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October 9, 2026

VIA ELECTRONIC FILING

puc.FilingCenter@puc.oregon.gov

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

Re: R 676 – Multi-Year Framework (HB 3179 & SB 688)

Attention Filing Center:

Idaho Power Company ("Idaho Power" or "Company") respectfully submits its comments on Staff's Distribution Capital Concept v1 in response to the Oregon Public Utility Commission Staff's ("Staff") Phase 2 Workplan.

Idaho Power appreciates the opportunity to provide this pre-read and participate in this process.

The Company looks forward to continued engagement with Staff and stakeholders as this work progresses. If you have any questions regarding this filing, please contact Regulatory Consultant Kelley Noe at knoe@idahopower.com.

Sincerely,

Connie Aschenbrenner

CA:sg

Attachment

1221 W. Idaho St (83702)
P.O. Box 70
Boise, ID 83707

Idaho Power Comments on Staff's Electric Distribution Capital Concept v1

Idaho Power appreciates Staff's efforts to develop a practical framework for treatment of distribution capital under the Multi Year Rate Plan (“MRP”) and generally supports Staff's proposed approach. The Company agrees that most distribution capital is planned, recurring, and appropriately managed within the indexed framework and that Distribution System Planning (“DSP”) can provide useful context regarding investment needs reflected in going-in rates. Idaho Power also agrees that the Supplemental Capital Funding Mechanism (“SCFM”), Z-Factor, and Reopener should serve distinct purposes and supports continued development of clear eligibility criteria for each mechanism.

Idaho Power's primary area of feedback relates to the SCFM and Z-factor adjustments. The Company is concerned that Staff's draft concept may narrow SCFM eligibility more than is appropriate for distribution capital. Idaho Power recommends preserving a framework centered on whether material investment requirements emerge that were not reasonably reflected in going-in rates and cannot reasonably be accommodated within the indexed revenue path, including through reprioritization of capital and operations and maintenance ("O&M") expenditures. Idaho Power further recommends that project-level materiality be evaluated based on the revenue requirement impact of an investment and/or a capital expenditure threshold that is sufficiently material to warrant consideration outside the index, but not so extraordinary that it is more appropriately addressed through the Z-Factor. These principles would help preserve the distinct roles of the SCFM and Z-Factor while ensuring that the SCFM remains available to address material investment needs that cannot reasonably be accommodated within the indexed revenue path.

Idaho Power does not support applying a reduced return on equity or earnings-sharing requirement to investments recovered through the SCFM, as prudently incurred investments that satisfy the Commission's eligibility criteria should receive the same authorized return as other utility investments. The Company appreciates Staff's efforts to ensure that SCFM and Z-Factor recovery appropriately reflect associated revenue requirement impacts and prevent over-recovery. However, Staff proposes to update accumulated depreciation and other offsets associated with existing rate base when calculating alternative recovery mechanism adjustments. Idaho Power recommends additional discussion to ensure that the scope and treatment of such adjustments are appropriately balanced within the broader MRP framework.

Idaho Power generally supports Staff's proposal to use the Z-Factor for unforeseen restoration-related costs and agrees that DSP should inform, but not predetermine, future cost recovery decisions. The Company also agrees that demonstration of incrementality, consideration of reasonable alternatives, and protections against duplicate recovery are appropriate considerations when applying alternative recovery mechanisms. As Staff continues developing the SCFM, including its eligibility criteria, revenue requirement treatment, and review processes, Idaho Power encourages further discussion of the issues identified above. The final framework should remain administratively workable and avoid processes that resemble partial rate cases or create unnecessary regulatory burden.