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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-20-32
AUTHORITY TO DECREASE ITS RATES)	
FOR ELECTRIC SERVICE FOR COSTS)	
ASSOCIATED WITH THE BOARDMAN)	
POWER PLANT.)	

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

MATTHEW T. LARKIN

1 Q. Please state your name, business address, and
2 present position with Idaho Power Company ("Idaho Power" or
3 "Company").

4 A. My name is Matthew T. Larkin. My business
5 address is 1221 West Idaho Street, Boise, Idaho 83702. I
6 am employed by Idaho Power as the Revenue Requirement
7 Senior Manager in the Regulatory Affairs Department.

8 Q. Please describe your educational background.

9 A. I received a Bachelor of Business
10 Administration degree in Finance from the University of
11 Oregon in 2007. In 2008, I earned a Master of Business
12 Administration degree from the University of Oregon. I
13 have also attended electric utility ratemaking courses,
14 including the *Electric Rates Advanced Course*, offered by
15 the Edison Electric Institute, and *Estimation of*
16 *Electricity Marginal Costs and Application to Pricing*,
17 presented by National Economic Research Associates, Inc.

18 Q. Please describe your work experience with
19 Idaho Power.

20 A. I began my employment with Idaho Power as a
21 Regulatory Analyst in January 2009. As a Regulatory
22 Analyst, I provided support for the Company's regulatory
23 activities, including compliance reporting, financial
24 analysis, and the development of revenue forecasts for
25 regulatory filings.

1 In January 2014, I was promoted to Senior Regulatory
2 Analyst where my responsibilities expanded to include the
3 development of complex cost-related studies and the
4 analysis of strategic regulatory issues.

5 Since becoming the Revenue Requirement Senior
6 Manager in March 2018, I have overseen the Company's
7 regulatory activities related to revenue requirement, such
8 as power supply expense modeling, jurisdictional separation
9 studies, and Idaho Power's Open Access Transmission Tariff
10 formula rate.

11 **I. OVERVIEW**

12 Q. What is Idaho Power's request in this case?

13 A. The Company is requesting authorization to
14 decrease customer rates to reflect cessation of the
15 Boardman power plant ("Boardman") operations and a prudence
16 determination of all investments made at the plant after
17 June 1, 2012. Specifically, Idaho Power is requesting the
18 Commission (1) find that all actual Boardman investments
19 made through June 30, 2020, were prudently incurred, and
20 (2) decrease customer rates \$3,902,622 to reflect full
21 depreciation of all Boardman investments effective January
22 1, 2021, which equates to an overall decrease of 0.33
23 percent.

24 Q. How is your testimony organized?

1 A. My testimony begins with a summary of the
2 Boardman balancing account mechanism approved with Order
3 No. 32457 and the Boardman incremental annual levelized
4 revenue requirement approved with Order No. 34519. My
5 testimony then summarizes the requested reduction of
6 \$3,902,622 to customer rates effective January 1, 2021, to
7 reflect the (1) removal of \$5,135,872 in the levelized
8 Boardman revenue requirement, (2) expiration of the one-
9 time credit of \$1,019,333 approved in Case No. IPC-E-19-32,
10 and (3) adjustment of \$213,918 to reflect removal of the
11 net Boardman-related benefit currently embedded in customer
12 rates stemming from the U.S. Tax Cuts and Jobs Act of 2017
13 ("Tax Act"). Table 1 below presents a summary of the
14 Company's proposed \$3.90 million decrease.

Table 1 Boardman Rev Req Impact by Component		
Line No.	Component	Difference
1	Removal of Boardman Levelized Rev Req	\$ (5,135,872)
2	Removal of Additional Rev Req Adjustments	\$ 1,019,333
3	Tax Act Adjustment	\$ 213,918
4	Total Rate Adjustment	\$ (3,902,622)

15 Q. Is the Company presenting any other witnesses
16 in this case?

17 A. Yes. Company witness Ryan Adelman describes
18 in detail how the investments made at Boardman after June
19 1, 2012, were prudently incurred.

20 Q. Do you have any exhibits?

1 A. Yes. Exhibit No. 1 to my testimony provides a
2 summary of the updated levelized revenue requirement
3 calculations by cost category and compares the amount to
4 the levelized revenue requirement approved with Order No.
5 34519 that is currently included in customer rates. Exhibit
6 No. 2 provides the quantification of the true-up associated
7 with prior years' revenue collections.

