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April 30, 2010

VIA ELECTRONIC AND U.S. MAIL

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

Re: UE 218 – Idaho Power Company’s 2009 Annual Power Supply Expense True-Up

Attention Filing Center:

Enclosed for filing in the captioned docket are the original and five copies of Idaho Power Company’s Supplemental Direct Testimony of Courtney Waites. A copy of this filing was served on all parties to this proceeding as indicated on the attached Certificate of Service.

Very truly yours,

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

Wendy McIndoo

cc: Service List

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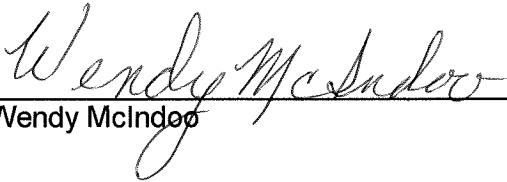
CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in UE 218 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.

Michael T. Weirich, Assistant AG
Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
michael.weirich@state.or.us

Ed Durrenberger
Public Utility Commission of Oregon
P.O. Box 2148
Salem, OR 97308-2148
ed.durrenberger@state.or.us

DATED: April 30, 2010



Wendy McIndoo

Idaho Power/200
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UE 218

In the Matter of the Application of IDAHO)
POWER COMPANY for Authority to)
Implement a Power Cost Adjustment)
Mechanism for Electric Service Customers)
in the State of Oregon)
_____)

IDAHO POWER COMPANY
SUPPLEMENTAL DIRECT TESTIMONY
OF
COURTNEY WAITES

April 30, 2010

1 **Q. Please state your name and business address.**

2 A. My name is Courtney Waites. My business address is 1221 West Idaho
3 Street, Boise, Idaho 83702.

4 **Q. Are you the same Courtney Waites that previously filed direct**
5 **testimony in this matter?**

6 A. Yes.

7 **Q. What is the scope and purpose of your supplemental direct**
8 **testimony?**

9 A. My supplemental direct testimony will revise the calculation of the Annual
10 Power Supply Expense True-up with use of the 2009 Oregon Results of Operations
11 (“ROO”) report to determine the deferral deadbands and the Earnings Test components.
12 However, as I will show later in my testimony, this revision will not change the deferral
13 amount proposed to be added to the Annual Power Supply Expense True-Up Balancing
14 Account (“True-Up Balancing Account”). With this testimony I am also filing revised
15 Exhibit Nos. 201, 202, and 203.

16 **Q. Please explain the revision you are making.**

17 A. Order No. 09-373 clarifies which year’s ROO report should be relied upon
18 in calculating the deferral deadbands and the Earnings Test components of the Power
19 Cost Adjustment Mechanism. As directed in Order 09-373, the Company’s initial
20 February filing included the quantification of the dollar balance proposed to be added to
21 the True-Up Balancing Account based on the 2008 ROO report. The results
22 represented a preliminary estimate at the time, with this final determination being filed
23 now that the 2009 ROO report has been completed.

24 **Q. How does the use of the 2009 ROO report change the power supply**
25 **expense deadbands?**

1 A. Using the Company's authorized ROE from its last general rate case and
2 the Company's 2009 Oregon rate base of \$113,005,175, the Upper Deadband of 250
3 basis points equals \$2,222,201 and the Lower Band of 125 Basis Points equals a
4 negative \$1,111,100 (see Exhibit No. 202).

5 **Q. Does the use of the 2009 ROO report impact any other areas of the**
6 **initial filing?**

7 A. Yes. In addition to changing the deadbands, the 2009 ROO report
8 changes the Oregon allocation percentage used to calculate Oregon's share of the
9 excess net power supply expenses. Exhibit No. 201, the Oregon PCAM Quantification
10 for 2009, reflects the revised deadbands and the revised Oregon allocation percentage.
11 The Oregon allocation percentage is also used to calculate Oregon customers' emission
12 sales benefits. Using the Oregon allocation percentage from the 2009 ROO report
13 increases the total customer benefit of SO₂ Allowance sales to \$105,033.49 (see Exhibit
14 No. 203).

