

# McDowell Rackner & Gibson PC



WENDY MCINDOO  
Direct (503) 595.3922  
wendy@mcd-law.com

February 20, 2015

## VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center  
Public Utility Commission of Oregon  
PO Box 1088  
Salem, OR 97308-1088

**Re: UE \_\_\_\_ – Idaho Power Company's 2014 Annual Power Supply Expense True-Up**

Attention Filing Center:

Enclosed in the above-referenced docket are an original and five copies of Idaho Power Company's 2014 Annual Power Supply Expense True-Up and Direct Testimony and Exhibits of Courtney Waites.

A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service. Please contact me with any questions.

Very truly yours,

Wendy McIndoo  
Office Manager

Enclosures

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BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UE \_\_\_\_

In The Matter of the Application of IDAHO  
POWER COMPANY for Authority to  
Implement a Power Cost Adjustment Tariff  
Schedule for Electric Service to Customers in  
the State of Oregon.

**2014 ANNUAL POWER SUPPLY  
EXPENSE TRUE-UP**

8 In compliance with Order No. 08-238 as amended by Order No. 09-373  
9 (hereinafter "Order No. 08-238"), Idaho Power Company ("Idaho Power" or "Company")  
10 hereby files its 2014 Annual Power Supply Expense True-Up ("True-Up"), which  
11 implements the power cost adjustment mechanism ("PCAM") by calculating the deviation  
12 between actual net power supply expenses ("NPSE") and those expenses recovered  
13 through rates. Accordingly, Idaho Power requests that the Public Utility Commission of  
14 Oregon ("Commission") issue an order confirming that the Company has correctly  
15 calculated the amount of the True-Up for later inclusion in rates as \$0.00 and confirming  
16 that the Company will not add any amounts to the Annual Power Supply Expense True-Up  
17 Balancing Account ("True-Up Balancing Account") for 2014. This filing is based upon the  
18 following:

19 1. In Order No. 08-238, the Commission approved a PCAM for Idaho Power that  
20 requires the Company to file, in February of each year, a True-Up that will implement the  
21 PCAM by calculating the deviation between actual NPSE and those expenses recovered  
22 through rates. Order No. 08-238 further requires that eligible power supply expense  
23 deviations will be added to the True-Up Balancing Account at the end of each 12-month  
24 period ending December along with 50 percent of the annual interest calculated at the  
25 Company's authorized cost of capital. The required calculations are detailed in the  
26 Stipulation attached as Exhibit A to Order No. 08-238.

1           2. As described in the Testimony of Courtney Waites filed herewith, Idaho  
2 Power has calculated its True-Up in accordance with the methodology approved by the  
3 Commission in Order No. 08-238, and has determined that the amount of \$0.00 should be  
4 added to the True-Up Balancing Account because the Oregon Allocated Power Cost  
5 Deviation is within the deadbands as calculated using the Company's 2013 Report of  
6 Operations ("ROO"). Consistent with Order No. 09-373, the Company will recalculate the  
7 deadbands using the 2014 ROO as required under Order No. 09-373, and will make any  
8 appropriate supplemental filings.

9           3. Idaho Power wishes to waive paper service in this docket. Communications  
10 regarding this Application should be addressed to:

11

12           Lisa Nordstrom  
13           Idaho Power Company  
14           P.O. Box 70  
15           Boise, ID 83707  
16           [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

17           Lisa Rackner  
18           McDowell Rackner & Gibson, PC  
19           419 SW 11<sup>th</sup> Avenue, Suite 400  
20           Portland, OR 97205-2605  
21           [dockets@mcd-law.com](mailto:dockets@mcd-law.com)

22           Regulatory Dockets  
23           Idaho Power Company  
24           P.O. Box 70  
25           Boise, Idaho 83707  
26           [dockets@idahopower.com](mailto:dockets@idahopower.com)

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19           For all of the above reasons, Idaho Power requests that the Commission issue its  
20 order confirming that the Company has correctly calculated the amount of the True-Up and  
21 confirming that the Power Cost Adjustment amount of \$0.00 requires no adjustment to the  
22 True-Up Balancing Account.

