

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR) CASE NO. IPC-E-22-07
AUTHORITY TO IMPLEMENT FIXED COST)
ADJUSTMENT ("FCA") RATES FOR)
ELECTRIC SERVICE FROM June 1,)
2022 THROUGH MAY 31, 2023.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

PAWEL P. GORALSKI

1 Q. Please state your name and business address.

2 A. My name is Pawel ("Paul") P. Goralski. My
3 business address is 1221 West Idaho Street, Boise, Idaho
4 83702.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Idaho Power Company ("Idaho
7 Power" or "Company") as a Regulatory Consultant in the
8 Regulatory Affairs Department.

9 Q. Please describe your educational background.

10 A. In May of 2007, I received a Bachelor of
11 Business Administration degree in Finance from Boise State
12 University in Boise, Idaho. I have also attended "The
13 Basics: Practical Regulatory Training for the Electric
14 Industry," an electric utility ratemaking course offered
15 through the New Mexico State University's Center for Public
16 Utilities, "Electric Utility Fundamentals and Insights," an
17 electric utility course offered by Western Energy
18 Institute, and "Electric Rates Advanced Course," an
19 electric utility ratemaking course offered through Edison
20 Electric Institute.

21 Q. Please describe your work experience with
22 Idaho Power.

23 A. In 2017, I was hired as a Regulatory Analyst
24 in the Company's Regulatory Affairs Department, and in 2020
25 I was promoted to my current position of Regulatory

1 Consultant. My primary responsibilities include supporting
2 the Company's class cost-of-service activities, developing
3 pricing for special contract customers and other large load
4 pricing analysis, supporting the Company's annual Fixed
5 Cost Adjustment ("FCA") calculation and serving as the
6 Company witness. I have also been its witness for the
7 Company's annual Demand-Side Management ("DSM") prudency
8 filings.

9 Q. What is the purpose of your testimony?

10 A. The purpose of my testimony is to describe the
11 Company's request to implement its annual FCA rates in
12 conformance with Idaho Public Utilities Commission
13 ("Commission") Order No. 32505 (Case No. IPC-E-11-19),
14 which approved the FCA as a permanent rate mechanism for
15 the Residential and Small General Service customers. The
16 Company is seeking authority to collect the 2021 FCA
17 deferral balance of \$35,203,248 through its proposed 2022-
18 2023 FCA rates. If approved, the 2022 - 2023 FCA rates will
19 result in a decrease to annual billed revenue for the
20 Residential and Small General Service classes of
21 \$4,890,772, or 0.81 percent, effective June 1, 2022.

22 Q. How is your testimony organized?

23 A. My testimony will discuss four areas related
24 to the FCA mechanism and Schedule 54, Fixed Cost
25 Adjustment. First, I will discuss the need for the FCA

1 itself. Second, I will inform the Commission as to how
2 Idaho Power met the Commission's directive in Order No.
3 35056 to initiate a case to review the FCA mechanism and
4 describe the resulting modification approved for the FCA
5 mechanism to begin prospectively with the 2022 FCA deferral
6 calculation. Third, I will provide an overview of the FCA
7 mechanics and how each component is determined, including
8 determination of the 2021 FCA deferral amount. Lastly, I
9 will discuss the calculation of the proposed FCA rates to
10 become effective June 1, 2022, through May 31, 2023.

11 **I. BENEFIT OF FIXED COST ADJUSTMENT MECHANISM**

12 Q. Why is the FCA mechanism necessary?

13 A. The existing two-part rate design for
14 Residential and Small General Service customers collects a
15 significant portion of the classes' fixed costs through the
16 volumetric energy rate. The FCA is a true-up mechanism that
17 "decouples," or separates, billed energy sales from revenue
18 in order to remove the financial disincentive that exists
19 when the Company invests in DSM resources and activities.
20 Under the FCA, rates for Residential Service (Schedules 1,
21 3, 4, 5, and 6) and Small General Service (Schedule 7 and
22 8) customers are adjusted annually to recover or refund the
23 difference between the level of fixed cost recovery
24 authorized by the Commission in the Company's most recent
25 general rate case and the level of fixed cost recovery that

1 the Company received based upon the actual billed energy
2 sales during the previous calendar year.

3 Q. What level of incremental annual energy
4 efficiency savings was achieved in 2021?

5 A. Idaho Power achieved 143,971 megawatt-hours
6 ("MWh") of savings system-wide, meeting the energy
7 efficiency target set in the Company's 2021 Integrated
8 Resource Plan. The energy savings claimed are enough energy
9 to power approximately 12,600 average homes a year in Idaho
10 Power's service area. These energy savings are more
11 particularly described in the 2021 DSM Annual Report filed
12 in Case No. IPC-E-22-08.

13 Q. Do claimed incremental DSM savings encompass
14 the entirety of energy savings customers experience from
15 Idaho Power's DSM efforts?

