

# McDowell & Rackner PC



ADAM LOWNEY  
Direct (503) 595-3926  
adam@mcd-law.com

August 26, 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:

Pursuant to OAR 860-022-0017, Idaho Power Company encloses for filing its Affidavit of John R. Gale Regarding Notice of Proposed Rate Revision for a general rate increase in the above-referenced proceeding. 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 black ink, appearing to read "Adam Lowney".

Adam Lowney

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.

Gordon Feighner  
Citizens' Utility Board of Oregon  
[gordon@oregoncub.org](mailto:gordon@oregoncub.org)

Robert Jenks  
Citizens' Utility Board of Oregon  
[bob@oregoncub.org](mailto:bob@oregoncub.org)

Randy Dahlgren  
Rates & Regulatory Affairs  
Portland General Electric  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

Catriona McCracken  
Citizens' Utility Board of Oregon  
[catriona@oregoncub.org](mailto:catriona@oregoncub.org)

Douglas C. Tingey  
Portland General Electric  
[doug.tingey@pgn.com](mailto:doug.tingey@pgn.com)

Peter J. Richardson  
Richardson & O'Leary  
[peter@richardsonandoleary.com](mailto:peter@richardsonandoleary.com)

Judy Johnson  
Public Utility Commission of Oregon  
PO Box 2148  
Salem, OR 97308-2148  
[judy.johnson@state.or.us](mailto:judy.johnson@state.or.us)

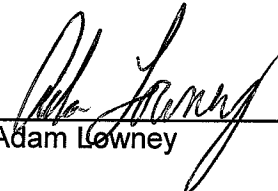
Michael T. Weirich, Assistant AG  
Department of Justice  
1162 Court Street NE  
Salem, OR 97301-4096  
[michael.weirich@state.or.us](mailto:michael.weirich@state.or.us)

Laura A. Patruno  
EP Minerals, LLC  
[Laura.patruno@eaglepicher.com](mailto:Laura.patruno@eaglepicher.com)

Jim Taipale  
EP Minerals, LLC  
[Jim.taipale@eaglepicher.com](mailto:Jim.taipale@eaglepicher.com)

Don Reading  
Ben Johnson Associates  
[dreading@mindspring.com](mailto:dreading@mindspring.com)

DATED: August 26, 2009

  
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Adam Lowney

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**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. )

**AFFIDAVIT OF JOHN R. GALE  
REGARDING NOTICE OF  
PROPOSED RATE REVISION**

STATE OF IDAHO )  
 ) ss.  
County of Ada )

I, John R. Gale, being first duly sworn on oath, depose and say:

1. My full name is John R. Gale. I am employed by Idaho Power Company as Vice President of Regulatory Affairs.

2. Idaho Power Company filed with the Public Utility Commission of Oregon its Request for a general rate revision on July 31, 2009.

3. Pursuant to OAR 860-022-0017, Idaho Power Company caused to be published in the following newspapers of general circulation in the communities served by Idaho Power Company a display advertisement announcing the general rate revision. The Ad ran on Tuesday, August 11, 2009, in the *Argus Observer*. The Ad size in the *Argus Observer* was 5 columns wide by 12 inches tall. The Ad also ran on Wednesday, August 12, 2009, in the *Hells Canyon Journal*. The ad size in the *Hells Canyon Journal* was 4 columns wide by 12 inches tall. A copy of the display announcement is attached to this Affidavit as Exhibit A. The Affidavits of Publication from the aforementioned newspapers are attached as Exhibit B.

1           4.           Additionally, on August 7, 2009, a letter under my signature was  
2 directly mailed to each Oregon customer informing them that Idaho Power Company filed  
3 for a general rate revision. A copy of that letter is attached to this Affidavit as Exhibit C.

4           I declare under penalty of perjury under the laws of the state of Idaho that the  
5 foregoing is true and correct based on my information and belief.

6           I signed this 25 of August 2009.

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\_\_\_\_\_  
John R. Gale

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SUBSCRIBED AND SWORN to before me this 25<sup>th</sup> day of August 2009.