23

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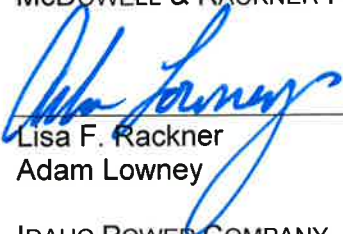
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Respectfully submitted this 20<sup>th</sup> day of February 2015.

McDOWELL & RACKNER PC



\_\_\_\_\_  
Lisa F. Rackner  
Adam Lowney

IDAHO POWER COMPANY

Lisa D. Nordstrom  
Lead Counsel  
PO Box 70  
Boise, ID 83707

Attorneys for Idaho Power Company

BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

DOCKET NO. UE \_\_\_\_\_

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO IMPLEMENT A POWER )  
COST ADJUSTMENT TARIFF SCHEDULE )  
FOR ELECTRIC SERVICE TO CUSTOMERS )  
IN THE STATE OF OREGON. )  
 )  
2014 ANNUAL POWER SUPPLY EXPENSE )  
TRUE-UP )  
\_\_\_\_\_ )

IDAHO POWER COMPANY  
DIRECT TESTIMONY  
OF  
COURTNEY WAITES

February 20, 2015

1 **Q. Please state your name, business address, and present position with Idaho**  
2 **Power Company (“Idaho Power” or the “Company”).**

3 A. My name is Courtney Waites. I am employed by Idaho Power as a Senior  
4 Regulatory Analyst in the Regulatory Affairs Department. My business address is  
5 1221 West Idaho Street, Boise, Idaho 83702.

6 **Q. Please describe your educational background.**

7 A. In December of 1998, I received a Bachelor of Arts degree in Accounting from the  
8 University of Alaska in Anchorage, Alaska. In 2000, I earned a Master of Business  
9 Administration degree from Alaska Pacific University. I have attended New Mexico  
10 State University’s Center for Public Utilities and the National Association of  
11 Regulatory Utility Commissioners “Practical Skills for the Changing Electric Industry”  
12 conference, the Electric Utility Consultants, Inc., “Introduction to Rate Design and  
13 Cost of Service Concepts and Techniques for Electric Utilities” conference, Edison  
14 Electric Institute’s “Introduction to Public Utility Accounting” course, Edison Electric  
15 Institute’s Electric Rates Advanced course, and SNL Knowledge Center’s Essentials  
16 of Regulatory Finance course.

17 **Q. Please describe your work experience.**

18 A. I became employed with Idaho Power in December 2004 in the Accounts Payable  
19 Department. In 2005, I accepted a Regulatory Accountant position in the Finance  
20 Department where one of my tasks was to assist in responding to regulatory data  
21 requests pertaining to financial issues. In 2006, I accepted my current position,  
22 Regulatory Analyst, in the Regulatory Affairs Department. My duties as a Regulatory  
23 Analyst include providing support for the Company’s various regulatory activities,  
24 including tariff administration, regulatory ratemaking and compliance filings, and the  
25 development of various pricing strategies and policies.

26

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of my testimony is to describe the quantification of the Company's  
3 Annual Power Supply Expense True-Up ("True-Up Rate"), consistent with the  
4 methodology approved by in Order Nos. 08-238 and 09-373. In order to determine  
5 the True-Up Rate, I will first describe the quantification of the dollar balance in the  
6 Annual Power Supply Expense True-Up Balancing Account ("True-Up Balancing  
7 Account"), including the credit for the sale of SO2 Allowances and Renewable  
8 Energy Credits ("RECs") made during the 2014 deferral year.

