

May 30, 2007

Mr. Marc Hellman Oregon Public Utility Commission 550 Capitol Street NE P. O. Box 2148 Salem, OR 97308-2148

Subject: Revision to Schedule 98

Residential and Small Farm Energy Credit

Dear Mr. Hellman:

Since the inclusion of a fixed credit on Schedule 98 in January, 2002, the credit has been provided to Idaho Power's customers in Oregon "effective with meter readings on and after" a specified date. This process has allowed the same credit amount to be passed through to all customers on a billing cycle basis. Both the Commission and the Commission Staff have found this methodology reasonable as is evidenced in the Commission Orders and Staff Reports issued in each of the Company's Advice Filings requesting revisions to the credit amount over the past six years (reference the Commission's Order No. 02-016 initially approving the implementation of a fixed credit amount and the Staff Report dated December 31, 2001 for Advice No. 01-12).

Based on the initial approval of the credit "effective with meter readings on and after" a specific date, the Company established the process of passing through the BPA credit to customers within its customer information system (CIS) to meet the approved methodology. Therefore, the process is not established to prorate usage before and after an effective date. Rather, the process matches the approved methodology and applies the credit to the usage associated with the meter readings. The Company is unable to prorate the credit on customer bills based on the way the coding has been established in our CIS.

Idaho Power has used a balancing account to track the benefits received from BPA and the credits passed through by the Company to customers. A negative balance of \$177,500 for residential usage is expected following the pass through of credits to customers for meter readings on June 29, 2007.

With Advice No. 07-05 filed on May 24, 2007, Idaho Power is requesting the Commission reduce the BPA credit to \$0.00. Consistent with this filing, the Company is requesting the change in the credit amount be effective with meter readings on and after May 30, 2007. Over the past six years, Idaho Power has requested a reduction in the credit amount five times and an increase in the credit amount five times. With each of these filings, the

Pricing & Regulatory Services

Voice: 208-388-2848 Fax: 208-388-6449 mbrilz@idahopower.com Commission has found it reasonable to approve the credit "effective with meter readings on and after" a specified date. The current filing, in which a reduction in the credit amount is again requested, is consistent with previous requests.

Please feel free to contact me should you have any questions.

Sincerely

Maggie Brilz

Director, Pricing

Mazou Bushy ...

MB

cc: Ric Gale

Phil Obenchain