16 A. No. First, it is important to recognize that
17 savings claimed in any given year continue to reoccur in
18 subsequent years through the life of the DSM measure. Thus,
19 the full impact of the Company's DSM efforts is better
20 represented by the cumulative impact of historical claimed
21 savings whose measure life extends through 2021. A measure
22 installed in 2015 with eight-year measure life continues to
23 provide energy savings in 2021, though those savings are
24 not included in the 2021 claimed savings reported in the
25 Company's 2021 DSM Annual Report.

1 Second, the Company promotes significant customer
2 educational, outreach and awareness activities, promotion
3 of codes and standards, and marketing efforts that are not
4 quantified or claimed as part of Idaho Power's annual DSM
5 savings, but are likely to result in energy savings
6 experienced by the customer and accruing to Idaho Power's
7 electric system over time.

8 Q. Has the FCA mechanism been effective at
9 removing the financial disincentive that would otherwise be
10 associated with Idaho Power pursuing all cost-effective
11 energy efficiency?

12 A. Yes. The FCA has been and continues to be an
13 effective mechanism that has positioned the Company to
14 continue to support energy efficiency resources while
15 maintaining a reasonable opportunity to recover its fixed
16 cost of serving residential and small commercial customers.

17 **II. COMMISSION-APPROVED FCA MODIFICATION**

18 Q. Did the Company comply with the Commission
19 directive in Order No. 35056 to initiate a case to review
20 the FCA mechanism and propose any modification determined
21 appropriate ahead of this FCA filing?

22 A. Yes. In November 2021, after working with
23 Commission Staff over the summer and fall of 2021 to
24 address concerns with the FCA mechanism, the Company filed
25 Case No. IPC-E-21-39 to request modification of the FCA.

1 The Commission approved the Company's Application December
2 28, 2021 to modify the FCA, on a prospective basis,
3 effective January 1, 2022 in Order No. 35273.

4 Q. Please describe the FCA modification.

5 A. Beginning with the 2022 FCA deferral,
6 customers added to Idaho Power's system starting January 1,
7 2022 will be considered "new" and will have separate, and
8 reduced fixed cost tracking, while the 2021 FCA customer
9 count will constitute the level of "existing" customers
10 whose fixed costs are tracked with existing FCA components.

11 Q. What is the difference in fixed cost tracking
12 between "new" and "existing" customers, and what is the
13 basis for those costs?

14 A. For both "new" and "existing" customers, the
15 basis for fixed cost tracking is the same, the Company's
16 most recent general rate case. "Existing" customer Fixed
17 Cost per Customer rate ("FCC") and Fixed Cost per Energy
18 rate ("FCE") remain unchanged and represent fixed costs
19 associated with the Company's generation, transmission, and
20 distribution related system components. For "new"
21 customers, only the distribution-related system cost
22 components will be tracked under the FCA. Table 1 lists the
23 FCA cost components for "new" and "existing" customers that
24 will be used for fixed cost tracking starting with the 2022
25 FCA deferral.

1 **Table 1. FCA Rates – Existing and New Customers**

	Residential	Small General Service
FCC (<i>Existing Customer</i>)	\$650.63	\$360.57
FCC-Dist. (<i>New Customer</i>)	\$317.72	\$256.29
FCE (<i>Existing Customer</i>)	\$0.051602	\$0.068633
FCE-Dist. (<i>New Customer</i>)	\$0.025199	\$0.048783

2

3 Q. Does the FCA modification impact the 2021 FCA
4 deferral calculation?

5 A. No. While Idaho Power has modified the monthly
6 accrual of the 2022 FCA deferral balance to bifurcate cost
7 tracking between “new” and “existing” customers. The 2022
8 FCA deferral balance will not be proposed to be collected
9 through FCA rates until March 2023.

10 **III. FCA DETERMINATION FOR CALENDAR YEAR 2021**

11 Q. Please describe the FCA mechanism components
12 and calculation.

13 A. For both the Residential and Small General
14 Service classes, the FCA mechanism is the same. The formula
15 used to determine the FCA amount is:

16
$$\text{FCA} = (\text{CUST} \times \text{FCC}) - (\text{ACTUAL} \times \text{FCE})$$

17 Where:

18 FCA = Fixed Cost Adjustment;

19 CUST = Average Number of Customers, by class;

20 FCC = Fixed Cost per Customer rate, by class;

21 ACTUAL = Actual Billed kilowatt-hours (“kWh”)

22 Energy Sales, by class; and

1 FCE = Fixed Cost per Energy rate, by class.
2 The FCA amount is the difference between the Company's
3 level of "authorized fixed cost recovery" (CUST X FCC) and
4 the level of "actual fixed cost recovery" (ACTUAL X FCE).

5 Q. Can the FCA deferral balance be either
6 positive or negative?

7 A. Yes. A positive FCA indicates the Company's
8 authorized level of fixed cost recovery is greater than the
9 level of fixed costs recovered through the energy rate,
10 which occurs when energy use per customer has decreased
11 from when the FCA components were established. In a similar
12 fashion, a negative FCA indicates the Company's authorized
13 fixed cost recovery amount is less than the fixed costs
14 determined to have been recovered through the energy rate
15 and results in a refund to customers.