8 **II. BACKGROUND**

9 Q. Please describe the Boardman power plant.

10 A. Boardman is a pulverized-coal plant located in
11 north-central Oregon. It went into service in 1980 and
12 consists of a single generating unit. Idaho Power owns a
13 10 percent interest, or 58.5 megawatts (net dependable
14 capacity), in Boardman. After adjusting for routine
15 scheduled maintenance periods and estimated forced outages,
16 the Company's share of the plant's annual energy generating
17 capability is approximately 50 average megawatts. Portland
18 General Electric ("PGE") has a 90 percent ownership. As
19 the majority partner of the plant, PGE operates the
20 Boardman facility. Cessation of coal-fired operations at
21 Boardman, which was approved by federal and state
22 regulators in 2010 and 2011, will occur October 31, 2020.

23 Q. Do customer rates reflect Boardman's expected
24 cessation of coal-fired operations in 2020?

1 A. Yes. On September 26, 2011, in Case No. IPC-
2 E-11-18, Idaho Power filed an application with the
3 Commission requesting an order (1) accepting the Company's
4 accounting and cost recovery plan for the early shutdown of
5 Boardman and (2) allowing the Company to establish a
6 balancing account to track shutdown-related costs and
7 benefits. In February 2012, the Commission issued Order
8 No. 32457 authorizing the Company to establish a balancing
9 account to track the incremental costs and benefits
10 associated with the early shutdown of Boardman.

11 Q. Please describe the Boardman balancing account
12 mechanism approved in Order No. 32457.

13 A. The balancing account tracks the incremental
14 costs associated with the accelerated Boardman end-of-life
15 date, including (1) the return on undepreciated capital
16 investments at Boardman until its shutdown, (2) the
17 accelerated depreciation associated with Boardman
18 investments, and (3) estimated decommissioning costs
19 related to the Boardman shutdown. Each of these revenue
20 requirement components is subsequently "levelized" by
21 calculating the present value of each of the individual
22 items and converting the values into an annuity or level
23 payment stream from customers over the remaining life of
24 Boardman using a return on equity of 9.5 percent, as
25 approved in Order No. 32457.

1 Q. Has the Boardman balancing account worked as
2 expected to ensure recovery of Boardman-related investments
3 prior to cessation of operations at the plant?

4 A. Yes. The Boardman balancing account smoothed
5 the revenue requirement impacts of the early Boardman
6 retirement over the remaining years of the plant's life and
7 has provided an opportunity for full recovery of Boardman-
8 related costs by Boardman's life end. In addition, it
9 aligned the cost recovery period with the operating life of
10 the plant, resulting in a better matching of cost recovery
11 from customers who benefited from the plant's operations
12 while mitigating the risk of future customers bearing the
13 costs of a plant that will no longer be providing service.

14 Q. When were costs tracked in the Boardman
15 balancing account first reflected in customer rates?

16 A. On February 15, 2012, in Case No. IPC-E-12-09,
17 Idaho Power requested authority to increase rates to begin
18 recovery of the levelized revenue requirement associated
19 with Boardman's 2020 end-of-life. The Company replaced the
20 then current non-levelized base rate revenue recovery
21 associated with Idaho Power's existing investment in
22 Boardman with a levelized revenue requirement that is
23 tracked in the Boardman balancing account. On May 17,
24 2012, the Commission issued Order No. 32549, authorizing
25 implementation of the cost recovery approach approved in

1 Order No. 32457 and increasing the Company's annual revenue
2 requirement by \$1,525,501, effective June 1, 2012, to
3 reflect the new levelized Boardman revenue requirement.

4 Q. Has Idaho Power adjusted customer rates for
5 changes in the Boardman annual levelized revenue
6 requirement since Order No. 32549 was issued?

7 A. Yes. On October 17, 2019, the Company filed a
8 request with the Commission to decrease customer rates
9 \$1.06 million based on an updated levelized revenue
10 requirement and additional one-time revenue requirement
11 adjustments. The Commission approved Idaho Power's request
12 effective January 1, 2020, with Order No. 34519. Prior to
13 the rate change, Idaho Power filed its Boardman Power Plant
14 Annual Review each year, pursuant to Order Nos. 32457 and
15 32549, but did not request to adjust rates. The annual
16 reviews concluded the difference in the updated Boardman
17 levelized revenue requirement were tracked in the Boardman
18 balancing account for future collection from or refund to
19 customers and did not warrant a rate change at the time.