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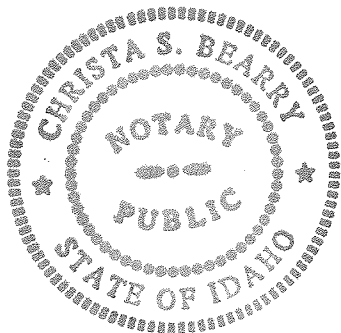
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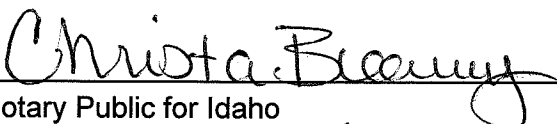
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\_\_\_\_\_  
Notary Public for Idaho  
Residing at: Boise, Idaho  
My Commission Expires on: 02/04/2015

# **EXHIBIT A**

## **OREGON 2009 GENERAL RATE CASE ADVERTISEMENT**



## ***Dear Valued Customer:***

This message is to let you know that on July 31, 2009, Idaho Power filed with the Public Utility Commission of Oregon (OPUC) a request to increase the base rates our company charges Oregon customers. This is the first such base rate request in approximately five years, and we are asking for a 22.6 percent increase. We understand challenging economic conditions make the timing of this particular rate request difficult. That's why I personally want to share with you the reasons we need to ask for this increase.

Under regulation, Idaho Power invests up front to serve customers and recovers the cost of the investment, along with a fair return, later. We also need to pay our expenses as they occur. Two major expenses for the company are fuel costs and the cost of power we buy on the open market to serve customers. These costs are so high that the company spent three of the last five years working with the OPUC to create a mechanism that allows for annual rate updates to reflect current fuel and purchased power costs. During that same time, growing demand on our system has put the company in the position of trying to catch up while building for the future. The focus of the current request is to update base rates to reflect increases in other expenses and investment that have occurred in the intervening years.

During the last five years, we invested approximately \$800 million in infrastructure to make sure you, our customers, have reliable power on-demand. We also experienced escalating costs associated with providing service since the last Oregon base rate change in 2005. Our customers in Idaho experienced a number of base rate increases totaling 21.5 percent over the past five years while the base rates of our Oregon customers remained unchanged.

If the company's request is approved, Idaho Power's rates for electric service in Oregon will increase by approximately \$7.3 million per year or an average of 22.6 percent. Idaho Power's filing can be found on our Web site at [www.idahopower.com/oregonratefiling](http://www.idahopower.com/oregonratefiling).

OPUC rules provide you with a public involvement process including public meetings and other ways to share your opinion on this proposed rate increase. We support this process, value your input and encourage your participation.

Idaho Power historically provided among the lowest—if not the lowest—electric rates in the nation. Even with this current request for rate recovery, we anticipate being able to maintain our low rate position.

In addition, Idaho Power is committed to helping all customers through a variety of ongoing energy assistance initiatives. The most important is helping consumers use energy efficiently and take advantage of programs that can help cut costs by reducing consumption. Go to [www.idahopower.com/energyefficiency](http://www.idahopower.com/energyefficiency) for information on programs and tools to help make wise energy choices and save energy and money for your home or business.

We value your business and appreciate you taking the time to read this message.

Sincerely,

Ric Gale  
Vice President of Regulatory Affairs

***For additional details about Idaho Power's filing, including information on the specific changes proposed for each of our customer groups:***

Please refer to the letter you received in the mail or go to [www.idahopower.com/oregonrates](http://www.idahopower.com/oregonrates) or [www.puc.state.or.us](http://www.puc.state.or.us), or call Idaho Power at 1-800-488-6151 or OPUC at 1-800-522-2404.

# **EXHIBIT B**

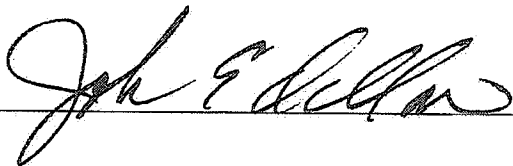
## **AFFIDAVITS OF PUBLICATION**

1160 S.W. 4th St.  
Ontario, Oregon 97914  
Phone 541-889-5387 1-800-945-4223  
FAX 541-889-3347  
www.argusobserver.com


## AFFIDAVIT OF PUBLICATION

### IDAHO POWER-RATE CHANGE REQUEST

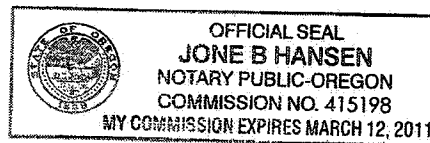
I, John E. Dillon, being first duly sworn, depose and say that I am the Publisher of the Argus Observer, a newspaper of general circulation as defined by Sections 1-509, 1-510, Oregon Code, printed and published at the City of Ontario in Malheur County, the state of Oregon; that 1 insertion of the above named ad did run in said newspaper on date of Aug. 11, A.D. 2009.

  
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Subscribed and sworn to before me this 20th day of Aug., A.D. 2009.