16 Q. Did the FCC and FCE rates used to determine
17 the 2021 FCA deferral balance change from prior years?

18 A. No. All customers included in the 2021 FCA
19 calculation use FCC and FCE rates established in the
20 Company's most recent general rate case, Case No. IPC-E-11-
21 08, and can be found in the Company's tariff under Schedule
22 54, Fixed Cost Adjustment.

23 Q. How is the authorized level of fixed cost
24 recovery derived?

1 A. The authorized level of fixed cost recovery is
2 the product of the FCC and the average number of customers,
3 by class. The Company uses a prorated customer count based
4 on the number of active utility service agreements at the
5 end of each month. This approach applies the same
6 methodology that was used to determine customer counts in
7 the Company's most recent general rate case. The annual
8 average customer count is derived by calculating the
9 average of the 12 monthly prorated customer counts.

10 Q. How is the actual level of fixed cost recovery
11 determined?

12 A. In compliance with Order No. 33295, the actual
13 level of fixed cost recovery is the product of the FCE and
14 the actual billed energy sales for the calendar year,
15 measured in kWh.

16 Q. Does the Company compute a monthly FCA
17 deferral balance?

18 A. Yes. Since 2009, the Company has reported the
19 estimated monthly FCA deferral balance in the monthly FCA
20 Report provided to the Commission. Exhibit No. 1 is a copy
21 of the monthly FCA Report for calendar year 2021 with year-
22 end information.

23 Although the FCA is an annual mechanism that is
24 ultimately calculated and determined using customer counts
25 and billed energy sales data for the entire calendar year,

1 a monthly FCA deferral balance is estimated and recorded in
2 the Company's accounting records to maintain compliance
3 with Generally Accepted Accounting Principles. This
4 estimated monthly FCA deferral balance is provided to the
5 Commission in the monthly FCA Report.

6 Q. Is it possible for the reported monthly FCA
7 deferral balance estimate to differ from the annual amount?

8 A. Yes. Because the monthly FCA deferral balance
9 is computed using monthly customer counts while the annual
10 FCA deferral balance is computed using the average customer
11 count for the year, the sum of the monthly calculations may
12 differ from the annual calculation.

13 Q. How is the reported monthly estimate adjusted
14 to align with the authorized annual amount?

15 A. At year-end, once the annual FCA amount is
16 determined, an adjustment is made to the sum of the
17 previously recorded 12 monthly estimates to align with the
18 annual FCA deferral balance. Because the annual customer
19 count is the average of the 12 monthly customer counts, it
20 is not available until year-end.

21 Q. What adjustment was made to the 2021 monthly
22 estimates to translate to the Company's single year-end
23 2021 FCA deferral balance?

24 A. To align with the annual FCA amount to be
25 recorded in the Company's 2021 financial records, an upward

1 adjustment of \$191,247 was made for the Residential
2 customer classes, reflected on line 6, column O of Exhibit
3 No. 1. An upward adjustment of \$3,152 was made for the
4 Small General Service customer classes, reflected on line
5 20, column O of Exhibit No. 1. The total upward adjustment
6 for both customer classes is \$194,399.

7 Q. What is the total amount of the FCA, not
8 including interest?

9 A. As shown in Exhibit No. 2, the total amount of
10 the FCA for the Residential and Small General Service
11 customer classes, not including interest, is \$34,896,287.
12 The calculation of the FCA uses the average annual customer
13 count and the annual billed sales amount, which are
14 included in Exhibit No. 3. The calculated FCA deferral
15 balance for the Residential customer classes, not including
16 interest, is \$33,515,543. An amount of \$33,515,544 is found
17 in Exhibit No. 1, line 6, column P. The \$1 difference
18 between Exhibit No. 1 and Exhibit No. 2 is due to rounding.

19 The calculated FCA deferral balance for the Small
20 General Service customer classes, not including interest,
21 is \$1,380,744. An amount of \$1,380,745 is found in Exhibit
22 No. 1, line 20, column P, with the difference between
23 Exhibit No. 1 and Exhibit No. 2 also due to rounding.

1 Q. What is the total amount of the 2021 FCA,
2 including interest, the Company is requesting to implement
3 in rates on June 1, 2022?

4 A. The total amount of the 2021 FCA the Company
5 is requesting to begin recovering in rates on June 1, 2022,
6 is \$35,203,247.66, reflected on line 32, column W, of
7 Exhibit No. 4. The FCA for the Residential classes is
8 \$33,810,563.43 reflected on line 15, column W, of Exhibit
9 No. 4. The FCA for the Small General Service classes is
10 \$1,392,684.23 reflected on line 29, column W, of Exhibit
11 No. 4. Exhibit No. 4 and Exhibit No. 1 both contain the
12 same information as the FCA Report sent to the Commission
13 each month; however, Exhibit No. 4 calculates interest from
14 January 2021 through May 2022 while Exhibit No. 1 shows
15 that information only for the 2021 calendar year.