9 **Q. What is the True-Up Balancing Account?**

10 A. The True-Up Balancing Account is a Company account where the Power Cost  
11 Adjustment ("PCA") is quantified at the end of each 12-month period ending  
12 December, along with 50 percent of the annual interest calculated at the Company's  
13 authorized cost of capital. Subject to an earnings test, the PCA is 90 percent of the  
14 amount that the Oregon Allocated Power Cost Deviation is above or below the  
15 Power Supply Expense Deadband.

16 **Q. How does Order No. 09-373 impact the Annual Power Supply Expense True-Up  
17 Balancing Account?**

18 A. Order No. 09-373 approved an amendment to Order No. 08-238 clarifying which  
19 year's Results of Operations ("ROO") should be relied upon in calculating the  
20 deferral deadbands and the earnings test components of the Power Cost Adjustment  
21 mechanism. Idaho Power, the Citizens' Utility Board of Oregon, and the Staff of the  
22 Public Utility Commission of Oregon ("Commission") agreed that for the initial  
23 calculation of the Annual Power Supply Expense True-Up filed in February each  
24 year, the Company will use the most recent ROO report available, the ROO for the  
25 year preceding the deferral period. Once the ROO report for the year of the deferral  
26 period becomes available, the Company will file an updated calculation of the Annual

1 Power Supply Expense True-Up. The updated calculation is expected to occur in  
2 April of each year.

3 **Q. Have you prepared an exhibit that quantifies the initial estimate of the amount**  
4 **to be added to the True-Up Balancing Account for 2014?**

5 A. Yes. Exhibit 101 is the Company's quantification of the net power supply expenses  
6 to be reviewed for inclusion in the True-up Balancing Account for 2014.

7 **Q. Please describe Exhibit 101 and the Company's quantification of the estimated**  
8 **amount to be included in the True-Up Balancing Account.**

9 A. In Exhibit 101, the columns detail the monthly and year-to-date deviations between  
10 actual net power supply expenses incurred and the power costs collected through  
11 rates. The last column represents the annual amounts considered in determining the  
12 amount to be included in the True-Up Balancing Account.

13 **Q. Please describe the calculations used to determine the amount to be included**  
14 **in the True-Up Balancing Account.**

15 A. First, the Actual Unit Cost is compared to the Combined Rate to determine the per  
16 unit power cost deviation. The per unit power cost deviation is then multiplied by  
17 total system actual energy sales to determine the power cost deviation on a total  
18 system basis. Next, the Oregon allocation factor is applied to the total system power  
19 cost deviation to compute the Oregon Allocated Power Cost Deviation. Then, power  
20 supply expense deadbands are applied and, if necessary, an earnings test is  
21 performed. The resulting eligible deferral is the amount proposed to be added to the  
22 True-Up Balancing Account.

23 **Q. How is the Actual Unit Cost calculated?**

24 A. The Actual Unit Cost for net power supply expenses incurred is the total Actual Net  
25 Power Supply Expense ("Actual NPSE") incurred divided by the Actual Sales. The  
26 Actual NPSE is determined on a system-wide basis and includes amounts booked to



1 Federal Energy Regulatory Commission (FERC) Accounts 501 (Fuel-Coal), 547  
2 (Fuel-Gas), 555 (Purchased Power), and 447 (Sales for Resale). In short, Actual  
3 NPSE is calculated by adding fuel plus purchased power less off-system sales. The  
4 Actual NPSE for 2014 was \$373,783,892.17. Actual Sales for 2014 were 14,092,368  
5 megawatt-hours ("MWh"). Dividing Actual NPSE by Actual Sales results in the  
6 Actual Unit Cost of \$26.52 per MWh ( $\$373,783,892.17 \div 14,092,368 \text{ MWh} = \$26.52$   
7 per MWh).