20 Q. Did the Tax Act impact the total Boardman
21 levelized revenue requirement?

22 A. Yes. Idaho Power's income tax expenses and
23 deferred tax liabilities included in the Boardman levelized
24 revenue requirement amounts were calculated in accordance
25 with the Internal Revenue Code of 1986. The Tax Act,

1 signed into law on December 22, 2017, amended sections of
2 the 1986 code, most notably the reduction in the federal
3 corporate income tax rate from 35 percent to 21 percent.
4 However, the net benefits related to the Boardman levelized
5 revenue requirement resulting from provisions of the Tax
6 Act were calculated and determined with Order No. 34071 in
7 Case No. GNR-U-18-01, the Commission's investigation into
8 the impact of federal tax code revisions on utility costs
9 and ratemaking, and were reflected in revenue requirement
10 amounts approved in that case. Therefore, the lower tax
11 rates from the Tax Act are currently reflected in customer
12 rates in the amount of \$213,918, while the levelized
13 revenue requirement calculation reflects tax rates in
14 effect prior to the Tax Act. Consequently, the amounts
15 being removed from rates also need to reflect the removal
16 of this Boardman-related net tax benefit.

17 **III. THE BOARDMAN LEVELIZED REVENUE REQUIREMENT MECHANISM**

18 Q. How was the levelized revenue requirement
19 approved with Order No. 34519 determined?

20 A. Order No. 34519 approved an incremental
21 levelized revenue requirement decrease of \$38,922, for a
22 total Idaho jurisdictional Boardman-related levelized
23 revenue requirement of \$5,135,872. The \$5.14 million
24 levelized revenue requirement included (1) all Boardman-
25 related plant investments as of December 31, 2018, (2)

1 projected additions to the Boardman plant for 2019, and (3)
2 estimated decommissioning and salvage costs. In addition,
3 the Company refunded to customers \$1.02 million associated
4 with three one-time revenue requirement adjustments.

5 Q. Has Idaho Power quantified the changes to the
6 Boardman levelized revenue requirement since the Company's
7 update effective January 1, 2020?

8 A. Yes. Updating the Boardman levelized revenue
9 requirement components results in an annual levelized
10 revenue requirement of \$5,131,466 on an Idaho
11 jurisdictional basis, or an annual decrease to the Idaho
12 jurisdictional levelized revenue requirement of \$4,406.
13 Exhibit No. 1 summarizes the changes to the levelized
14 revenue requirement on a system basis by component and
15 presents the Idaho jurisdictional share of each.

16 Q. Please describe the updates to the Boardman
17 levelized revenue requirement components.

18 A. Only one of the three components of the
19 levelized revenue requirement computation has changed since
20 Order No. 34519 was issued, the revenue requirement
21 associated with incremental investments made after May 31,
22 2012, or when the Boardman balancing account was
23 established.

1 Q. What is the levelized revenue requirement
2 associated with incremental investments currently included
3 in customer rates?

4 A. The Idaho jurisdictional Boardman-related
5 levelized revenue requirement of \$5,135,872, approved with
6 Order No. 34519, included approximately \$750,000 associated
7 with new plant investments made from June 1, 2012, through
8 December 31, 2018, and a forecast of investments for 2019.

9 Q. What updates were made to the levelized
10 revenue requirement associated with incremental
11 investments?

12 A. Idaho Power has updated the levelized revenue
13 requirement associated with incremental investments to
14 include actual plant investments made through June 30,
15 2020, resulting in an Idaho jurisdictional levelized
16 revenue requirement of \$749,045, or a decrease of
17 approximately \$4,400.

18 Q. Does the Company anticipate any additional
19 Boardman-related plant investments to be made in 2020?

20 A. No. Not at this time.

21 Q. How does the amount of actual investments made
22 between January 1, 2019, through June 30, 2020, compare to
23 what was forecasted and included in the computation of the
24 levelized revenue requirement approved with Order No.
25 34519?

1 A. The levelized revenue requirement approved
2 with Order No. 34519 included incremental plant investments
3 after January 1, 2019, of \$48,206. However, actual
4 investments made between January 1, 2019, through June 30,
5 2020, were only \$457, as there are credits associated with
6 2019 projects recorded in 2020 that nearly offset any
7 additions at the plant.