15 **Q. Do the corrections you describe above change the amount you**
16 **proposed be added to the True-up Balancing Account?**

17 A. No. Subtracting the SO₂ Allowance sales from the Oregon Allocated
18 Power Cost Deviation still leaves an amount below the Upper Deadband of
19 \$2,222,200.66; therefore the dollar amount to be considered to add to the True-Up
20 Balancing Account is zero.

21 **Q. In your initial filing, an Earnings Test was not performed because**
22 **the Company was not proposing any deferral amounts be added to the True-Up**
23 **Balancing Account. Does the use of the 2009 ROO report change the need for an**
24 **Earnings Test?**

1 A. No. As I just stated, using the 2009 ROO report still results in a zero
2 deferral amount to be added to the True-Up Balancing Account and therefore does not
3 require an Earnings Test to be performed.

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

5 A. Yes it does.

Idaho Power/201
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Oregon PCAM Quantification
January 2009 through December 2009

April 30, 2010

OREGON PCAM (Schedule 56)		January	January YTD	February	February YTD	March	March YTD	April	April YTD	May	May YTD
ACTUAL POWER COSTS											
Actual NPSE Costs											
Actual Sales - Includes Unbilled	MWh	1,190,616	1,190,616	1,040,472	2,231,088	1,047,877	3,278,965	979,398	4,258,363	1,153,610	5,411,973
Fuel	\$	13,603,551.29	13,603,551.29	12,250,079.63	25,853,630.92	13,197,881.66	39,051,512.58	8,789,332.39	47,840,844.97	9,053,210.96	56,894,055.93
Purchased Power	\$	11,364,740.92	11,364,740.92	8,225,509.95	19,590,250.87	5,866,644.20	25,456,895.07	3,040,624.03	28,497,519.10	2,902,273.03	31,399,792.13
Surplus Sales	\$	(8,360,402.72)	(8,360,402.72)	(6,018,464.50)	(14,378,867.22)	(13,233,304.12)	(27,612,171.34)	(12,227,757.80)	(39,839,929.14)	(7,805,582.15)	(47,645,511.29)
Total Non-QF	\$	16,607,889.49	16,607,889.49	14,457,125.08	31,065,014.57	5,831,221.74	36,896,236.31	(397,801.38)	36,498,434.93	4,149,901.84	40,648,336.77
QF	\$	2,945,455.46	2,945,455.46	2,546,877.60	5,492,333.06	2,788,158.48	8,280,491.54	4,864,472.04	13,144,963.58	7,909,045.38	21,054,008.96
Total Actual Power Costs Incurred	\$	19,553,344.95	19,553,344.95	17,004,002.68	36,557,347.63	8,619,380.22	45,176,727.85	4,466,670.66	49,643,398.51	12,058,947.22	61,702,345.73
Actual Power Cost per Unit	\$/MWh	\$16.42	\$16.42	\$16.34	\$16.39	\$8.23	\$13.78	\$4.56	\$11.66	\$10.45	\$11.40
POWER COSTS COLLECTED IN RATES											
Actual Sales	MWh	1,190,616	1,190,616	1,040,472	2,231,088	1,047,877	3,278,965	979,398	4,258,363	1,153,610	5,411,973
Combined Rate (Recoverd in Rates)	\$/MWh	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22
Total Power Costs Collected in Rates	\$	12,168,095.52	12,168,095.52	10,633,623.84	22,801,719.36	10,709,302.94	33,511,022.30	10,009,447.56	43,520,469.86	11,789,894.20	55,310,364.06
CHANGE FROM FORECAST											
Actual Power Cost per Unit	\$/MWh	\$16.42	\$16.42	\$16.34	\$16.39	\$8.23	\$13.78	\$4.56	\$11.66	\$10.45	\$11.40
Combined Rate (Recoverd in Rates)	\$/MWh	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22	\$10.22
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$6.20	\$6.20	\$6.12	\$6.17	(\$1.99)	\$3.56	(\$5.66)	\$1.44	\$0.23	\$1.18
Deviation from Forecast	\$	7,385,249.43	7,385,249.43	6,370,378.84	13,755,628.27	(2,089,922.72)	11,665,705.55	(5,542,776.90)	6,122,928.65	269,053.02	6,391,981.67
Oregon Allocation	%		4.78%		4.78%		4.78%		4.78%		4.78%
Oregon Allocated Power Cost Deviation (before DB)	\$		353,014.92		657,519.03		557,620.73		292,675.99		305,536.72
Deadband - Over 250 Basis Points	\$		2,222,200.66		2,222,200.66		2,222,200.66		2,222,200.66		2,222,200.66
Deadband - Under 125 Basis Points	\$		(1,111,100.33)		(1,111,100.33)		(1,111,100.33)		(1,111,100.33)		(1,111,100.33)
True-Up (+)	\$		0.00		0.00		0.00		0.00		0.00
True-Up (-)	\$		0.00		0.00		0.00		0.00		0.00
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00		0.00
Portion of True-up Change Allowed	%		90%		90%		90%		90%		90%
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00		0.00
Interest Rate	%		7.830%		7.830%		7.830%		7.830%		7.830%
Interest Accrued to date	\$		0.00		0.00		0.00		0.00		0.00
Total Deferred Balance	\$		0.00		0.00		0.00		0.00		0.00

