

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-26-10
COMPANY’S APPLICATION FOR)
AUTHORITY TO IMPLEMENT POWER)
COST ADJUSTMENT (“PCA”) RATES FOR) ORDER NO. 37054
ELECTRIC SERVICE FROM JUNE 1, 2026)
THROUGH MAY 31, 2027)
)

On April 15, 2026, Idaho Power Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting an order approving an update to Schedule 55 (“Application”) based on: (1) the quantification of the 2026-2027 Power Cost Adjustment (“PCA”); (2) the PCA Balancing Adjustment; and (3) the Idaho jurisdictional Boardman Balancing Account (“Boardman Balancing Account”) over-collection, to become effective June 1, 2026, for the period of June 1, 2026, through May 31, 2027. Application at 17.

On May 4, 2026, the Commission issued a Notice of Application and a Notice of Modified Procedure, establishing comment deadlines. Order No. 37028. On May 4, 2026, the Company filed an Errata to its Application and Direct Testimony of Jessica Brady (“Errata to Application and Brady Direct”). On May 8, 2026, the Commission issued an Amended Notice of Application. Order No. 37036. No petitions to intervene were filed. 12 public comments were received.

Based on our review of the record, we issue this Final Order approving the Application to update Schedule 55.

BACKGROUND

The PCA mechanism permits the Company to increase or decrease its PCA rates to reflect the Company’s annual power supply costs. Because the PCA mechanism is used to reflect annual power supply costs, the Company’s PCA application is an annual filing. The Company’s actual power supply costs, or Net Power Supply Expenses (“NPSE”), varies from year to year depending on changes in such things as the river streamflow, the amount of purchased power, fuel costs, the market price of power, and other factors. The annual PCA surcharge or credit is combined with the Company’s “base rates” to produce a customer’s overall energy rate.

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. The PCA allows the Company to pass through 95% of the annual differences in actual NPSE as compared with the base level NPSE. The PCA mechanism uses a 12-month test period from April through March (“PCA Year”) and includes a forecast component and a Balancing Adjustment. The forecast component represents the difference between the Company’s NPSE forecast from the Company’s March Operating Plan and base level NPSE recovered in the Company’s base rates. 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.

The PCA mechanism only analyzes costs associated with power supply, not the Export Credit Rate (“ECR”), the Company’s profits/earnings, or the Company’s operational expenses. The PCA adjustment is symmetrical, which means if the Company’s actual NPSE are lower than the base level NPSE in the base rates, then the PCA rate will be a credit to the customer, and if the actual NPSE are higher than the base level NPSE in the base rates, then the PCA rate will be a surcharge to customers.

THE APPLICATION

The Company represented that if the Application was approved, it would result in a revenue increase of approximately \$51.3 million, or a 3% increase from its current billed revenue. Errata to Application and Brady Direct at 2. The Company represented that its proposed 2026-2027 PCA rates would collect \$86.5 million in total PCA collection. *Id.* at 2. The Company submitted the following table to show the separation of the \$51.3 million revenue increase into each component included in the Company’s proposed rates:

Idaho Jurisdictional Revenue Impact by Component				
Line No.	Rate Component	2025-2026 PCA	2026-2027 PCA	Difference
1	PCA Forecast	\$ 88,931,875	\$ 165,106,470	\$ 76,174,596
2	PCA Balancing Adjustment	\$ (53,722,317)	\$ (78,581,629)	\$ (24,859,313)
3	PCA Total	\$ 35,209,558	\$ 86,524,841	\$ 51,315,283
4	Revenue Sharing	\$ 0	\$ 0	\$ 0
5	Total Revenue Impact	\$ 35,209,558	\$ 86,524,841	\$ 51,315,283

Id. at 4.