8 **Q. What is the next step in the true-up calculation?**

9 A. The next step in the true-up calculation is to compare the Actual Unit Cost to the  
10 Combined Rate. The Combined Rate is comprised of two components: (1) The  
11 October Power Cost Update, and (2) the March Power Cost Forecast. The  
12 Combined Rate in effect from January through May 2014 was \$25.37/MWh and the  
13 Combined Rate in effect from June through December 2014 was \$26.01/MWh. The  
14 Combined Rate reflects the Commission-approved amounts reflected in rates during  
15 the months of the true-up period. The Annual Combined Rate, which is based on the  
16 five months of \$25.37/MWh and the seven months of \$26.01/MWh, is \$25.87/MWh.

17 **Q. What is the deviation between the Actual Unit Cost and the Combined Rate for**  
18 **2014?**

19 A. For 2014, the deviation between the Actual Unit Cost (\$26.52/MWh) and the  
20 Combined Rate (\$25.87/MWh) is \$0.65 per MWh ( $\$26.52 - \$25.87 = \$0.65$ ). This  
21 amount is multiplied by the Actual Sales (14,092,368 MWh) to determine the  
22 deviation from the forecast on a system-wide basis, or \$9,158,078.76.

23 **Q. How is the Oregon jurisdictional portion of the deviation from the forecast on a**  
24 **system-wide basis calculated?**

25 A. The Oregon Allocated Power Cost Deviation is calculated by multiplying the system-  
26 wide deviation from the forecast by the Oregon allocation factor. The Oregon

1 allocation factor is the energy allocator used in the ROO. Currently, using the 2013  
2 ROO, the Oregon allocation factor is 4.41 percent. This results in an Oregon  
3 Allocated Power Cost Deviation of \$403,871.27, meaning the amount of the Oregon  
4 allocated power supply costs recovered in rates was less than the actual Oregon  
5 allocated power supply costs ( $(\$9,158,078.76) \times 4.41 \text{ percent} = \$403,871.27$ ).

6 **Q. You stated earlier that as a result of Order No. 09-373 you will use the previous**  
7 **year's ROO to calculate the Annual Power Supply Expense True-Up filed in**  
8 **February and once the ROO for the year of the deferral is available, you will**  
9 **update the calculation of the Annual Power Supply Expense True-Up. Will the**  
10 **Oregon Allocated Power Cost Deviation change?**

11 A. If the Oregon allocation factor in the 2014 ROO is different than the Oregon  
12 allocation factor from the 2013 ROO, then the Oregon Allocated Power Cost  
13 Deviation will change.

14 **Q. Is the Oregon Allocated Power Cost Deviation of \$403,871.27 the amount of**  
15 **dollars to be added to the True-Up Balancing Account?**

16 A. No. Once the Oregon Allocated Power Cost Deviation is calculated, a Power Supply  
17 Expense Deadband is applied.

18 **Q. Please explain how the Power Supply Expense Deadband is applied.**

19 A. The Power Supply Expense Deadband is based upon the Company's capital  
20 structure and rate base measured on an Oregon basis from the most recent Oregon  
21 ROO report. The Oregon Allocated Power Cost Deviation is compared to the  
22 positive and/or negative deadbands. A positive deviation (Actual NPSE greater than  
23 those recovered through the Combined Rate) constitutes an excess power supply  
24 expense. This expense is first reduced by a deadband that is the dollar equivalent of  
25 250 basis points of ROE (Oregon basis). A negative deviation (Actual NPSE less  
26 than those recovered through the Combined Rate) is a power supply expense

1 savings. This savings is reduced by a deadband that is the dollar equivalent of 125  
2 basis points of ROE (Oregon basis).

3 **Q. What are the deadbands used for the calendar year 2013?**

4 A. Using the Company's Oregon rate base of \$124,406,283 and the percentage of  
5 equity in the capital structure as of December 31, 2013, 51.937 percent, the Upper  
6 Deadband of 250 Basis Points equals \$2,652,359 and the Lower Band of 125 Basis  
7 Points equals negative \$1,326,180. See Exhibit 102.

