

McDowell & Rackner PC



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September 17, 2009

VIA ELECTRONIC AND U.S. MAIL

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

Re: UE 213 - In the Matter of the Application of Idaho Power Company for Authority to Increase its Rates and Charges for Electric Service in the State of Oregon

Attention Filing Center:

Enclosed for filing in the above-identified docket are an original and one copy of Idaho Power Company's Response to CUB's and OICIP's Proposed Information Requests for Supplemental Testimony. A copy of this filing was served on all parties to this proceeding as indicated on the attached certificate of service.

Please contact me with any questions.

Very truly yours,

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

Wendy McIndoo

cc: Service List

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing documents on the parties of record in Docket UE 213, on the date indicated below, by email and U.S. first class mail addressed to said person(s) at his or her last-known address(es) indicated below.

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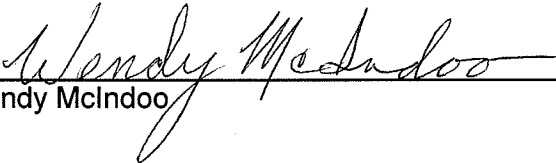
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DATED: September 17, 2009


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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 213

In the Matter of Idaho Power Company's
Filing of Revised Tariff Schedules for
Electric Service in Oregon.

**IDAHO POWER COMPANY'S RESPONSE
TO CUB'S AND OICIP'S PROPOSED
INFORMATION REQUESTS FOR
SUPPLEMENTAL TESTIMONY**

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11 The schedule adopted in the Administrative Law Judge's ("ALJ") Prehearing
12 Conference Report, filed August 25, 2009 ("Prehearing Conference Report") provides an
13 opportunity for Staff of the Public Utility Commission of Oregon ("Commission") and
14 Intervenors to file proposed information requests for Idaho Power Company ("Idaho Power"
15 or "Company") to file supplemental testimony. This is a relatively new procedural step, and
16 as ALJ Hardie noted at the prehearing conference, "a little bit of a work in progress."¹
17 Nevertheless, Judge Hardie explained that the purpose of the procedure is to require the
18 utility to supplement its initial filing where the original testimony contained either "no backup"
19 or an "inadequate amount of information" on a matter that should have been covered.²

20 On September 15, 2009, Idaho Power has received two information requests for
21 supplemental testimony—from Citizens' Utility Board of Oregon ("CUB") and from Oregon
22 Industrial Customers of Idaho Power ("OICIP"). Pursuant to the schedule contained in the
23 Prehearing Conference Report, Idaho Power files the following response.

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¹ See Transcript of Relevant Portion of Prehearing Conference Recording, attached to this
Response as Exhibit A.

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² *Id.*

1 **CUB's Requests**

2 CUB's requests relate to the Company's seasonal rate proposals for residential and
3 irrigation customers. Specifically, CUB asks the Company to provide:

- 4 1. An elaboration of the Company's rationale in adopting a seasonal rate structure
5 for residential customers;
- 6 2. An elaboration and justification of the disparity between summer rate level
7 increases for residential and irrigation customers; and
- 8 3. An elaboration and justification of the relationship between the new seasonal
9 residential rate structure and residential equal-pay plans.³

9 Idaho Power believes that the requested testimony is not necessary or within the
10 appropriate scope of supplemental testimony as described by the ALJ. The rationale and
11 justification for Idaho Power's seasonal rate proposal was addressed by several Company
12 witnesses in the initial filing. Tim Tatum provided testimony on Idaho Power's marginal cost
13 study and the Company's objective of establishing customer class revenue requirements
14 that reflect as accurately as possible the costs of serving those customer classes.⁴ Michael
15 Youngblood testified as to the Company's overall objectives for rate design. With respect to
16 seasonal prices, Mr. Youngblood testified that such pricing furthers the Company's goals of
17 establishing prices that reflect the costs of services provided, and that of encouraging
18 energy efficiency.⁵ Courtney Waites provided more detailed testimony on how the proposed
19 seasonal rates for Idaho Power's residential customers accomplish these pricing objectives.⁶
20 Idaho Power believes that this testimony, taken as a whole, satisfies its obligation to support

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23 ³ CUB's Proposed Information Request, p. 1.

24 ⁴ Idaho Power/800, Tatum/ 4-12 and 12-14.

25 ⁵ Idaho Power/1200, Youngblood/3-5.

26 ⁶ Idaho Power/900, Waites/3-6.

1 its seasonal rate proposal for residential customers, and that no further testimony is
2 required.