8 Q. You indicated only the levelized revenue
9 requirement associated with incremental investments has
10 changed since Order No. 34519 was issued. Because Boardman
11 is nearing its end-of-life, when does the Company expect an
12 updated decommissioning study to be performed?

13 A. At the request of PGE and Idaho Power, AECOM
14 prepared an updated decommissioning cost study, the Updated
15 Boardman Coal Plant Decommissioning and Demolition Plan,
16 dated October 16, 2019. However, the update only provided a
17 refined cost estimate to support the planning and
18 preparation for the partial demolition of Boardman and a
19 five-year lay-up plan for the site. The results of the
20 AECOM study did not change the decommissioning cost
21 estimate enough to warrant an update in the decommissioning
22 costs the Company is currently collecting from customers.
23 In addition, now that PGE has determined they will
24 decommission the plant upon cessation of coal-fired

1 operations, a Class II Decommissioning and Demolition Study
2 has commenced.

3 Q. How does the Class II Decommissioning and
4 Demolition Study differ from the studies previously
5 performed?

6 A. The Class II study includes actual bidder
7 estimates for specific portions of the planned demolition,
8 resulting in smaller contingency adders. The previous
9 study, a Class III study, included only an estimate of the
10 costs as computed by AECOM, and a higher contingency amount
11 in light of the approximations.

12 Q. When does Idaho Power expect to have the
13 results of the Class II Decommissioning and Demolition
14 Study?

15 A. The Company received the Class II
16 Decommissioning and Demolition Study in August 2020, and is
17 currently evaluating the decommissioning costs and salvage
18 estimates included in the study. While initial results
19 indicate expected decommissioning costs are higher than
20 levels currently reflected in rates, the Company is still
21 reviewing the study results.

22 Q. Does Idaho Power anticipate making changes to
23 the levelized revenue requirement associated with
24 decommissioning and salvage costs collected from customers
25 once the Class II study is finalized?

1 A. No, not at this time. As of December 31,
2 2020, the Company will have collected from customers
3 decommissioning and salvage costs nearly equivalent to
4 those estimated with the AECOM Class III study, and the
5 levelized revenue requirement associated with
6 decommissioning and salvage costs included in customer
7 rates will be set to zero. As decommissioning costs are
8 incurred, amounts accrued in the balancing account will be
9 used to pay the expenses. Because the Boardman balancing
10 account allows for the tracking of differences between
11 actual decommissioning costs and those forecasted, any
12 over- or under-collection of costs will be available for
13 future collection from, or refund to, customers.

14 Q. What is the resulting total levelized revenue
15 requirement?

16 A. The Company's update to the levelized revenue
17 requirement associated with Boardman includes the
18 \$3,936,546 associated with existing investments, \$749,045
19 related to incremental investments, and \$445,875 in
20 decommissioning and salvage costs, for a total levelized
21 revenue requirement of \$5,131,466 on an Idaho
22 jurisdictional basis.

23 Q. What is the existing levelized revenue
24 requirement associated with Boardman that is currently
25 included in the Company's base rates?

1 A. The Idaho jurisdictional levelized revenue
2 requirement approved with Order No. 34519 is \$5,135,872.

3 Q. How does the total levelized revenue
4 requirement compare to the existing levelized revenue
5 requirement currently in customer rates?

6 A. The current total Idaho jurisdictional
7 levelized revenue requirement of \$5.13 million, less the
8 Idaho jurisdictional share of the existing levelized
9 revenue requirement of \$5.14 million, results in an
10 incremental annual levelized revenue requirement of
11 negative \$4,406 on an Idaho jurisdictional basis.

12 Q. Are there any additional components of the
13 Boardman levelized revenue requirement mechanism?

14 A. Yes. In accordance with the Company's
15 commitment in Case No. IPC-E-12-09, Idaho Power is
16 tracking: (1) deviations between existing levelized revenue
17 requirement calculations and updated levelized revenue
18 requirement calculations and, (2) the monthly deviations
19 between forecast revenue collection and actual revenue
20 collection.