  
\_\_\_\_\_  
Notary Public for the State of Oregon

My commission expires March 12, 2011.  
Malheur County  
State of Oregon



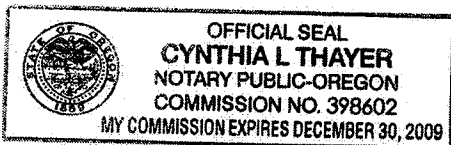


AFFIDAVIT OF PUBLICATION

State of Oregon, County of Baker, ss.

I, Debra Lowe, being first duly sworn, affirm that I am the Secretary of the Hells Canyon Journal, a weekly newspaper of general circulation published in the City of Halfway, Baker County, State of Oregon; that such newspaper is made up of at least eight (8) pages of six (6) columns each, of at least twenty-one (21) inches in depth of type matter; that such newspaper was regularly and uninterruptedly published once each week for at least twelve (12) consecutive months immediately preceding the first publication of the attached public notice and has more than two hundred (200) bona fide subscribers within said county; that the attached public notice Rate Increase of which one hereto attached is a true and correct copy as printed, was published in the regular and entire issue of said newspaper and not in any supplement thereof, once each week for one successive and consecutive weeks, commencing with the issue dated the 12 day of August, 2009; ending with the issue dated the 12 day of August, 2009; that the amount of charge made and to be collected by such newspaper for such publication is \$ 220.80.

Debra Lowe



Subscribed and sworn to before me this 20<sup>th</sup> day of August, 2009.

Cynthia L. Thayer  
Notary Public for Oregon

My commission expires 12/30/09

# **EXHIBIT C**

## **LETTER TO CUSTOMERS**



August 5, 2009

Dear Valued Customer:

I am writing to let you know that on July 31, 2009, Idaho Power filed with the Public Utility Commission of Oregon (OPUC) a request to increase the base rates our company charges Oregon customers. This is the first such base rate request in approximately five years, and we are asking for a 22.6 percent increase. We understand challenging economic conditions make the timing of this particular rate request difficult. That's why I personally want to share with you the reasons we need to ask for this increase.

Under regulation, Idaho Power invests up front to serve customers and recovers the cost of the investment, along with a fair return, later. We also need to pay our expenses as they occur. Two major expenses for the company are fuel costs and the cost of power we buy on the open market to serve customers. These costs are so high that the company spent three of the last five years working with the OPUC to create a mechanism that allows for annual rate updates to reflect current fuel and purchased power costs. During that same time, the company did not update its base rates to reflect other increases in expenses and investment. After years of growing demand on our system, we are in the position of trying to catch up while building for the future.

During the last five years, we invested approximately \$800 million in infrastructure to make sure you, our customers, have reliable power on-demand. We also experienced escalating costs associated with providing service since the last Oregon base rate change in 2005. Our customers in Idaho experienced a number of base rate increases totaling 21.5 percent over the past five years while the base rates of our Oregon customers remained unchanged.

If the company's request is approved, Idaho Power's rates for electric service in Oregon will increase by approximately \$7.3 million per year or an average of 22.6 percent. On the back of this letter you will find information about the specific changes proposed for each of our customer groups. Idaho Power's filing can be found on our Web site at [www.idahopower.com/oregonratefiling](http://www.idahopower.com/oregonratefiling).

OPUC rules provide you with a public involvement process including public meetings and other ways to share your opinion on this proposed rate increase. We support this process, value your input and encourage your participation.

Idaho Power historically provided among the lowest—if not the lowest—electric rates in the nation. Even with this current request for rate recovery, we anticipate being able to maintain our low rate position.

In addition, Idaho Power is committed to helping all customers through a variety of ongoing energy assistance initiatives. The most important is helping consumers use energy efficiently and take advantage of programs that can help cut costs by reducing consumption. Go to [www.idahopower.com/energyefficiency](http://www.idahopower.com/energyefficiency) for information on programs and tools to help make wise energy choices and save energy and money for your home or business.

We value your business and appreciate you taking the time to read this letter. If you have additional questions about Idaho Power's filing, please contact me directly by calling (208) 388-2887, by e-mail at [RicGale@idahopower.com](mailto:RicGale@idahopower.com) or by mail at P. O. Box 70, Boise, ID, 83707.

Sincerely,

A handwritten signature in black ink that reads "Ric Gale". The signature is written in a cursive, flowing style.

Ric Gale  
Vice President of Regulatory Affairs

1221 W. Idaho St. (83702)  
P.O. Box 70  
Boise, ID 83707