3 Idaho Power specifically objects to CUB's assertion that its original filing "lacks
4 testimony and exhibits which should have been included in order to enable a complete
5 review of the case."⁷ There is nothing in CUB's filing to suggest that the Company's initial
6 filing was incomplete in any respect. On the contrary, by asking Idaho Power to "elaborate"
7 on its initial testimony, CUB's pleading seems to acknowledge that the Company's initial
8 filing *did* address the issues raised, while at the same time requesting that the Company
9 provide some vague and unspecified additional testimony. Idaho Power believes that the
10 additional information CUB seeks would best be elicited through data requests and through
11 the rebuttal that the Company can be expected to file in response to CUB's own testimony.

12 Moreover, Idaho Power objects to CUB's request that the ALJ clarify that the
13 Company "is required to adhere to the data response time frames as outlined in the
14 prehearing conference memo with the understanding that the supplemental testimony is not
15 a substitute for data responses, and that data responses are not a substitute for the
16 requested testimony."⁸ There is nothing in the record or history of this docket to suggest
17 that Idaho Power is unclear as to its obligations to provide discovery or that it is unwilling to
18 meet these obligations. To date, Idaho Power has been served with well over one hundred
19 data requests, and has delivered full and complete responses to each request in
20 accordance with Commission rules and the schedule in this case. There is no reason that
21 CUB or the ALJ ruling should imply otherwise.

22 Notwithstanding all of the above, Idaho Power acknowledges that the testimony
23 requested by CUB is relevant to the issues raised in its initial filing, and that the Company is

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25 ⁷ CUB's Proposed Information Request, p. 1.

26 ⁸ *Id.*

1 able to provide some additional information responsive to CUB's requests. For these
2 reasons Idaho Power is willing to provide the requested testimony if it would be helpful to a
3 full and expeditious vetting of the issues.

4 **OICIP's Request**

5 In its Proposed Information Request OICIP asks Idaho Power to file supplemental
6 testimony "on the feasibility and cost savings of a virtual peaking or distributed generation
7 program that utilizes standby generators of Idaho Power Company's customers to meet
8 peak system capacity requirements."⁹ OICIP points to Idaho Power's 2008 Integrated
9 Resource Plan ("IRP") Update, which reports that the Company has performed an in-depth
10 analysis and has concluded that such a program may be economical.¹⁰

11 Idaho Power objects to OICIP's request as completely outside of the scope of its
12 initial filing. While Idaho Power is exploring the economic and technical viability of a virtual
13 peaking resource as part of its 2009 IRP process, the Company has not undertaken to
14 establish a program using customer standby generation to serve peak loads, and has not
15 sought in this rate case to recover costs associated with such a program. There is therefore
16 no reason why the Company's initial filing would discuss the issue. If OICIP wishes to argue
17 that the Company *should have* included a program to use customer standby generation in
18 place of costs sought in the Company's filing, OICIP is free to make that argument and the
19 Company can respond in rebuttal testimony. However, at this point in the case the
20 requested testimony is irrelevant and the Company should not be required to provide it.

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25 ⁹ OICIP's Proposed Information Request, p. 1.

26 ¹⁰ *Id.*


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IV. CONCLUSION

For all of the above reasons, Idaho Power requests a ruling consistent with this response.

DATED: September 17, 2009.

McDOWELL & RACKNER PC



Lisa F. Rackner

IDAHO POWER COMPANY

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Exhibit A

Transcript of Relevant Portion of Prehearing Conference Recording

ALJ Hardie, in response to request of Lisa Rackner for clarification on the appropriate scope of requests for supplemental testimony:

“So this is something that has been a little bit of a work in progress I admit, but it was a result of some comments that the Commission received about parties believing that a utility’s opening case was insufficient, that it didn’t present essentially a prima facie case, and that subsequent testimony from Intervenors and Staff said something to the effect of they put on no evidence of this, it should have been in their prima facie case. So the idea behind supplemental testimony to the extent that there is what I would call a deficiency in the initial filing like really, there should be something more there to support something. There is literally no backup or just an inadequate amount of information on something that, first of all the Commissioners would prefer to have in the record than just in data request that the Commission may never see or may never be in the record, and second it was an opportunity to help fill out the testimony before we got to the subsequent rounds so that if it was something the Commissioners felt or the ALJ felt should have been in the initial case then there was an opportunity to supplement the original filing with that information. So I don’t think we’re talking about getting very, very deep into the evidence in a particular matter but just that Staff and the Intervenors can sort of understand what the utility is saying on this point and what the key pieces of evidence on that point are. So I hope that clarifies.”