The Company stated the increase in this year’s PCA was due to an increase in the PCA’s forecast component, which showed a 16% decrease in “forecast hydro generation” compared to the previous PCA Year. Application at 14. The Company represented that a decrease to the Balancing Adjustment partially offset this year’s PCA. *Id.* The Company explained that the decrease was due to increased Renewable Energy Credit sales, the Sales-Based Adjustment, and because the over-collected amount of \$3,279,207 from the Boardman Balancing Account was included in the Balancing Adjustment. *Id.*

The Company represented that the Boardman Balancing Account, established in Commission Order No. 32457 in Case No. IPC-E-11-18, allowed the Company to track and reconcile revenue from customers with the costs and credits related to the early closure of the Boardman Power Plant. *Id.* at 11–12. The Company stated that all activities related to the closure of the Boardman Power Plant were complete and that Table 1 summarized the total Idaho jurisdiction over-collected amount:

Table 1		
Idaho Jurisdictional Boardman Balancing Account		
Line No.		
1	Decommissioning Costs	\$ 3,108,402
2	Materials and Supplies Write-off	\$ 920,138
3	Total Decommissioning Expenditures	\$ 4,028,540
4	Collection of Costs	\$ (5,116,957)
5	Load Variance True-Up	\$ (3,950)
6	Asset Purchase Agreement Proceeds	\$ (2,186,840)
7	Under (Over) Collection	\$ (3,279,207)

Id. at 14.

STAFF COMMENTS

Based on a review of the Application, an audit of sampled transactions, examination of the testimony and workpapers of Company witness Jessica G. Brady, and a review of the Company’s responses to Staff’s Audit and Production Requests, Staff recommended that the Commission approve the proposed Schedule 55, as filed, effective June 1, 2026. Staff Comments at 3.

Staff determined the power supply expenses used by the Company in its Balancing Adjustment, for the periods of April 2025 through December 2025 and January 2026 through March 2026, were consistent with Order No. 36892. *Id.* at 4. Staff examined the forecast component in the Company’s 2026-2027 PCA and believed it was reasonable. *Id.* Staff believed

the difference between the Company's forecasted hydro generation and overall system load increase explained most of the \$181 million cost difference between forecasted NPSE and NPSE embedded in base rates. *Id.* at 5.

However, Staff noted that the calculation for the forecast component was getting more complex, which Staff believed complicated calculating the cause and impact of substantial changes. *Id.* Staff also believed that the Clean Energy Your Way ("CEYW") contracts complicated the forecast component. *Id.* Staff requested that for future filings that the Company supply a worksheet that calculated and reconciled the adjustments made to the PCA because of the CEYW contracts. *Id.* at 6. Staff also believed that the Company should apprise the Commission of differences between forecasted and actual NPSE during the 2026-2027 PCA Year and make an off-cycle filing to adjust the forecast rate if differences are significant, to help stabilize customer rates. *Id.*

Staff believed that the Company's calculation of the actual NPSE was reasonable. *Id.* at 7. Staff calculated that the actual NPSE was 1% less than the forecasted NPSE. *Id.* Based on its review of the Company's other PCA expenses, including qualifying facility expenses, Public Utility Regulatory Policies Act of 1978 expenses, ECR expenses, demand response incentive payments, renewable energy credit sales, and wheeling revenues, Staff agreed with the Company's calculation of a \$40.0 million decrease to the deferral balance. *Id.* at 8–9. Staff agreed with the \$64.6 million decrease to the deferral balance for the revenue the Company collected from the 2025-2026 PCA forecast adjustment. *Id.* at 10. Staff also agreed with the \$23.2 million increase to the deferral balance for the revenue the Company collected from the 2025-2026 PCA balancing adjustment. *Id.*

Staff reviewed the Company's compliance filings in Case No. IPC-E-12-09 for the Boardman Balancing Account and agreed with the Company that it over-collected \$3.3 million. *Id.* at 11. Staff believed the Company complied with all Orders on the account and recommended the Commission approve the Company returning the account balance to the Company's customers to help reduce the PCA increase. *Id.* After reviewing the Company's ROE inputs and calculations, Staff agreed with the Company that based on the percentage of the 2025 return on equity, there would be no revenue sharing benefit for customers. *Id.* at 11.