8 **Q. Will the deadbands change as a result of the 2014 ROO?**

9 A. Yes, they will. A final determination of the deadbands will be made once the 2014  
10 ROO is available.

11 **Q. Based upon the initial estimate of deadbands, what is the amount of the net  
12 power supply expense deviation to be added to the True-Up Balancing  
13 Account for the calendar year 2014?**

14 A. The amount of the Oregon Allocated Power Cost Deviation, \$403,871.27, is less  
15 than the Upper Deadband of \$2,652,359. Therefore, the dollar amount to be  
16 considered to add to the True-Up Balancing Account is zero.

17 **Q. Once the deferral is calculated, an earnings test must be applied. Has the  
18 Company performed the earnings test described above?**

19 A. No.

20 **Q. Why was an earnings test not performed?**

21 A. Order No. 08-238 states that before any amounts of a deferral are approved for  
22 inclusion in the Annual Power Supply Expense True-Up Balancing Account for  
23 subsequent recovery or refund, the Commission will apply an earnings test.  
24 Because the Company is not proposing any deferral amounts be added to the  
25 Annual Power Supply Expenses True-Up Balancing Account, the Company was not  
26 required to perform an earnings test.

1 **Q. In previous years the Company has proposed to offset its Oregon Allocated**  
2 **Power Cost Deviation by the sale of SO2 Allowances made during the deferral**  
3 **year. Were any sales of SO2 Allowances made during the calendar year 2014?**

4 A. Yes. The total Oregon jurisdictional customer benefit of SO2 Allowance sales made  
5 in 2014 was \$661.64 (see Exhibit 103). Subtracting this customer benefit from the  
6 Oregon Allocated Power Cost Deviation of \$403,871.27 creates a deviation of  
7 \$403,209.63. This amount is still less than the Upper Deadband of \$2,652,359;  
8 therefore, the amount to be added to the True-Up Balancing Account is still zero.  
9 Again, no earnings test is required.

10 **Q. Order No. 11-086 requires Idaho Power to apply the net proceeds from the sale**  
11 **of RECs as a credit to the power cost deferral currently in amortization. Were**  
12 **any sales of RECs made during the calendar year 2014?**

13 A. Yes. The total Oregon jurisdictional customer benefit of REC sales made in 2014 is  
14 \$132,830.92 (see Exhibit 104).

15 **Q. Does the customer benefit of \$132,830.92 from the sale of RECs change the**  
16 **amount you propose to be added to the True-Up Balancing Account?**

17 A. No. As has been the practice in past years, the customer benefit of \$132,830.92  
18 from the sale of RECs will be applied as a credit to the power cost deferral currently  
19 in amortization. As a result, there will be no impact to the amount proposed to be  
20 added to the True-Up Balancing Account. By offsetting the 2008 excess power cost  
21 deferral currently in amortization, customers will receive the benefits of 2014 REC  
22 sales immediately in the form of a reduced amortization period.