16 Q. What is the significance of these numbers with
17 respect to the Company's recovery of its fixed costs?

18 A. Because the Residential and Small General
19 Service FCAs are positive numbers, the average use per
20 customer based on actual billed sales for the year were
21 lower than the level established in the Company's most
22 recent general rate case for both Residential and Small
23 General Service customer classes. In accordance with the
24 approved mechanism, the Residential and Small General
25 Service classes will receive a rate adjustment to allow for

1 recovery of the fixed costs that were not recovered through
2 actual billed energy charges during the year.

3 **IV. CALCULATION OF THE 2022-2023 FCA RATE**

4 Q. Please describe the calculation of the FCA
5 rates the Company is proposing to go into effect on June 1,
6 2022.

7 A. The FCA rates the Company proposes to go into
8 effect on June 1, 2022, were calculated by taking the FCA
9 deferral balances for each of the customer classes
10 described above and dividing by the respective class energy
11 sales forecast for the June 1, 2022, through May 31, 2023,
12 time frame. The forecasted June 1 through May 31 time frame
13 is the same period that has been used historically and is
14 also used for the Power Cost Adjustment mechanism.

15 Q. What has the Company determined the forecast
16 energy sales to be for both the Residential and Small
17 General Service classes?

18 A. The Company's forecasted energy sales are
19 5,547,052,024 kWh for the Residential classes and
20 137,586,160 kWh for the Small General Service classes. The
21 forecasted energy sales are found in Exhibit No. 5.

22 Q. What are the corresponding FCA rates for the
23 Residential and Small General Service classes based on a
24 combined and equal FCA rate change, as defined in the
25 approved mechanism?

1 A. To recover the authorized level of fixed
2 costs, the FCA rate for the Residential classes would be
3 0.6153 cents per kWh and the corresponding rate for the
4 Small General Service classes would be 0.7788 cents per
5 kWh. The calculation of these rates is also found in
6 Exhibit No. 5.

7 On page 9 of Order No. 32505, the Commission ordered
8 that the FCA deferral balance will continue to be recovered
9 or refunded equally between the Residential and Small
10 General Service customer classes. Because the Residential
11 and Small General Service classes reduced their energy
12 consumption per customer such that the Company under-
13 collected its authorized level of fixed costs as
14 established in Case No. IPC-E-11-08, each class requires a
15 rate surcharge.

16 Q. What is the difference between the FCA
17 deferral balance currently in amortization and the proposed
18 FCA deferral balance to be collected through the FCA rate?

19 A. In this filing, the Company is proposing to
20 collect rates based on an FCA deferral balance of
21 \$35,203,247.66 which is \$3,112,251 less than the current
22 FCA deferral balance of \$38,315,499. The current deferral
23 balance was approved in Order No. 35056, issued in Case No.
24 IPC-E-21-03, with rates based on that balance effective for
25 the period June 1, 2021, through May 31, 2022.

1 Q. Considering the current FCA rates in effect,
2 what is the percentage change in billed revenue as measured
3 from total billed amounts currently recovered from
4 Residential and Small General Service classes?

5 A. Because annual sales for June 2022 through May
6 31, 2023 are forecast to be higher than the same period in
7 the prior year, the 2022 - 2023 FCA rates represent an
8 annual decrease of \$4,890,772, or 0.81 percent, from
9 current billed revenue for the affected customer classes.
10 The percentage change in billed revenue is found in Exhibit
11 No. 6. This proposed decrease results in an approximate
12 \$0.81 decrease to the monthly bill of a typical residential
13 customer using 950 kWh per month.

14 Q. How will the Company incorporate the FCA
15 surcharges for the Residential and Small General Service
16 classes on customers' bills?

17 A. The Company proposes to continue including the
18 FCA with the Fixed Cost Adjustment line item on Residential
19 and Small General Service customers' bills.

20 **V. CONCLUSION**

21 Q. Please summarize the Company's request in this
22 filing.

23 A. Idaho Power requests the Commission authorize
24 the Company to implement Fixed Cost Adjustment rates for
25 electric service from June 1, 2022, through May 31, 2023 in

1 the amount of 0.6153 cents per kWh for the Residential
2 classes, and 0.7788 cents per kWh for the Small General
3 Service classes. If approved, the 2022 - 2023 FCA rates
4 will result in a decrease to annual billed revenue for the
5 Residential and Small General Service classes of
6 \$4,890,772, or 0.81 percent, effective June 1, 2022.

7 Q. Does this complete your testimony?

8 A. Yes, it does.

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DECLARATION OF PAWEL P. GORALSKI

I, Pawel P. Goralski, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Pawel P. Goralski. I am employed by Idaho Power Company as a Regulatory Consultant in the Regulatory Affairs Department and am competent to be a witness in this proceeding.

