

McDowell Rackner & Gibson PC



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June 29, 2011

VIA ELECTRONIC AND U.S. MAIL

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

Re: UE 226 – Idaho Power Company’s 2010 Annual Power Supply Expense True-Up

Attention Filing Center:

Enclosed in the above-referenced docket are the following documents:

1. An original and five copies of the Stipulation of Staff, CUB, and Idaho Power;
2. An original and five copies of the Joint Testimony in Support of Stipulation; and
3. An original and one copy of Idaho Power Company’s Motion to Admit Stipulation.

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,

A handwritten signature in cursive script that reads "Wendy McIndoo".

Wendy McIndoo
Office Manager

cc: Service List

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UE 226**

4 In The Matter of

STIPULATION

5 IDAHO POWER COMPANY

6 2010 Annual Power Supply Expense True-Up.
7
8

9 This Stipulation resolves all issues between the parties related to Idaho Power
10 Company's ("Idaho Power" or "Company") 2010 Annual Power Supply Expense True-Up
11 ("True-Up") filed pursuant to Order No. 08-238,¹ as amended by Order No. 09-373.² This
12 True-Up implements the Company's Power Cost Adjustment Mechanism ("PCAM") by
13 calculating the deviation between actual net power supply expenses ("NPSE") and those
14 expenses recovered through the Combined Rate.

15 **PARTIES**

16 1. The parties to this Stipulation are Staff of the Public Utility Commission of Oregon
17 ("Staff"), the Citizens' Utility Board of Oregon ("CUB"), and Idaho Power (together, the
18 "Stipulating Parties"). No other party intervened in this docket.

19 **BACKGROUND**

20 2. As part of the Commission-approved PCAM, each February Idaho Power must
21 file a True-Up that calculates the difference between the actual NPSE incurred by the
22 Company in the relevant PCAM year (January through December) and the expenses
23 recovered for that period through the Combined Rate.³ NPSE deviations that are eligible, as

24 ¹ *Re Idaho Power Company's Application for Authority to Implement a Power Cost Adjustment*
Mechanism, Docket UE 195, Order No. 08-238 (Apr. 28, 2008).

25 ² *Re Idaho Power Company's Application for Authority to Implement a Power Cost Adjustment*
Mechanism, Docket UE 195, Order No. 09-373 (Sept. 18, 2009).

26 ³ Order No. 08-238 at 3.

1 determined by the terms of Order No. 08-238, are added to the Annual Power Supply
2 Expense True-Up Balancing Account ("True-Up Balancing Account") at the end of each 12
3 month period ending in December along with 50 percent of the annual interest calculated at
4 the Company's authorized cost of capital.⁴ As relevant here, to be eligible for inclusion in the
5 True-Up Balancing Account, the NPSE deviation must fall outside the dead band described in
6 Order No. 08-238.⁵

7 3. On February 28, 2011, Idaho Power filed its True-Up reflecting the NPSE
8 deviation for calendar year 2010. The Company's initial filing used the most recent Oregon
9 Results of Operations ("ROO") report available at the time of the filing—the ROO for 2009.
10 This filing also accounted for the one-time modification to the power supply expense dead
11 bands approved by the Commission in Order No. 10-191.⁶ The Company's initial filing
12 determined that \$0.00 should be added to the True-Up Balancing Account because the
13 Oregon-allocated NPSE deviation was within the dead bands calculated using the 2009 ROO.

14 4. As required by Order No. 09-373, on May 3, 2011, the Company filed
15 supplemental testimony that calculated the dead band using the Company's 2010 ROO
16 report, which was finalized subsequent to the initial February filing. The use of the 2010 ROO
17 resulted in changes to the upper and lower dead band values as well as changes to the
18 Oregon allocation percentages. These changes did not affect the amount proposed to be
19 included in the True-Up Balancing Account because the NPSE deviation was still within the
20 dead band. Thus, after updating the analysis using the 2010 ROO the Company determined
21 that \$0.00 should be added to the True-Up Balancing Account.

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23 ⁴ *Id.*

24 ⁵ *Id.* at 3. The NPSE deviation is also subject to an earnings test and other adjustments as described in
25 detail in the Stipulation attached as Exhibit A to Order No. 08-238. Here, the earnings test was not used
because the NPSE deviation never fell outside the dead band.

26 ⁶ *Re Idaho Power Company 2010 Annual Power Cost Update*, Docket UE 214, Order No. 10-191 (May
24, 2010).

1 Stipulation at the hearing, and recommend that the Commission issue an order adopting the
2 settlements contained herein.

3 10. If this Stipulation is challenged by any other party to this proceeding, the
4 Stipulating Parties agree that they will continue to support the Commission's adoption of the
5 terms of this Stipulation. The Stipulating Parties agree to cooperate in cross-examination and
6 put on such a case as they deem appropriate to respond fully to the issues presented, which
7 may include raising issues that are incorporated in the settlements embodied in this
8 Stipulation.

9 11. The Stipulating Parties have negotiated this Stipulation as an integrated
10 document. If the Commission rejects all or any material part of this Stipulation, or adds any
11 material condition to any final order that is not consistent with this Stipulation, each Stipulating
12 Party reserves its right, pursuant to OAR 860-001-0350(9), to present evidence and argument
13 on the record in support of the Stipulation or to withdraw from the Stipulation. Stipulating
14 Parties shall be entitled to seek rehearing or reconsideration pursuant to OAR 860-001-0720
15 in any manner that is consistent with the agreement embodied in this Stipulation.

16 12. By entering into this Stipulation, no Stipulating Party shall be deemed to have
17 approved, admitted, or consented to the facts, principles, methods, or theories employed by
18 any other Stipulating Party in arriving at the terms of this Stipulation, other than those
19 specifically identified in the body of this Stipulation. No Stipulating Party shall be deemed to
20 have agreed that any provision of this Stipulation is appropriate for resolving issues in any
21 other proceeding, except as specifically identified in this Stipulation.


22 13. This Stipulation may be executed in counterparts and each signed counterpart
23 shall constitute an original document.

24 This Stipulation is entered into by each Stipulating Party on the date entered below such
25 Stipulating Party's signature.

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STAFF

By: 

Date: June 28, 2011

IDAHO POWER

By: _____

Date: _____

CITIZENS' UTILITY BOARD

By: _____

Date: _____

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STAFF

By: _____

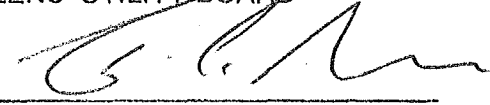
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IDAHO POWER

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Date: 6-28-11

General Counsel
Regulatory Program Director

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STAFF

CITIZENS' UTILITY BOARD

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in UE 226 on the following named person(s) on the date indicated below by email and first-class mail addressed to said person(s) at his or her last-known address(es) indicated below.

Gordon Feighner
Citizens' Utility Board of Oregon
gordon@oregoncub.org

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

Ed Durrenberger
Oregon Public Utility Commission
ed.durrenberger@state.or.us

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

Stephanie S. Andrus
Department of Justice
Stephanie.andrus@state.or.us

DATED: June 29, 2011


Wendy McIndoo, Office Manager