23 **Q. Does this conclude your testimony?**

24 A. Yes, it does.  
25  
26

**Idaho Power/101  
Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE \_\_\_\_**

**IDAHO POWER COMPANY**

**Exhibit Accompanying Direct Testimony of Courtney Waites**

**February 2015**

Idaho Power/101  
Waites/1

1014 PCAM  
Twelve Months Ended December 31, 2014

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>ACTUAL POWER COSTS</b>													
Actual NP&E Costs:													
Actual Sales - Includes Unbilled	1,220,232	1,220,232	969,231	3,186,431	977,881	4,164,112	1,189,649	5,333,761	1,429,629	6,763,390			6,763,390
Fuel	\$ 24,904,410.68	\$ 20,890,690.28	\$ 9,742,077.04	\$ 55,327,376.00	\$ 8,750,604.16	\$ 64,077,619.16	\$ 14,445,953.65	\$ 76,629,165.74	\$ 14,247,646.79	\$ 89,770,511.53			\$ 89,770,511.53
Purchased Power	\$ 4,550,819.57	\$ 5,286,704.32	\$ 4,211,679.26	\$ 14,581,919.57	\$ 5,460,705.26	\$ 19,524,705.26	\$ 6,922,534.95	\$ 28,447,241.71	\$ 8,103,527.52	\$ 38,620,789.23			\$ 38,620,789.23
Creton Solar Bid	\$ (8,385,471.11)	\$ (9,811,069.00)	\$ (779,222.22)	\$ 2,270,522.22	\$ 3,494,231.23	\$ (3,494,231.23)	\$ 3,541,066.00	\$ (3,494,231.23)	\$ 2,712,522.22	\$ 9,747,779.23			\$ 9,747,779.23
Solar	\$ 21,070,505.10	\$ 16,136,046.34	\$ 10,819,741.54	\$ (29,013,300.65)	\$ (5,134,413.49)	\$ (4,144,314.14)	\$ (2,669,393.02)	\$ (36,814,307.16)	\$ (3,481,506.39)	\$ (40,305,613.55)			\$ (40,305,613.55)
Total Non-OF	\$ 10,211,839.95	\$ 10,487,132.96	\$ 9,423,320.41	\$ 30,121,059.32	\$ 13,641,789.77	\$ 43,705,983.09	\$ 17,702,036.55	\$ 67,163,135.98	\$ 18,642,109.44	\$ 86,105,246.00			\$ 86,105,246.00
OF - Includes Net Metering and Liquidated Damages	\$ 31,392,145.05	\$ 26,626,182.30	\$ 12,563,417.47	\$ 70,471,744.82	\$ 22,762,217.25	\$ 92,225,962.10	\$ 32,217,140.34	\$ 125,441,165.44	\$ 38,693,979.74	\$ 162,398,085.18			\$ 162,398,085.18
Total Actual Power Costs Incurred	\$ 326.64	\$ 26,711.82	\$ 112.86	\$ 22,122.39	\$ 23,271.25	\$ 22,339.66	\$ 27,541.25	\$ 23,932.86	\$ 24,965.85	\$ 24,011.25			\$ 24,011.25
Actual Power Cost per Unit													
<b>POWER COSTS COLLECTED IN RATES</b>													
Actual Sales	1,220,232	1,220,232	969,231	3,186,431	977,881	4,164,112	1,189,649	5,333,761	1,429,629	6,763,390			6,763,390
Combined Rate (Recovered in Rates)	\$ 30,579,019.92	\$ 24,894,200.06	\$ 23,910,928.77	\$ 79,394,233.65	\$ 23,962,281.74	\$ 103,376,525.39	\$ 30,001,496.85	\$ 133,378,022.24	\$ 38,428,427.52	\$ 171,806,449.76			\$ 171,806,449.76
Total Power Costs Collected in Rates													
<b>CHANGE FROM FORECAST</b>													
Actual Power Cost per Unit	\$ 26.64	\$ 21.84	\$ 11.58	\$ 6.97	\$ 23.67	\$ 5.36	\$ 23.12	\$ 4.41	\$ 17.46	\$ 23.67			\$ 23.67
Combined Rate (Recovered in Rates)	\$ 25.04	\$ 20.08	\$ 19.08	\$ 59.08	\$ 24.54	\$ 24.83	\$ 20.65	\$ 24.83	\$ 25.01	\$ 25.40			\$ 25.40
Actual Power Cost (Forecast) Over Forecast Rate	\$ 1.60	\$ 1.76	\$ 2.50	\$ (9.10)	\$ (0.87)	\$ (9.47)	\$ 2.47	\$ (0.42)	\$ (0.55)	\$ (1.73)			\$ (1.73)
Deviation from Forecast	\$ 703,131.13	\$ 1,731,891.34	\$ (11,347,511.30)	\$ (8,912,498.83)	\$ (1,240,074.46)	\$ (10,152,593.29)	\$ 2,215,646.49	\$ (7,936,916.80)	\$ (1,474,447.79)	\$ (9,411,364.59)			\$ (9,411,364.59)
Oregon Allocation	\$ 31,088.08	\$ 107,384.46	\$ (333,046.71)	\$ 4,411.25	\$ (447,728.44)	\$ (447,728.44)	\$ 4,411.25	\$ (350,018.00)	\$ 4,411.25	\$ (416,041.18)			\$ (416,041.18)
Oregon Allocated Power Cost Deviation (before DB)	\$ 2,652,359.18	\$ (1,326,179.69)	\$ (1,326,179.69)	\$ (1,326,179.69)	\$ (1,326,179.69)	\$ (1,326,179.69)	\$ 2,652,359.18	\$ (1,326,179.69)	\$ (1,326,179.69)	\$ (1,326,179.69)			\$ (1,326,179.69)
Deadband - Over 250 Basis Points	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
Deadband - Under 125 Basis Points	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
True-Up (+)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
True-Up (-)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
OREGON DEFERRAL before sharing	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
Portion of True-up Change Allowed	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
OREGON DEFERRAL w/ SHARING (full 10)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
Interest Rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%			7.75%
Interest Accrued to date	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
Total Deferred Balance	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00