Staff determined that if the Company's PCA filing (this case) and its Fixed Cost Adjustment ("FCA") filing in Case No. IPC-E-26-06 were both approved, there would be an increase in the

Company’s current billed revenue in the amount of \$56.4 million, or 3.30%. *Id.* at 12. Staff produced Table No. 5 below that showed what the impact of the PCA and FCA would be, if approved, by revenue class:

Table No. 5: Percentage Increase from Current Billed Rates by Proposed Change

	Residential	Small General Service	Large General Service	Large Power	Irrigation
PCA	2.50%	2.06%	3.49%	3.68%	2.95%
FCA	0.65%	0.65%	N/A	N/A	N/A
Total Combined Impact	3.15%	2.71%	3.49%	3.68%	2.95%

Id. Staff believed the Company’s customer notice and press release complied with Rule 125 of the Commission’s Rules of Procedure (IDAPA 31.01.01.125). *Id.* at 13. Based on the written comment deadlines, Staff recommended the Commission consider any late-filed comments from customers. *Id.*

PUBLIC COMMENTS

The Commission received 12 timely filed comments. Most comments opposed the proposed rate adjustment. Customers were concerned that they were paying for the Company’s failure to plan accordingly and that they do not have the ability to choose a different power provider. Customers also felt the Company recently imposed a rate increase and that there was little to no consideration for how multiple rate increases affect customers when combined with increased cost of living and the fact that wages are not keeping up with the cost of living in Idaho. Customers asked the Commission to ensure that the Company is implementing reasonable cost measures. One customer felt the rate increase was shifting costs away from large industrial customers and that the Company was not showing the impact that infrastructure demand due to large customers is having on the system.

One customer was unhappy with the ECR increase because the Company is not offering compensation to customers with rooftop solar and feels instead that the Company is selling energy from rooftop solar at three times the price. The customer also asked the Commission to look into the Company’s salaries for its executives and is concerned that the Commission is granting the Company’s request without thoroughly investigating the filing. The customer also implied that the Commission is catering to the Company. Another opposed processing the Application via Modified Procedure. A customer questioned whether the Company’s compensation for customer generation will increase.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Filing and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the record in this case. Based on our review, we find it fair, just, and reasonable to approve the Application, and approve the proposed Schedule 55 as filed, effective June 1, 2026. The Commission finds the Company's forecasts for costs for the 2026-2027 PCA Year reasonable. The Commission also finds that the Company's balancing adjustment for the last PCA Year is accurate and that the actual NPSE is prudent. The Commission approves the Company's proposed treatment of the Boardman Balancing Account, which will result in a \$3.3 million credit to customers. The Commission notes the money collected through the PCA can only be used for recovery of the Company's actual power supply expenses. It does not increase Idaho Power's return on equity.

Through its statutory authority the Commission's intent is always to set rates that are just and reasonable and also sufficient to allow the regulated utility to recover its prudently incurred costs. Actual costs that it incurred in furtherance of complying with the statutory requirement to provide service to customers that promotes their "safety, health, comfort and convenience[.]" *Idaho Code* § 61-302; *see also Idaho Code* §§ 61-301, 61-501 and 61-502.

While the Commission approves the Application and the proposed Schedule 55 as filed, the Commission directs the Company in future filings to supply a worksheet that calculates and reconciles the adjustments made to the PCA because of CEYW contracts. Additionally, the Commission directs the Company to keep the Commission apprised of any differences between forecasted and actual NPSE during the 2026-2027 PCA Year and to make an off-cycle filing to adjust the forecast rate if those differences are significant.

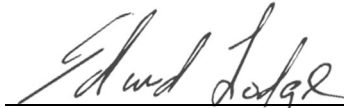
ORDER

IT IS HEREBY ORDERED that the Application is approved and that the Company's proposed Schedule 55 is approved as filed.

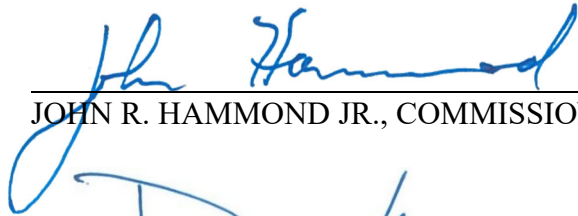
IT IS FURTHER ORDERED that the new PCA rate shall be effective June 1, 2026.

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

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of May 2026.



EDWARD LODGE, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



DAYN HARDIE, COMMISSIONER

ATTEST:



Monica Barrios-Sanchez
Commission Secretary

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