OREGON PCAM (Schedule 56)		June	June YTD	July	July YTD	August	August YTD	September	September YTD	October
ACTUAL POWER COSTS										
Actual NPSE Costs										
Actual Sales - Includes Unbilled	MWh	1,122,972	6,534,945	1,507,518	8,042,463	1,416,534	9,458,997	1,215,221	10,674,218	1,003,537
Fuel	\$	6,432,714.80	63,326,770.73	14,494,430.50	77,821,201.23	21,788,355.87	99,609,557.10	13,087,280.31	112,696,837.41	12,220,668.46
Purchased Power	\$	4,070,619.09	35,470,411.22	21,802,864.81	57,273,276.03	15,137,891.03	72,411,167.06	12,817,668.31	85,228,835.37	4,006,770.25
Surplus Sales	\$	(5,537,024.94)	(53,182,536.23)	(8,962,762.20)	(62,145,298.43)	(4,675,499.07)	(66,820,797.50)	(8,657,434.40)	(75,478,231.90)	(8,671,753.31)
Total Non-QF	\$	4,966,308.95	45,614,645.72	27,334,533.11	72,949,178.83	32,250,747.83	105,199,926.66	17,247,514.22	122,447,440.88	7,555,685.40
QF	\$	8,656,962.01	29,710,970.97	10,128,295.56	39,839,266.53	9,374,287.06	49,213,553.59	8,537,952.87	57,751,506.46	6,202,079.34
Total Actual Power Costs Incurred	\$	13,623,270.96	75,325,616.69	37,462,828.67	112,788,445.36	41,625,034.89	154,413,480.25	25,785,467.09	180,198,947.34	13,757,764.74
Actual Power Cost per Unit	\$/MWh	\$12.13	\$11.53	\$24.85	\$14.02	\$29.39	\$16.32	\$21.22	\$16.88	\$13.71
POWER COSTS COLLECTED IN RATES										
Actual Sales	MWh	1,122,972	6,534,945	1,507,518	8,042,463	1,416,534	9,458,997	1,215,221	10,674,218	1,003,537
Combined Rate (Recoverd in Rates)	\$/MWh	\$16.04	\$11.22	\$16.04	\$12.12	\$16.04	\$12.71	\$16.04	\$13.09	\$16.04
Total Power Costs Collected in Rates	\$	18,012,470.88	73,322,834.94	24,180,588.72	97,503,423.66	22,721,205.36	120,224,629.02	19,492,144.84	139,716,773.86	16,096,733.48
CHANGE FROM FORECAST										
Actual Power Cost per Unit	\$/MWh	\$12.13	\$11.53	\$24.85	\$14.02	\$29.39	\$16.32	\$21.22	\$16.88	\$13.71
Combined Rate (Recoverd in Rates)	\$/MWh	\$16.04	\$11.22	\$16.04	\$12.12	\$16.04	\$12.71	\$16.04	\$13.09	\$16.04
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	(\$3.91)	\$0.31	\$8.81	\$1.90	\$13.35	\$3.61	\$5.18	\$3.79	(\$2.33)
Deviation from Forecast	\$	(4,389,199.92)	2,002,781.75	13,282,239.95	15,285,021.70	18,903,829.53	34,188,851.23	6,293,322.25	40,482,173.48	(2,338,968.74)
Oregon Allocation	%		4.78%		4.78%		4.78%		4.78%	
Oregon Allocated Power Cost Deviation (before DB)	\$		95,732.97		730,624.04		1,634,227.09		1,935,047.89	
Deadband - Over 250 Basis Points	\$		2,222,200.66		2,222,200.66		2,222,200.66		2,222,200.66	
Deadband - Under 125 Basis Points	\$		(1,111,100.33)		(1,111,100.33)		(1,111,100.33)		(1,111,100.33)	
True-Up (+)	\$		0.00		0.00		0.00		0.00	
True-Up (-)	\$		0.00		0.00		0.00		0.00	
OREGON DEFERRAL before sharing	\$		0.00		0.00		0.00		0.00	
Portion of True-up Change Allowed	%		90%		90%		90%		90%	
OREGON DEFERRAL w/ SHARING (90/10)	\$		0.00		0.00		0.00		0.00	
Interest Rate	%		7.830%		7.830%		7.830%		7.830%	
Interest Accrued to date	\$		0.00		0.00		0.00		0.00	
Total Deferred Balance	\$		0.00		0.00		0.00		0.00	