2. On behalf of Idaho Power, I present this pre-filed direct testimony and exhibits 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 15th day of March 2022, at Boise, Idaho.

Signed: Pawel P. Goralski

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Fixed Cost Adjustment Monthly Report		January	February	March	April	May	June	July	August	September	October	November	December	Adjustment	Current Year Total	
2	for the year ended December 31, 2021																
3																	
4	Residential FCA:																
5	Beginning Balance	\$	0.00	6,133,738.00	11,232,989.00	14,666,211.00	18,228,826.00	20,292,126.00	21,528,799.00	15,119,770.00	14,252,279.00	17,579,561.00	21,337,296.00	26,215,663.00	33,324,297.00		
6	Amount Deferred	\$	6,133,738.00	5,099,251.00	3,433,222.00	3,562,615.00	2,063,300.00	1,236,673.00	(6,409,029.00)	(867,491.00)	3,327,282.00	3,757,735.00	4,878,367.00	7,108,634.00	191,247.00	33,515,544.00	
7	Ending Balance	\$	6,133,738.00	11,232,989.00	14,666,211.00	18,228,826.00	20,292,126.00	21,528,799.00	15,119,770.00	14,252,279.00	17,579,561.00	21,337,296.00	26,215,663.00	33,324,297.00	33,515,544.00	33,515,544.00	
8																	
9	Interest:																
10	Accrual thru Prior Month	\$	-	-	5,109.40	14,466.48	26,683.43	41,868.04	58,771.38	76,704.87	89,299.64	101,171.79	115,815.56	133,589.53	-		
11	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	
12	Monthly Interest Inc/(Exp)	\$	-	5,109.40	9,357.08	12,216.95	15,184.61	16,903.34	17,933.49	12,594.77	11,872.15	14,643.77	17,773.97	21,837.65	-	155,427.18	
13	Interest Accrued to date	\$	-	5,109.40	14,466.48	26,683.43	41,868.04	58,771.38	76,704.87	89,299.64	101,171.79	115,815.56	133,589.53	155,427.18	-	155,427.18	
14																	
15	Total Residential FCA:		6,133,738.00	11,238,098.40	14,680,677.48	18,255,509.43	20,333,994.04	21,587,570.38	15,196,474.87	14,341,578.64	17,680,732.79	21,453,111.56	26,349,252.53	33,479,724.18	33,515,544.00	33,670,971.18	
16																	
17																	
18	Small General Service FCA:																
19	Beginning Balance	\$	-	175,035.00	296,435.00	428,000.00	564,987.00	641,867.00	762,117.00	720,591.00	754,547.00	884,220.00	1,037,999.00	1,163,298.00	1,377,593.00		
20	Amount Deferred	\$	175,035.00	121,400.00	131,565.00	136,987.00	76,880.00	120,250.00	(41,526.00)	33,956.00	129,673.00	153,779.00	125,299.00	214,295.00	3,152.00	1,380,745.00	
21	Ending Balance	\$	175,035.00	296,435.00	428,000.00	564,987.00	641,867.00	762,117.00	720,591.00	754,547.00	884,220.00	1,037,999.00	1,163,298.00	1,377,593.00	1,380,745.00	1,380,745.00	
22																	
23	Interest:																
24	Accrual thru Prior Month	\$	-	-	145.80	392.73	749.25	1,219.88	1,754.56	2,389.40	2,989.65	3,618.19	4,354.75	5,219.40	-		
25	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	
26	Monthly Interest Inc/(Exp)	\$	-	145.80	246.93	356.52	470.63	534.68	634.84	600.25	628.54	736.56	864.65	969.03	-	6,188.43	
27	Interest Accrued to date	\$	-	145.80	392.73	749.25	1,219.88	1,754.56	2,389.40	2,989.65	3,618.19	4,354.75	5,219.40	6,188.43	-	6,188.43	
28																	
29	Total Small General Service FCA:		175,035.00	296,580.80	428,392.73	565,736.25	643,086.88	763,871.56	722,980.40	757,536.65	887,838.19	1,042,353.75	1,168,517.40	1,383,781.43	1,380,745.00	1,386,933.43	
30																	
31																	
32	Total Fixed Cost Adjustment	\$	6,308,773.00	11,534,679.20	15,109,070.21	18,821,245.68	20,977,080.92	22,351,441.94	15,919,455.27	15,099,115.29	18,568,570.98	22,495,465.31	27,517,769.93	34,863,505.61	34,896,289.00	35,057,904.61	
35																	
36																	
37	Entries:																
38	599 X00001 999 182302 (254302)		6,308,773.00	5,225,906.20	3,574,391.01	3,712,175.47	2,155,835.24	1,374,361.02	(6,431,986.67)	(820,339.98)	3,469,455.69	3,926,894.33	5,022,304.62	7,345,735.68	194,399.00	35,057,904.61	
39	599 X00001 999 440301		(6,133,738.00)	(5,099,251.00)	(3,433,222.00)	(3,562,615.00)	(2,063,300.00)	(1,236,673.00)	6,409,029.00	867,491.00	(3,327,282.00)	(3,757,735.00)	(4,878,367.00)	(7,108,634.00)	(191,247.00)	(33,515,544.00)	
40	599 X00001 999 442301		(175,035.00)	(121,400.00)	(131,565.00)	(136,987.00)	(76,880.00)	(120,250.00)	41,526.00	(33,956.00)	(129,673.00)	(153,779.00)	(125,299.00)	(214,295.00)	(3,152.00)	(1,380,745.00)	
41	599 X00001 999 419000 (431013)		-	(5,255.20)	(9,604.01)	(12,573.47)	(15,655.24)	(17,438.02)	(18,568.33)	(13,195.02)	(12,500.69)	(15,380.33)	(18,638.62)	(22,806.68)	-	(161,615.61)	
42																	

