32	26	1	1
12	Net Generation, Exclusive of Plant Use - kWh	63,905,000	1,641,846,000	2,265,353,000	308,291,000	779,307,000	112,000
13		144,733	1,289,395	0	2,568,188	621,682	138,753



	Cost of Plant: Land and Land Rights								
14	Structures and Improvements	1,312,452	111,860,988	11,800,944	29,619,893	3,739,982	746,178		
15	Equipment Costs	32,775,846	220,053,648	192,808,126	113,479,534	61,667,377	13,596,464		
16	Asset Retirement Costs	0	17,139,710	351,682	323,787	0	0		
17	Total cost (total 13 thru 20)	34,233,031	350,343,741	204,960,752	145,991,402	66,029,041	14,481,395		
18	Cost per KW of Installed Capacity (line 17/5) Including	1,369.32	1,503.62	716.65	2,862.58	395.38	233.57		
19	Production Expenses: Oper, Supv, & Engr	24,753	74,600	660,721	102,576	23,440	22,796		
20	Fuel	1,982,207	34,049,395	46,437,759	11,997,451	28,638,414	(4,255)		
21	Coolants and Water (Nuclear Plants Only)								
22	Steam Expenses	0	3,592,098	0	629,880	0	0		
23	Steam From Other Sources	0	0	0	0	0	0		
24	Steam Transferred (Cr)	0	0	0	0	0	0		
25	Electric Expenses	246,972	(144,667)	3,281,653	896,152	232,300	25,137		
26	Misc Steam (or Nuclear) Power Expenses	30,548	5,887,656	594,939	481,021	23,881	9,010		
27	Rents	0	0	103,105	0	0	0		
28	Allowances	0	0	0	0	0	0		
29	Maintenance Supervision and Engineering	66,187	274,399	295,267	99,377	83,153	28,570		
30	Maintenance of Structures	2,577	744,875	89,483	125,790	46,898	91		
31	Maintenance of Boiler (or reactor) Plant	0	5,125,679	0	1,964,813	0	0		
32	Maintenance of Electric Plant	537,456	632,517	1,248,997	217,091	143,872	31,300		
33	Maintenance of Misc Steam (or Nuclear) Plant	131,656	901,840	651,821	443,266	51,734	16,945		
34	Total Production Expenses	3,022,356	51,138,392	53,363,745	16,957,417	29,243,692	129,594		
35	Expenses per Net kWh	0.05	0.03	0.02	0.06	0.04	1.16		
35	<b>Plant Name</b>	Boulder Park	Colstrip	Colstrip	Coyote Springs 2	Kettle Falls	Kettle Falls	Rathdrum	Spokane N.E.
36	Fuel Kind	Gas	Coal	Oil	Gas	Gas	Wood	Gas	Gas
37	Fuel Unit	MCF	Ton	BBL	MCF	MCF	Ton	MCF	MCF
38	Quantity (Units) of Fuel Burned	577,226	1,026,440	2,634	14,841,519	10,164	519,633	9,176,931	1,398
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1,020,000	16,970,000	5,880,000	1,020,000	1,020,000	8,600,000	1,020,000	1,020,000
40		3.43	32.8	145.36	3.13	0.76	23.07	3.12	(3.04)

	Avg Cost of Fuel/unit, as Delvd f.o.b. during year								
41	Average Cost of Fuel per Unit Burned	3.43	32.8	145.36	3.13	0.76	23.07	3.12	(3.04)
42	Average Cost of Fuel Burned per Million BTU	3.37	1.93	24.72	3.07	0.75	2.68	3.06	(2.98)
43	Average Cost of Fuel Burned per kWh Net Gen	0.03	0.02	0	0.02	0.01	0.04	0.04	0
44	Average BTU per kWh Net Generation	9,213	10,619	0	6,683	0	14,540	12,011	12,732