July 30, 2012

VIA ELECTRONIC AND U.S. MAIL

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: UM — Idaho Power Company’s Application for an Accounting Order Approving Deferral of Intervenor Funding Grants

Attention Filing Center:

Enclosed in the above-referenced docket is an original and 5 copies of Idaho Power Company’s Application for an Accounting Order Approving Deferral of Intervenor Funding Grants. A copy of the Notice of Application has been served on the parties to the UE 233 service list as indicated on the attached Certificate of Service.

Please contact this office with any questions.

Very truly yours,

Wendy McIndoo
Office Manager

Enclosures

cc: Service List
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

In the Matter of the Application of Idaho Power for an Accounting Order Approving
Deferral of Intervenor Funding Grants.

APPLICATION FOR DEFERRED ACCOUNTING

I. INTRODUCTION

Pursuant to ORS 757.259 and OAR 860-027-0300, Idaho Power Company ("Idaho Power" or the "Company") applies to the Public Utility Commission of Oregon ("Commission") for an order authorizing the Company to defer costs associated with intervenor funding grants pursuant to ORS 757.072 and ORS 757.259(3). Idaho Power requests a deferral of all costs incurred since October 19, 2011.

Pursuant to OAR 860-027-0000(2), Idaho Power also requests a waiver of the provision in OAR 860-027-0300(2) that states that an authorization to use a deferred account expires 12 months from the date the deferral begins.¹ A waiver will result in administrative efficiencies because Idaho Power will not be required to annually file deferrals related to intervenor funding grants and a waiver is consistent with the statutory requirements set forth in ORS 757.259.

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 Commission.

2. This Application is filed pursuant to ORS 757.259(3), which allows for deferral of amounts provided as financial assistance under an agreement entered into under ORS 757.072 upon request of the public utility.

¹ OAR 860-027-0000(2) (allows waiver of Division 027 rules for good cause).
Idaho Power wishes to waive paper service in this docket. Communications regarding this Application should be addressed to:

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

Lisa Rackner
McDowell Rackner & Gibson PC
419 SW Eleventh Ave., Suite 400
Portland, Oregon 97205
dockets@mcd-law.com

II. OREGON ADMINISTRATIVE RULE 860-027-0300 REQUIREMENTS

The following information is provided pursuant to OAR 860-027-0300(3):

A. Description

With this deferral application, Idaho Power seeks authorization from the Commission to accrue, for future amortization as set forth in the Intervenor Funding Agreement ("Agreement") between Idaho Power and the Citizens' Utility Board of Oregon ("CUB"), costs associated with providing intervenor funding pursuant to ORS 757.072 and Order No. 10-396.

Because a deferral request under ORS 757.259(3) is not subject to the requirement that amounts may be deferred only from the date of the deferral application, the Company requests that the Commission authorize the deferral of all costs incurred under the Agreement since October 19, 2011.² In Order No. 10-483 the Commission authorized a deferral of costs associated with intervenor funding beginning on October 20, 2010 through October 19, 2011.³ No other intervenor funding deferrals have been requested.

² See ORS 757.259(4) (section (4) does not apply to deferrals under section (3)).
³ Re Idaho Power Company, Docket UM 1507, Order No. 10-483 (Dec. 20, 2010).
B. Reasons for Deferral

1. Statutory Authority

ORS 757.072 authorizes the Commission to approve an agreement for intervenor funding between an energy utility and a customer organization that represents broad customer interests. ORS 757.259(3) provides that:

Upon request of the public utility, the commission by order shall allow deferral of amounts provided as financial assistance under an agreement entered into under ORS 757.072 for later incorporation in rates.

Amounts deferred under this provision are not subject to the amortization caps or earnings review set forth in subsections 5, 6, 7, 8, and 10 of ORS 757.259. Likewise, deferrals under ORS 757.259(3) are not subject to the limitations set forth in ORS 757.259(4). Thus, the Commission may authorize Idaho Power to defer amounts that were paid under the Agreement prior to the date of this application.

2. Commission Approval of the Intervenor Funding Agreement.

On October 13, 2010, the Commission issued Order No. 10-396 approving the Agreement between Idaho Power and CUB dated September 28, 2010, as modified by the Commission at the public meeting on October 12, 2010. The Agreement is effective from October 15, 2010, until December 31, 2015. The Agreement sets forth the amount of funding available to CUB, the procedures for budget submittals and funding requests by CUB, Commission approval of budget submittals and funding requests, and payment of the grants by Idaho Power. The Agreement provides that the Commission shall allow Idaho Power to recover all amounts paid under the Agreement and provides for annual amortization of amounts deferred under the Agreement.