OREGON PCAM (Schedule 56)		October YTD	November	November YTD	December	December YTD	Annual
ACTUAL POWER COSTS							
Actual NPSE Costs							
Actual Sales - Includes Unbilled	MWh	11,677,755	1,026,118	12,703,873	1,244,406	13,948,279	13,948,279
Fuel	\$	124,917,505.87	10,814,547.52	135,732,053.39	13,226,152.47	148,958,205.86	148,958,205.86
Purchased Power	\$	89,235,605.62	4,812,132.80	94,047,738.42	7,460,956.38	101,508,694.80	101,508,694.80
Surplus Sales	\$	(84,149,985.21)	(3,465,388.41)	(87,615,373.62)	(1,469,053.90)	(89,084,427.52)	(89,084,427.52)
Total Non-QF	\$	130,003,126.28	12,161,291.91	142,164,418.19	19,218,054.95	161,382,473.14	161,382,473.14
QF	\$	63,953,585.80	4,864,355.51	68,817,941.31	3,684,971.45	72,502,912.76	72,502,912.76
Total Actual Power Costs Incurred	\$	193,956,712.08	17,025,647.42	210,982,359.50	22,903,026.40	233,885,385.90	233,885,385.90
Actual Power Cost per Unit	\$/MWh	\$16.61	\$16.59	\$16.61	\$18.40	\$16.77	\$16.77
POWER COSTS COLLECTED IN RATES							
Actual Sales	MWh	11,677,755	1,026,118	12,703,873	1,244,406	13,948,279	13,948,279
Combined Rate (Recoverd in Rates)	\$/MWh	\$13.34	\$16.04	\$13.56	\$16.04	\$13.78	\$13.78
Total Power Costs Collected in Rates	\$	155,813,507.34	16,458,932.72	172,272,440.06	19,960,272.24	192,232,712.30	192,232,712.30
CHANGE FROM FORECAST							
Actual Power Cost per Unit	\$/MWh	\$16.61	\$16.59	\$16.61	\$18.40	\$16.77	\$16.77
Combined Rate (Recoverd in Rates)	\$/MWh	\$13.34	\$16.04	\$13.56	\$16.04	\$13.78	\$13.78
Actual Increase (Decrease) Over Forecast Rate	\$/MWh	\$3.27	\$0.55	\$3.05	\$2.36	\$2.99	\$2.99
Deviation from Forecast	\$	38,143,204.74	566,714.70	38,709,919.44	2,942,754.16	41,652,673.60	41,652,673.60
Oregon Allocation	%	4.78%		4.78%		4.78%	4.78%
Oregon Allocated Power Cost Deviation (before DB)	\$	1,823,245.19		1,850,334.15		1,990,997.80	1,990,997.80
Deadband - Over 250 Basis Points	\$	2,222,200.66		2,222,200.66		2,222,200.66	2,222,200.66
Deadband - Under 125 Basis Points	\$	(1,111,100.33)		(1,111,100.33)		(1,111,100.33)	(1,111,100.33)
True-Up (+)	\$	0.00		0.00		0.00	0.00
True-Up (-)	\$	0.00		0.00		0.00	0.00
OREGON DEFERRAL before sharing	\$	0.00		0.00		0.00	0.00
Portion of True-up Change Allowed	%	90%		90%		90%	90%
OREGON DEFERRAL w/ SHARING (90/10)	\$	0.00		0.00		0.00	0.00
Interest Rate	%	7.830%		7.830%		7.830%	7.830%
Interest Accrued to date	\$	0.00		0.00		0.00	0.00
Total Deferred Balance	\$	0.00		0.00		0.00	0.00