Idaho Power/101  
Waites/2

2014 PJM  
Twelve Months Ended December 31, 2014

	July	August	September	October	November	December	Annual
<b>ACTUAL POWER COSTS</b>							
Actual NPSE Costs	1,651,717	9,600,432	1,120,263	990,444	1,063,360	1,123,849	14,092,366
Actual Sales - Includes Unbilled	22,849,904.83	136,622,110.99	21,248,649.41	15,015,030.00	14,725,070.03	14,646,849.54	201,241,095.07
Fuel	\$ 11,056,719.56	\$ 38,256,871.79	\$ 3,244,409.05	\$ 4,710,734.62	\$ 5,520,540.03	\$ 5,213,270.34	\$ 64,651,417.71
Increased Power	\$ 3,989.73	\$ 17,690.86	\$ 3,729.81	\$ 3,256.65	\$ 1,876.05	\$ 1,160.37	\$ 27,603.64
Surplus Sales	\$ (1,967,749.32)	\$ (49,224,444.44)	\$ (6,061,171.70)	\$ (6,549,693.60)	\$ (6,838,248.03)	\$ (6,395,431.04)	\$ (75,579,699.01)
Total Non-QF	\$ 32,821,865.99	\$ 145,917,910.84	\$ 18,423,512.67	\$ 12,840,713.49	\$ 16,893,641.98	\$ 16,465,646.23	\$ 210,341,338.31
QF - Includes Net Metering and Liquidated Demands	\$ 15,401,801.77	\$ 105,981,267.89	\$ 14,808,601.92	\$ 13,546,700.74	\$ 13,856,379.42	\$ 13,465,614.09	\$ 163,442,383.95
Total Actual Power Costs Incurred	\$ 47,223,667.76	\$ 251,900,178.73	\$ 33,232,114.59	\$ 26,387,414.23	\$ 30,750,021.40	\$ 29,931,260.32	\$ 373,783,692.17
Actual Power Cost per Unit	\$29.01	\$25.70	\$26.18	\$26.82	\$28.96	\$28.40	\$28.62
<b>POWER COSTS COLLECTED IN RATES</b>							
Actual Fuel Cost	1,651,717	9,600,432	1,120,263	990,444	1,063,360	1,123,849	14,092,366
Combined Rate (Revised in Rates)	\$27.48	\$25.86	\$26.49	\$26.81	\$26.88	\$26.39	\$26.87
Total Power Costs Collected in Rates	\$ 44,678,944.85	\$ 254,415,593.11	\$ 29,914,178.87	\$ 25,079,757.52	\$ 28,861,758.80	\$ 28,534,526.11	\$ 364,625,813.41
<b>CHANGE FROM FORECAST</b>							
Actual Power Cost per Unit	\$29.01	\$25.70	\$26.18	\$26.82	\$28.96	\$28.40	\$28.62
Combined Rate (Revised in Rates)	\$27.05	\$25.96	\$26.49	\$26.81	\$26.88	\$26.39	\$26.87
Actual Increase (Decrease) Over Forecast Rate	\$1.96	(\$0.26)	\$2.69	\$0.01	\$2.08	\$2.01	\$1.75
Deviation from Forecast	\$ 3,244,719.51	\$ (6,166,645.07)	\$ 3,015,037.72	\$ 499,423.44	\$ 1,310,656.71	\$ 3,379,738.01	\$ 9,156,076.76
Oregon Allocation	\$	\$	\$	\$	\$	\$	\$
Oregon Allocated Power Cost Deviation (before DB)	\$ (271,948.80)	\$ (110,878.28)	\$ 22,024.67	\$ 4.41%	\$ 78,824.63	\$ 284,824.63	\$ 403,871.27
Deadband - Over 250 Basis Points	\$	\$	\$	\$	\$	\$	\$
Deadband - Under 125 Basis Points	\$	\$	\$	\$	\$	\$	\$
True-Up (1)	\$	\$	\$	\$	\$	\$	\$
True-Up (1)	\$	\$	\$	\$	\$	\$	\$
OREGON DEFERRAL before sharing	\$	\$	\$	\$	\$	\$	\$
Portion of True-Up Change Allowed	\$	\$	\$	\$	\$	\$	\$
OREGON DEFERRAL w/ SHARING (90/10)	\$	\$	\$	\$	\$	\$	\$
Interest Rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
Interest Accrued to date	\$	\$	\$	\$	\$	\$	\$
Total Deferred Balance	\$	\$	\$	\$	\$	\$	\$