21 Q. What is the true-up associated with the
22 levelized revenue requirement amounts previously collected?

23 A. An updated levelized revenue requirement
24 \$4,406 lower than what the Company is currently collecting
25 from customers means customers will have paid \$4,406 per

1 year more than the updated levelized revenue requirement
2 indicates the Company should have collected. The true-up
3 is computed by converting the annual incremental levelized
4 revenue requirement to a monthly amount, or an over
5 collection of \$367 per month, and multiplying it by the
6 103-month collection period from June 1, 2012, through
7 December 31, 2020. The result is a true-up of \$37,820.
8 This amount is reflected on the True-Up of Levelized
9 Revenue Requirement line of Exhibit No. 1. It is important
10 to note that these amounts are provided for informational
11 purposes only and are not part of the Company's requested
12 rate change in the current proceeding as discussed later in
13 my testimony.

14 Q. What is Idaho Power's quantification of the
15 true-up associated with prior years' revenue collections?

16 A. Order No. 34519 issued in Case No. IPC-E-19-32
17 included the true-up of monthly deviations between forecast
18 revenue collection and actual revenue collection for the
19 time period June 1, 2012, through August 31, 2019.
20 Therefore, the true-up of prior years' revenue collections
21 in this proceeding is associated with amounts collected
22 from September 1, 2019, through June 30, 2020. As can be
23 seen on Exhibit No. 2, at June 30, 2020, slightly lower
24 than expected sales volumes in the first half of 2020
25 outweighed slightly higher than expected sales volumes

1 during the last quarter of 2019, for a total under
2 collection of \$5,625. This total over collection is
3 reflected on the True-Up of Prior Year Collections line of
4 Exhibit No. 1. Similar to the True-Up of Levelized Revenue
5 Requirement, this amount is included for informational
6 purposes only and is not part of the Company's requested
7 rate change in this proceeding.

8 **IV. RECOMMENDED RATEMAKING TREATMENT**

9 Q. You indicated Idaho Power is proposing to
10 decrease customer rates to reflect cessation of Boardman
11 operations. What is the Company's proposal?

12 A. The Company is proposing to remove the
13 \$5,135,872 in Boardman levelized revenue requirement
14 amounts from customer rates effective January 1, 2021, to
15 reflect full depreciation of all Boardman investments.

16 Q. You have quantified the updated Boardman
17 levelized revenue requirement is \$5,131,466 based on the
18 latest actual plant additions. Why is the Company
19 proposing to remove a different level of Boardman revenue
20 requirement amounts from customer rates?

21 A. Idaho Power is proposing to remove \$5,135,872,
22 the level of Boardman revenue requirement amounts currently
23 included in customer rates. The difference in the updated
24 levelized revenue requirement amount and the levelized
25 revenue requirement amount currently in rates is captured

1 in the true-up of the levelized revenue requirement
2 amounts.

3 Q. Is Idaho Power proposing to include the two
4 true-ups as an adjustment to customer rates on January 1,
5 2021?

6 A. No. Because the true-up would be a one-time
7 refund to customers over a one-year period and the sum of
8 the two true-ups is negative \$32,194, the Company is
9 proposing the true-ups remain in the balancing account
10 until the next adjustment to rates when decommissioning
11 costs are trued up. Further, at the time of filing there
12 are still several months remaining in 2020 that will also
13 be included in the true-up calculation.

14 Q. The Company is proposing to remove all
15 Boardman levelized revenue requirements from rates. What
16 future Boardman-related adjustments does Idaho Power
17 anticipate it will make?

18 A. The Company has quantified the Boardman annual
19 levelized revenue requirement to reflect the most current
20 balancing account amounts. However, because the plant is
21 still online, and recovery of Boardman-related investments
22 will continue through year-end, it is likely a final annual
23 levelized revenue requirement computation will be required
24 to ensure customers pay no more or no less than actual
25 Boardman-related costs. In addition, the Boardman

1 levelized revenue requirement amounts approved with Order
2 No. 34519 include an estimate for anticipated
3 decommissioning and salvage costs. If an adjustment to
4 customer rates reflecting updated cost information does not
5 occur prior to complete decommissioning, an adjustment will
6 be required to true-up actual decommissioning and salvage
7 costs with those amounts collected from customers when
8 decommissioning of Boardman is complete.