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 2

2021 Annual Fixed Cost Adjustment Deferral Calculation

Residential

Customer Count	485,210.88
FCC	<u>\$650.63</u>
Authorized Recovery Amount	\$315,692,755

Billed Sales in kWh	5,468,338,664
FCE	<u>\$0.051602</u>
Actual Recovery Amount	\$282,177,212

Residential FCA \$33,515,543

Small General Service

Customer Count	29,604.99
FCC	<u>\$360.57</u>
Authorized Recovery Amount	\$10,674,670

Billed Sales in kWh	135,414,834
FCE	<u>\$0.068633</u>
Actual Recovery Amount	\$9,293,926

Small General Service FCA \$1,380,744

Total FCA \$34,896,287

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 3

2021 Monthly Customer Count and Billed Sales

Residential Customer Classes

<u>Month</u>	<u>Customer Count</u>	<u>Billed Sales</u>
January	478,886.28	578,743,798
February	479,236.60	533,093,821
March	481,003.94	480,789,323
April	482,475.78	405,792,734
May	483,534.73	350,569,992
June	485,063.11	368,821,759
July	485,678.52	585,499,843
August	486,930.96	564,912,396
September	488,110.15	424,225,167
October	489,282.87	335,158,387
November	490,455.16	365,647,242
December	491,872.45	475,084,202
	Annual Average Customer Count	Total Annual Billed Sales
	485,210.88	5,468,338,664

Small General Service Customer Classes

<u>Month</u>	<u>Customer Count</u>	<u>Billed Sales</u>
January	29,445.29	13,378,619
February	29,246.06	12,837,192
March	29,571.51	11,430,810
April	29,343.86	10,318,092
May	29,427.29	9,487,757
June	29,937.95	9,723,192
July	29,602.78	13,403,632
August	29,740.36	13,112,969
September	29,646.26	11,168,025
October	29,719.11	9,468,355
November	29,746.35	9,733,983
December	29,833.02	11,352,208
	Annual Average Customer Count	Total Annual Billed Sales
	29,604.99	135,414,834