**Idaho Power/102  
Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE \_\_\_\_**

**IDAHO POWER COMPANY**

**Exhibit Accompanying Direct Testimony of Courtney Waites**

**February 2015**



**Determination of Oregon PCAM Deadbands  
 Based on Idaho Power 2013 Results of Operations**

	(A)	(B)
	<b>Total System</b>	<b>Oregon</b>
(1) Rate Base	<b>\$2,887,722,877</b>	<b>\$124,406,283</b>
(2) % Equity in cap structure	<b>51.937%</b>	<b>51.937%</b>
(3) Equity in rate base	\$1,499,796,631	\$64,612,891
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$14,997,966	\$646,129
(6) Net-to Gross Factor	<b>1.64200</b>	<b>1.64200</b>
(7) Revenue requirement	\$24,626,661	<b>\$ 1,060,944</b>
(8) <b>Upper Band of Basis Points</b>	<b>250</b>	\$2,652,359.18
(9) <b>Lower Band of Basis Points</b>	<b>125</b>	(\$1,326,179.59)

**Idaho Power/103  
Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE \_\_\_\_**

**IDAHO POWER COMPANY**

**Exhibit Accompanying Direct Testimony of Courtney Waites**

**February 2015**



**Idaho Power/104**  
**Witness: Courtney Waites**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE \_\_\_\_**

**IDAHO POWER COMPANY**

**Exhibit Accompanying Direct Testimony of Courtney Waites**

**February 2015**



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**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing document in **Idaho Power Company's 2014 Annual Power Supply Expense True Up** on the following named person(s) on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

OPUC Dockets  
Citizens' Utility Board of Oregon  
dockets@oregoncub.org

Robert Jenks  
Citizens' Utility Board of Oregon  
bob@oregoncub.org

Catriona McCracken  
Citizens' Utility Board of Oregon  
catriona@oregoncub.org

Michael T. Weirich  
Department of Justice  
Michael.weirich@state.or.us

John Crider  
Public Utility Commission of Oregon  
john.crider@state.or.us

DATED: February 20, 2015

  
\_\_\_\_\_  
Wendy McIndoo  
Office Manager