9 Q. Is Idaho Power proposing any additional
10 Boardman-related adjustments to customer rates?

11 A. Yes. Order No. 34519 approved three
12 additional revenue requirement adjustments that resulted in
13 a rate reduction: (1) a gain of \$251,077 associated with
14 the sale of shared facilities to PGE, (2) \$473,097 in over-
15 collection of revenues from the June 1, 2012, through
16 September 30, 2019, time period, and (3) \$295,158 in over-
17 collection of revenue requirement amounts during the June
18 1, 2012, through December 31, 2019, time period. Because
19 these amounts were a one-time refund to customers provided
20 over the January 1, 2020, through December 31, 2020, time
21 period, the Company is proposing to remove the \$1,019,333
22 credit from customer rates.

23 Q. You indicated tax rates included in the
24 levelized revenue requirement computation reflect those tax
25 rates in effect prior to the Tax Act, and that Tax Act

1 benefits associated with the Boardman levelized revenue
2 requirement mechanism were calculated and determined in
3 Case No. GNR-U-18-01 with Order No. 34071. Will the
4 removal from rates of the Boardman levelized revenue
5 requirement require an adjustment for the Tax Act benefits?

6 A. Yes. The Boardman levelized revenue
7 requirement amounts currently included in customer rates
8 includes income tax expense based on provisions of the
9 Internal Revenue Code of 1986 prior to the 2017 Tax Act,
10 meaning the \$5.14 million is greater than the decreased
11 revenue requirement Idaho Power will experience.
12 Therefore, Idaho Power has included an adjustment of
13 \$213,918 to reflect the Tax Act benefits that will no
14 longer exist upon cessation of Boardman operations. This
15 amount is presented on the Tax Act Adjustment line of
16 Exhibit No. 1.

17 Q. Please summarize the adjustments to customer
18 rates Idaho Power is proposing.

19 A. The removal of \$5,135,872 in the levelized
20 Boardman revenue requirement, less the expiration of the
21 one-time credit of \$1,019,333, less the adjustment of
22 \$213,918 to reflect in the levelized Boardman revenue
23 requirement income tax expense amounts resulting from the
24 Tax Act, results in a total decrease to customer rates of
25 \$3,902,622 effective January 1, 2021.

1 Q. How does the Company propose to allocate the
2 decrease associated with Boardman levelized revenue
3 requirement of \$3,902,622 to each class of customers?

4 A. The Company requests that the approximately
5 \$3.90 million decrease associated with Boardman revenue
6 requirement amounts be applied to all customer classes
7 through a uniform percentage decrease to all base rate
8 components except the service charge.

9 Q. Has the Company prepared a schedule that
10 presents the revenue spread results for each customer class
11 under the Company's proposed allocation methodology?

12 A. Yes. Attachment No. 1 to the Application
13 presents a summary of the proposed revenue impact for each
14 customer class.

15 **V. CONCLUSION**

16 Q. Please summarize your testimony.

17 A. Idaho Power is requesting the Commission (1)
18 find that all actual Boardman investments made through June
19 30, 2020, were prudently incurred, and (2) decrease
20 customer rates \$3,902,622 million to reflect full
21 depreciation of all Boardman investments effective January
22 1, 2021, which equates to an overall decrease of 0.33
23 percent.

24 Q. Does this complete your testimony?

25 A. Yes, it does.

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DECLARATION OF MATTHEW T. LARKIN

I, Matthew T. Larkin, declare under penalty of
perjury under the laws of the state of Idaho:

1. My name is Matthew T. Larkin. I am employed
by Idaho Power Company as the Revenue Requirement Senior
Manager in the Regulatory Affairs Department.

2. On behalf of Idaho Power, I present this
pre-filed direct testimony and Exhibit Nos. 1-2 in this
matter.

3. To the best of my knowledge, my pre-filed
direct testimony and exhibits are true and accurate.

I hereby declare that the above statement is true to
the best of my knowledge and belief, and that I understand
it is made for use as evidence before the Idaho Public
Utilities Commission and is subject to penalty for perjury.

SIGNED this 21st day of August 2020, at Boise, Idaho.

