June 30, 2017

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

Re: Docket No. UM_____
    In the Matter of Idaho Power Company’s Application for Deferred Accounting of Certain Costs Associated with the North Valmy Power Plant

Attention Filing Center:

Attached for filing is an electronic copy of Idaho Power Company’s Application for Deferred Accounting of Certain Costs Associated with the North Valmy Power Plant.

As required by OAR 860-027-0300, the Application has been served on the parties to the UE 233 service list, and the parties to the UE 316 service list, as indicated in the Certificate of Service.

Please contact me at (208) 388-5825 or Senior Regulatory Analyst Courtney Waites at (208) 388-5612 with any questions regarding this filing.

Very truly yours,

Lisa D. Nordstrom

LDN/kkt

Enclosures

cc: Lisa Rackner
I. INTRODUCTION

Pursuant to ORS 757.210, ORS 757.259, and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or "Company") hereby requests an accounting order authorizing Idaho Power to defer decommissioning revenues collected and decommissioning costs incurred pursuant to Order No. 17-235. The stipulation approved by Order No. 17-235 includes the collection of the North Valmy Power Plant ("Valmy") amounts and is an "automatic adjustment clause" ("AAC") as defined in ORS 757.210. Idaho Power seeks authorization for this deferral effective as of July 1, 2017. In support of this Application, Idaho Power states:

1. Idaho Power is a public utility in the state of Oregon and its rates, services, and accounting practices are subject to the regulation of the Public Utility Commission of Oregon ("Commission").

2. This Application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize the deferral of certain items for later inclusion in rates.
Communications regarding this Application should be address to:

Lisa Nordstrom  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707  
lnordstrom@idahopower.com  
dockets@idahopower.com

Courtney Waites  
Idaho Power Company  
P.O. Box 70  
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II. OAR 860-027-0300(3) REQUIREMENTS

A. Description

With this deferral application, Idaho Power seeks authorization from the Commission to defer, for future true-up, decommissioning revenues collected and decommissioning costs incurred in accordance with Order No. 17-235.

B. Reasons for Deferral

On November 2, 2016, Idaho Power filed an application with the Commission requesting approval to update the depreciation expenses for Valmy Units 1 and 2 to reflect an end-of-life for those units of 2025, and further requested authority to recover all Valmy-related costs by 2025 to align the expected remaining operating life of the plant with cost recovery, resulting in cost recovery from customer who are served by the plant (Docket No. UE 316). On June 30, 2017, the Commission issued Order No. 17-235, approving the recovery of the following expenses and investment associated with Valmy through an AAC: (1) the accelerated depreciation associated with the existing Valmy plant investments through May 31, 2017, (2) the return on undepreciated existing capital investments at Valmy until its end-of-life based upon the then currently authorized rate of return, and (3) estimated future decommissioning expenses. The AAC requires Idaho Power to file a deferral request. This deferral is intended to provide for the deferral and tracking of decommissioning revenues collected and decommissioning costs incurred until decommissioning activities are concluded, and is filed pursuant to Order No. 17-235 and ORS 757.259(2)(e). In addition,
this deferral will allow Idaho Power to appropriately match the costs borne by and benefits received by customers.

C. Proposed Accounting

Idaho Power records revenues and expenses that would be subject to the deferral order in accordance with the Code of Federal Regulations to the Federal Energy Regulatory Commission ("FERC") Accounts 440-444 (Operating Revenues), FERC Account 557 (Other Expenses), and FERC Accounts 500-598 (Operations and Maintenance Accounts). Upon receiving approval of a deferral, Idaho Power proposes to record the deferred amounts to FERC Account 254 (Regulatory Liabilities) until decommissioning activities are concluded. After decommissioning activities are concluded, amounts in the deferral account, either positive or negative, will be recovered or refunded in customer rates through a surcharge or credit, as appropriate.

D. Estimate of Amounts

Order No. 17-235 approved an Oregon jurisdictional revenue requirement increase of $1,056,800 associated with the recovery of the annual incremental return on and accelerated depreciation of existing Valmy investments, and decommissioning costs related to the Valmy shutdown. Idaho Power estimates the deferral account will contain the Oregon jurisdictional share of decommissioning costs, approximately $1,870,000, at December 31, 2025. Because deferred amounts associated with decommissioning costs are dependent on factors that cannot be precisely forecasted, Idaho Power cannot provide a precise estimate of the total deferred amount.

E. Notice

A copy of the Notice of Application for Deferred Accounting of Certain Costs Associated with the North Valmy Power Plant and a list of persons served with the Notice are attached to the Application as Attachment A.
III. CONCLUSION

Deferred accounting treatment is an appropriate, just, and reasonable means of implementing Order No. 17-235.

For the reasons stated above, Idaho Power requests permission to defer decommissioning revenues collected and decommissioning costs incurred beginning July 1, 2017, pursuant to Order No. 17-235.

DATED: June 30, 2017

IDAHO POWER COMPANY

[Signature]

LISA D. NORDSTROM
Attorney for Idaho Power Company
On June 30, 2017, Idaho Power Company ("Idaho Power") filed an application with
the Public Utility Commission of Oregon ("Commission") for an order authorizing the
deferral of decommissioning revenues collected and decommissioning costs incurred
pursuant to Order No. 17-235.

Approval of Idaho Power's Application will not authorize a change in Idaho Power's
rates, but will permit the Commission to consider allowing such deferred amounts in rates in
a subsequent proceeding.

Idaho Power's Application will be posted on the Commission website for persons
who wish to obtain a copy or they may contact the following:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com

Any person who wishes to submit written comments to the Commission on Idaho
Power's Application must do so by no later than July 28, 2017.

DATED: June 30, 2017.

Lisa D. Nordstrom
Attorney for Idaho Power Company