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 4

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Fixed Cost Adjustment Monthly Report		January	February	March	April	May	June	July	August	September	October	November	December	Adjustment	Current Year Total
2	for the year ended December 31, 2021															
3																
4	Residential FCA:															
5	Beginning Balance	\$	0.00	6,133,738.00	11,232,989.00	14,666,211.00	18,228,826.00	20,292,126.00	21,528,799.00	15,119,770.00	14,252,279.00	17,579,561.00	21,337,296.00	26,215,663.00	33,324,297.00	
6	Amount Deferred	\$	6,133,738.00	5,099,251.00	3,433,222.00	3,562,615.00	2,063,300.00	1,236,673.00	(6,409,029.00)	(867,491.00)	3,327,282.00	3,757,735.00	4,878,367.00	7,108,634.00	191,247.00	33,515,544.00
7	Ending Balance	\$	6,133,738.00	11,232,989.00	14,666,211.00	18,228,826.00	20,292,126.00	21,528,799.00	15,119,770.00	14,252,279.00	17,579,561.00	21,337,296.00	26,215,663.00	33,324,297.00	33,515,544.00	33,515,544.00
8																
9	Interest:															
10	Accrual thru Prior Month	\$	-	-	5,109.40	14,466.48	26,683.43	41,868.04	58,771.38	76,704.87	89,299.64	101,171.79	115,815.56	133,589.53	-	
11	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	
12	Monthly Interest Inc/(Exp)	\$	-	5,109.40	9,357.08	12,216.95	15,184.61	16,903.34	17,933.49	12,594.77	11,872.15	14,643.77	17,773.97	21,837.65	-	155,427.18
13	Interest Accrued to date	\$	-	5,109.40	14,466.48	26,683.43	41,868.04	58,771.38	76,704.87	89,299.64	101,171.79	115,815.56	133,589.53	155,427.18	-	155,427.18
14																
15	Total Residential FCA:		6,133,738.00	11,238,098.40	14,680,677.48	18,255,509.43	20,333,994.04	21,587,570.38	15,196,474.87	14,341,578.64	17,680,732.79	21,453,111.56	26,349,252.53	33,479,724.18	33,515,544.00	33,670,971.18
16																
17																
18	Small General Service FCA:															
19	Beginning Balance	\$	-	175,035.00	296,435.00	428,000.00	564,987.00	641,867.00	762,117.00	720,591.00	754,547.00	884,220.00	1,037,999.00	1,163,298.00	1,377,593.00	
20	Amount Deferred	\$	175,035.00	121,400.00	131,565.00	136,987.00	76,880.00	120,250.00	(41,526.00)	33,956.00	129,673.00	153,779.00	125,299.00	214,295.00	3,152.00	1,380,745.00
21	Ending Balance	\$	175,035.00	296,435.00	428,000.00	564,987.00	641,867.00	762,117.00	720,591.00	754,547.00	884,220.00	1,037,999.00	1,163,298.00	1,377,593.00	1,380,745.00	1,380,745.00
22																
23	Interest:															
24	Accrual thru Prior Month	\$	-	-	145.80	392.73	749.25	1,219.88	1,754.56	2,389.40	2,989.65	3,618.19	4,354.75	5,219.40	-	
25	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	0.0833%	
26	Monthly Interest Inc/(Exp)	\$	-	145.80	246.93	356.52	470.63	534.68	634.84	600.25	628.54	736.56	864.65	969.03	-	6,188.43
27	Interest Accrued to date	\$	-	145.80	392.73	749.25	1,219.88	1,754.56	2,389.40	2,989.65	3,618.19	4,354.75	5,219.40	6,188.43	-	6,188.43
28																
29	Total Small General Service FCA:		175,035.00	296,580.80	428,392.73	565,736.25	643,086.88	763,871.56	722,980.40	757,536.65	887,838.19	1,042,353.75	1,168,517.40	1,383,781.43	1,380,745.00	1,386,933.43
30																
31																
32	Total Fixed Cost Adjustment	\$	6,308,773.00	11,534,679.20	15,109,070.21	18,821,245.68	20,977,080.92	22,351,441.94	15,919,455.27	15,099,115.29	18,568,570.98	22,495,465.31	27,517,769.93	34,863,505.61	34,896,289.00	35,057,904.61
35																
36																
37	Entries:															
38	599 X00001 999 182302 (254302)		6,308,773.00	5,225,906.20	3,574,391.01	3,712,175.47	2,155,835.24	1,374,361.02	(6,431,986.67)	(820,339.98)	3,469,455.69	3,926,894.33	5,022,304.62	7,345,735.68	194,399.00	35,057,904.61
39	599 X00001 999 440301		(6,133,738.00)	(5,099,251.00)	(3,433,222.00)	(3,562,615.00)	(2,063,300.00)	(1,236,673.00)	6,409,029.00	867,491.00	(3,327,282.00)	(3,757,735.00)	(4,878,367.00)	(7,108,634.00)	(191,247.00)	(33,515,544.00)
40	599 X00001 999 442301		(175,035.00)	(121,400.00)	(131,565.00)	(136,987.00)	(76,880.00)	(120,250.00)	41,526.00	(33,956.00)	(129,673.00)	(153,779.00)	(125,299.00)	(214,295.00)	(3,152.00)	(1,380,745.00)
41	599 X00001 999 419000 (431013)		-	(5,255.20)	(9,604.01)	(12,573.47)	(15,655.24)	(17,438.02)	(18,568.33)	(13,195.02)	(12,500.69)	(15,380.33)	(18,638.62)	(22,806.68)	-	(161,615.61)
42																