Signed:



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-20-32**

IDAHO POWER COMPANY

**LARKIN, DI
TESTIMONY
EXHIBIT NO. 1**

Exhibit No. 1
Case No. IPC-E-20-32
M. Larkin, IPC
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	Existing	Accelerated
2012	4,798,006	4,798,006
2013	4,528,526	4,528,526
2014	4,259,046	4,259,046
2015	3,989,566	3,989,566
2016	3,720,087	3,720,087
2017	3,450,607	3,450,607
2018	3,181,127	3,181,127
2019	2,911,647	2,911,647
2020	2,642,167	2,642,167
Total	33,490,780	33,490,780
PV	27,132,598	27,132,598
Imp	4,140,099	4,140,099

[illegible]

	2020 Costs	Payment
Decommissioning Costs (Estimated in 2020 dollars)	7,156,247	623,572
Expected Salvage (Estimated in 2020 dollars)	(1,774,700)	(154,542)
Net:	5,381,547	469,031

Total System Summary	
Levelized Rev Rqmt - Existing Investment	4,140,099
Levelized Rev Rqmt - Incremental Investments	787,777
Levelized Rev Rqmt - Decommissioning Costs & Salvage	468,931
New Levelized Rev Rqmt (To be tracked through the balancing account)	5,396,807
Estimated Rev Rqmt Currently in Base Rates (2011)	3,812,406
Rev Rqmt Currently in Base Rates (2012)	1,629,969
Rev Rqmt Currently in Base Rates (2020)	(40,934)
Total Rev Rqmt Currently in Base Rates	5,401,441
Net Change in Levelized Rev Rqmt	(4,634)
True-Up of Revenue Collections	5,625
True-Up of Levelized Rev Rqmt	(39,773)
Remove Levelized Rev Req from Base Rates	(\$ 401,441)
Removal of Additional Rev Req Adjustments	1,047,571
Tax Act Adjustment	224,979
Net Impact to Customers	(4,126,960)

Levelized Rev Rqmt. - Existing Investment	3,935,546
Levelized Rev Rqmt. - Incremental Investments	749,045
Levelized Rev Rqmt. - Decommissioning Costs & Salvage	445,873
New Levelized Rev Rqmt. (To be tracked through the balancing account)	5,131,466
Estimated Rev Rqmt Currently in Base Rates (2011)	3,649,293
Rev Rqmt Currently in Base Rates (2012)	1,525,501
Rev Rqmt Currently in Base Rates (2020)	(38,922)
Total Rev Rqmt Currently in Base Rates	5,135,872
Net Change in Levelized Rev Rqmt	(4,406)
True-Up of Revenue Collections	5,625
True-Up of Levelized Rev Rqmt	(37,820)
Remove Levelized Rev Req from Base Rates	(\$ 135,872)
Removal of Additional Rev Req Adjustments	1,019,335
Tax Act Adjustment	213,918
Net Impact to Customers	(3,902,622)

1. The Revenue Requirement in Base Rates beginning January 1, 2020, approved with Order No. 34519 included additional revenue requirement adjustments associated with the Shared Facilities Gain, True-Up of Prior Year Collections, and the True-Up of the Levelized Revenue

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-20-32**

IDAHO POWER COMPANY

**LARKIN, DI
TESTIMONY
EXHIBIT NO. 2**

Boardman Balancing Account Revenue Collections Tracking

Boardman Forecasted Revenues as approved with Order No. 32549	January	February	March	April	May	June	July	August	September	October	November	December	Total
Normalized ID Jurisdictional Sales (MWh)	1,152,449	1,052,464	962,551	922,125	831,654	1,100,636	1,338,967	1,418,209	1,282,310	1,028,994	928,924	1,055,150	13,172,433
Boardman Rate (\$)	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	
Boardman Forecasted Revenues	133,465	121,886	111,473	106,791	107,895	127,465	155,066	164,011	148,504	119,168	107,579	122,197	1,525,501
2019 Boardman Revenues													Total 2019
Icahn Jurisdictional Sales (MWh)									1,369,800	1,012,013	1,000,525	1,087,235	
Boardman Actual Revenues									158,637	117,201	115,871	125,913	
Difference									(10,132)	1,907	(8,292)	(3,716)	
Total (Over) Under Collection									(10,132)	(8,166)	(16,458)	(20,173)	\$ (20,173)