C. Proposed Accounting

Idaho Power proposes to record payment of Intervenor Funding grants in Account 182.3—Other Regulatory Assets.
D. Estimate of Amounts

Since October 19, 2011, Idaho Power has paid CUB $65,985 under the Agreement. In addition, the Company anticipates that going forward the maximum amount deferred during each year period will be $60,000—consisting of $30,000 for the CUB Fund and $30,000 for the Issue Fund, pursuant to Section 4.2 of the Agreement. Deferred amounts will accrue interest at Idaho Power’s authorized rate of return.

E. Notice

A copy of the Notice of Application for Deferred Accounting and a list of persons served with the Notice are attached to the Application as Attachment A.

III. WAIVER OF OAR 860-027-0300(2)

OAR 860-027-0000(2) authorizes the Commission to waive the requirements of any rule in Division 027 for good cause shown. In this case, the Company requests a waiver of the requirement in OAR 860-027-0300(2) that “[a]ny authorization to use a deferral account shall expire 12 months from the date the deferral is authorized to begin.” The Company requests this waiver for three reasons.

First, the 12 month limitation in OAR 860-027-0300(2) is based upon the statutory limitation set forth in ORS 757.259(4). However, ORS 757.259(4) does not apply to deferrals under ORS 757.259(3). Therefore, there is no statutory impediment to a waiver of OAR 860-027-0300(2) and such a waiver is fully consistent with the statutory framework for deferrals.

Second, Section 7.8 of the Agreement clearly provides that the “Commission shall allow Idaho Power to recover in rates all amounts paid for Intervenor Funding Grants under this Agreement.” So there is no dispute that the Company can recover these funds.

ORS 757.259(4) states: “The commission may authorize deferrals under subsection (2) of this section beginning with the date of the application, together with interest established by the commission. A deferral may be authorized for a period not to exceed 12 months beginning on or after the date of the application...”
Moreover, the annual amounts paid under the Agreement will likely be the same so there is no need to annually review the estimated amounts that will be deferred each year.

Third, granting this waiver will result in administrative efficiencies for both Idaho Power and the Commission. Because a deferral under ORS 757.259(3) is not subject to the requirement that the deferral begin with the date of the application, it makes sense to grant Idaho Power a blanket deferral that will address both past amounts incurred since October 19, 2011, and future amounts that will be incurred until the Agreement is terminated. If this waiver is not granted, Idaho Power will be required to annually file a deferral application, which the Commission will then be required to process.

IV. CONCLUSION

Idaho Power respectfully requests that, consistent with ORS 757.259(3) and Order No. 10-396, the Commission authorize the Company to record and defer Intervenor Funding grants incurred by the Company pursuant to the Agreement, beginning with October 19, 2011, through the termination of the Agreement.

DATED: July 30, 2012.
Attachment A

Notice of Application for
Deferred Accounting of Intervenor Funding Grants
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

In the Matter of the Application of Idaho Power
for an Accounting Order Approving Deferral of
Intervenor Fundin Grants.

NOTICE OF APPLICATION FOR
DEFERRED ACCOUNTING OF
INTERVENOR FUNDING GRANTS

On July 30, 2012, Idaho Power Company ("Idaho Power" or "Company"), filed an application with the Public Utility Commission of Oregon ("Commission") for an order authorizing deferral of intervenor funding grants pursuant to ORS 757.259(3), ORS 757.072, and Order No. 10-396.

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 Rackner
McDowell Rackner & Gibson PC
419 SW 11th Ave., Suite 400
Portland, OR 97205
Phone: 503-595-3922
Facsimile: 503-595-3928
dockets@mcd-law.com
Any person who wishes to submit written comments to the Commission on Idaho Power's application must do so no later than August 31, 2012.

DATED: July 30, 2012.

MCDOWELL RACKNER & GIBSON PC

Lisa Rackner
Adam Lowney
Of Attorneys for Idaho Power Company

IDAHO POWER COMPANY

Lisa Nordstrom
Lead Counsel
P.O. Box 70
Boise, Idaho 83707
CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of Idaho Power Company's Application for an Accounting Order Approving Deferral of Intervenor Funding Grants on the parties in Docket UE 233 on the date indicated below by email addressed to said person(s) at his or her last-known address(es) indicated below.

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DATED: July 30, 2012

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