Idaho Power/202
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Determination of Power Supply Expense
Based on Idaho Power 2008 Results of Operation

April 30, 2010

**Determination of Oregon PCAM Deadbands
 Based on Idaho Power 2009 Results of Operations**

	(A)	(B)
	Total System	Oregon
(1) Rate Base	\$2,334,974,334	\$113,005,175
(2) % Equity in cap structure	47.904%	47.904%
(3) Equity in rate base	\$1,118,546,105	\$54,133,999
(4) 100 basis points	1.000%	1.000%
(5) Resulting return (NOI Effect)	\$11,185,461	\$541,340
(6) Net-to Gross Factor	1.64200	1.64200
(7) Revenue requirement	\$18,366,527	\$ 888,880
(8) Upper Band of Basis Points	250	\$2,222,200.66
(9) Lower Band of Basis Points	125	(\$1,111,100.33)

Idaho Power/203
Witness: Courtney Waites

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IDAHO POWER COMPANY

Exhibit Accompanying Supplemental Direct Testimony of Courtney Waites

Oregon Emission Sales
January 2009 through December 2009

April 30, 2010

Oregon Emission Sales: Order 05-983
January 2009 thru December 2009

	2009												Totals
	January	February	March	April	May	June	July	August	September	October	November	December	
Prior Month Sale(s)	\$ 1,785,000.00	560,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,345,500.00
Brokerage Fee's Paid in Prior Month	\$ (3,125.00)	(1,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,125.00)
Net Proceeds	\$ 1,781,875.00	559,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,341,375.00
Oregon Allocation	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%
Sharing Percentage	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Total Customer Benefit	\$ 76,656.26	24,069.69	-	-	-	-	-	-	-	-	-	-	100,725.95
Less Taxes @ 39.095%	(29,968.77)	(9,410.05)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(39,378.81)
Customer Benefit Net of Tax - Oregon	\$ 46,687.50	14,659.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,347.14
Principle													
Beginning Balance	\$ -	46,687.50	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	-
Amount Deferred	46,687.50	14,659.64	-	-	-	-	-	-	-	-	-	-	61,347.14
Ending Balance	\$ 46,687.50	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14	61,347.14
Interest													
Beginning Balance	\$ 0.00	0.00	304.64	704.93	1,105.22	1,505.51	1,905.80	2,306.09	2,706.38	3,106.67	3,506.96	3,907.25	\$0.00
Monthly Interest Rate	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%	7.83%
Monthly Interest	\$ 0.00	304.64	400.29	400.29	400.29	400.29	400.29	400.29	400.29	400.29	400.29	400.29	4,307.54
Interest Accrued to Date	\$ 0.00	304.64	704.93	1,105.22	1,505.51	1,905.80	2,306.09	2,706.38	3,106.67	3,506.96	3,907.25	4,307.54	\$4,307.54
Deferral Balance Including Interest	\$ 46,687.50	61,651.78	62,052.07	62,452.36	62,852.65	63,252.94	63,653.23	64,053.52	64,453.81	64,854.10	65,254.39	65,654.68	65,654.68
Tax Benefit from Above													39,378.81
Total Customer Benefit													<u>105,033.49</u>