Boardman Forecasted Revenues as approved with Order No. 34519	January	February	March	April	May	June	July	August	September	October	November	December	Total
Normalized ID Jurisdictional Sales (MWh)	1,230,333	1,164,964	1,059,953	993,008	1,038,320	1,207,466	1,484,546	1,546,707	1,373,356	1,074,166	986,331	1,108,816	14,256,985
Boardman Rate (\$)	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	
Boardman Forecasted Revenues	128,269	121,454	110,506	102,484	108,355	125,887	154,772	161,253	143,180	111,988	102,830	115,600	1,486,579
2020 Boardman Revenues													Total 2020
Icahn Jurisdictional Sales (MWh)	1,156,543	1,101,758	1,024,103	956,229	1,015,632	1,183,343							
Boardman Actual Revenues	120,576	114,864	105,768	99,692	105,885	123,370							
Difference	7,693	6,589	3,736	2,792	2,470	2,517							
Total (Over) Under Collection	7,693	14,282	18,020	20,812	23,281	25,798							\$ 25,798

Total (Over) Under Collection \$ 5,625

Revenue Requirement On Existing Investments at May 31, 2012

Revenue Requirement On Incremental Investments

Decommissioning Costs and Expected Salvage

Total Svstem Summary

Idaho Jurisdictional Summary

Levelized Rev Rqmt - Existing Investment	3,936,546
Levelized Rev Rqmt - Incremental Investments	749,045
Levelized Rev Rqmt - Decommissioning Costs & Salvage	445,875
New Levelized Rev Rqmt (To be tracked through the balancing account)	5,131,466
Estimated Rev Rqmt Currently in Base Rates (2011)	3,649,293
Rev Rqmt Currently in Base Rates (2012)	1,525,501
Rev Rqmt Currently in Base Rates (2020)	(38,922)
Total Rev Rqmt Currently in Base Rates	5,135,872
Net Change in Levelized Rev Rqmt	(4,406)
True-Up of Revenue Collections	5,625
True-Up of Levelized Rev Rqmt	(37,920)
Remove Levelized Rev Req from Base Rates	(5,135,872)
Removal of Additional Rev Req Adjustments	1,019,333
Tax Act Adjustment	213,918
Net Impact to Customers	(3,902,622)

1. The Revenue Requirement in Base Rates beginning January 1, 2020, approved with Order No. 34519 included additional revenue requirement adjustments associated with the Shared Facilities Gain, True-Up of Prior Year Collections, and the True-Up of the Levelized Revenue Requirement. The result was an additional rate reduction of \$1,047,571 on a system basis, or \$1,019,333 on an Idaho jurisdictional basis effective for the January 1, 2020, through December 31, 2020, time period.

Boardman Balancing Account Revenue Collections Tracking

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Boardman Forecasted Revenues as approved with Order No. 32549													
Normalized ID Jurisdictional Sales (MWh)	1,152,449	1,052,464	962,551	922,125	931,654	1,100,636	1,338,967	1,416,209	1,282,310	1,028,994	928,924	1,055,150	13,172,433
Boardman Rate (\$)	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	0.115810	
Boardman Forecasted Revenues	133,465	121,886	111,473	106,791	107,895	127,465	155,066	164,011	148,504	119,168	107,579	122,197	1,525,501
2019 Boardman Revenues													Total 2019
Idaho Jurisdictional Sales (MWh)									1,369,800	1,012,013	1,000,525	1,087,235	
Boardman Actual Revenues									158,637	117,201	115,871	125,913	
Difference									(10,132)	1,967	(8,292)	(3,716)	
Total (Over) Under Collection									(10,132)	(8,166)	(16,458)	(20,173)	\$ (20,173)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Boardman Forecasted Revenues as approved with Order No. 34519													
Normalized ID Jurisdictional Sales (MWh)	1,230,333	1,164,964	1,059,953	983,008	1,039,320	1,207,486	1,484,546	1,546,707	1,373,356	1,074,166	986,331	1,108,816	14,258,985
Boardman Rate (\$)	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	0.104256	
Boardman Forecasted Revenues	128,269	121,454	110,506	102,484	108,355	125,887	154,772	161,253	143,180	111,988	102,830	115,600	1,486,579
2020 Boardman Revenues													Total 2020
Idaho Jurisdictional Sales (MWh)	1,156,543	1,101,758	1,024,103	956,229	1,015,632	1,183,343							
Boardman Actual Revenues	120,576	114,864	106,768	99,692	105,885	123,370							
Difference	7,693	6,589	3,738	2,792	2,470	2,517							
Total (Over) Under Collection	7,693	14,282	18,020	20,812	23,281	25,798							\$ 25,798

Total (Over) Under Collection \$ 5,625