	A	B	Q	R	S	T	U	V	W
1	Fixed Cost Adjustment Monthly Report		January	February	March	April	May		Grand Total
2	for the year ended December 31, 2021								
3									
4	Residential FCA:								
5	Beginning Balance	\$	33,515,544.00	33,515,544.00	33,515,544.00	33,515,544.00	33,515,544.00		
6	Amount Deferred	\$	-	-	-	-	-		33,515,544.00
7	Ending Balance	\$	33,515,544.00	33,515,544.00	33,515,544.00	33,515,544.00	33,515,544.00		
8									
9	Interest:								
10	Accrual thru Prior Month	\$	155,427.18	183,345.63	211,264.08	239,182.53	267,100.98		
11	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%		
12	Monthly Interest Inc/(Exp)	\$	27,918.45	27,918.45	27,918.45	27,918.45	27,918.45		295,019.43
13	Interest Accrued to date	\$	183,345.63	211,264.08	239,182.53	267,100.98	295,019.43		
14									
15	Total Residential FCA:		27,918.45	27,918.45	27,918.45	27,918.45	27,918.45		33,810,563.43
16									
17									
18	Small General Service FCA:								
19	Beginning Balance	\$	1,380,745.00	1,380,745.00	1,380,745.00	1,380,745.00	1,380,745.00		
20	Amount Deferred	\$	-	-	-	-	-		1,380,745.00
21	Ending Balance	\$	1,380,745.00	1,380,745.00	1,380,745.00	1,380,745.00	1,380,745.00		
22									
23	Interest:								
24	Accrual thru Prior Month	\$	6,188.43	7,338.59	8,488.75	9,638.91	10,789.07		
25	Monthly Interest Rate (Annual 1%)		0.0833%	0.0833%	0.0833%	0.0833%	0.0833%		
26	Monthly Interest Inc/(Exp)	\$	1,150.16	1,150.16	1,150.16	1,150.16	1,150.16		11,939.23
27	Interest Accrued to date	\$	7,338.59	8,488.75	9,638.91	10,789.07	11,939.23		
28									
29	Total Small General Service FCA:		1,150.16	1,150.16	1,150.16	1,150.16	1,150.16		1,392,684.23
30									
31									
32	Total Fixed Cost Adjustment	\$	29,068.61	29,068.61	29,068.61	29,068.61	29,068.61		35,203,247.66
35									
36									
37	Entries:								
38	599 X00001 999 182302 (254302)		29,068.61	29,068.61	29,068.61	29,068.61	29,068.61		
39	599 X00001 999 440301		-	-	-	-	-		
40	599 X00001 999 442301		-	-	-	-	-		
41	599 X00001 999 419000 (431013)		(29,068.61)	(29,068.61)	(29,068.61)	(29,068.61)	(29,068.61)		
42									

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 5

FCA Rate Determination

Combined Option - Different Rates	Target FCA Dollars	Normalized Energy	Base Revenue	FCA Dollars Collected	Over/Under	Percent Diff from Base	Rate
Residential	\$33,810,563.43	5,547,052,024	\$502,539,982	\$34,131,665.09	\$321,101.66	6.79%	0.006153
Small General Service	\$1,392,684.23	137,586,160	\$15,777,522	\$1,071,582.57	(\$321,101.66)	6.79%	0.007788
Combined	\$35,203,247.66	5,684,638,184	\$518,317,504	\$35,203,247.66	\$0.00	6.79%	

Existing FCA Balance per Order No. 35056	\$38,315,499
Proposed 2021 FCA Deferral Balance	\$35,203,248
FCA Annual Increase (Decrease)	(\$3,112,251)

Forecasted Base Rate Revenue \$518,317,504

Annual FCA Difference Percentage of Base Rate Revenue -0.60%

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-22-07**

IDAHO POWER COMPANY

**GORALSKI, DI
TESTIMONY**

EXHIBIT NO. 6

**Idaho Power Company
Calculation of Revenue Impact
State of Idaho
Fixed Cost Adjustment
Filed March 15, 2022**

**Summary of Revenue Impact
Current Billed Revenue to Proposed Billed Revenue**

Line No	Tariff Description	Rate Sch. No.	Average Number of Customers ⁽¹⁾	Normalized Energy (kWh) ⁽¹⁾	Current Billed Revenue	Mills Per kWh	Total Adjustments to Billed Revenue	Proposed Total Billed Revenue	Mills Per kWh	Percent Change Billed to Billed Revenue
<u>Uniform Tariff Rates:</u>										
1	Residential Service	1	490,293	5,458,972,074	\$573,825,900	105.12	(\$4,667,421)	\$569,158,479	104.26	(0.81)%
2	Master Metered Mobile Home Park	3	21	4,521,955	\$454,030	100.41	(\$3,866)	\$450,164	99.55	(0.85)%
3	Residential Service Energy Watch	4	0	0	\$0	0.00	\$0	\$0	0.00	0.00%
4	Residential Service Time-of-Day	5	988	17,662,331	\$1,788,337	101.25	(\$15,101)	\$1,773,236	100.40	(0.84)%
5	Residential Service On-Site Generation	6	12,024	65,895,664	\$7,342,186	111.42	(\$56,341)	\$7,285,846	110.57	(0.77)%
			503,326	5,547,052,024	\$583,410,453	105.17	(\$4,742,729)	\$578,667,724	104.32	(0.81)%
6	Small General Service	7	30,348	137,395,735	\$18,011,465	131.09	(\$147,838)	\$17,863,627	130.02	(0.82)%
7	Small General Service On-Site Generation	8	80	190,425	\$27,285	143.29	(\$205)	\$27,080	142.21	(0.75)%
			30,428	137,586,160	\$18,038,750	131.11	(\$148,043)	\$17,890,707	130.03	(0.82)%
8	Total Residential and Small General Service		533,754	5,684,638,184	\$601,449,204	105.80	(\$4,890,772)	\$596,558,431	104.94	(0.81)%

(1) June 01, 2022 - May 31, 2023 Forecasted Test Year (Spring 2022 Forecast)