

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 213

In the Matter of

IDAHO POWER COMPANY

Request for a General Rate Revision.

RULING

**DISPOSITION: IDAHO POWER COMPANY DIRECTED TO FILE
SUPPLEMENTAL OPENING TESTIMONY**

The procedural schedule adopted in this proceeding permitted Public Utility Commission Staff and intervenors to file proposed information requests not later than September 15, 2009, asking that Idaho Power Company (Idaho Power or the Company) be directed to supplement its opening testimony. Two intervenors, Citizens' Utility Board of Oregon (CUB) and Oregon Industrial Customers of Idaho Power (OICIP), filed proposed information requests.

A. CUB's Request

In its request, CUB asserts that Idaho Power's initial filing lacks testimony and exhibits that should have been included with its original filing to enable a complete review of the case.¹ Specifically, CUB believes Idaho Power should be required to produce the following information as part of its opening case:

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

¹ CUB also asks the ALJ to clarify that Idaho Power must adhere to established time frames for data responses on the grounds that supplemental testimony and data responses are not substitutes for one another. In case it is not clear from the procedural schedule, supplemental testimony and data responses are intended to serve different purposes. The parties' filings provide no reason to suggest that Idaho Power will fail to adhere to the existing deadlines.

Idaho Power objects to CUB's information requests on the grounds that the requested testimony is neither necessary nor within the appropriate scope of supplemental testimony as contemplated by the procedural schedule. The Company disputes CUB's assertion that the Company's original filing was incomplete in any respect. Specifically, Idaho Power asserts that it has presented appropriate testimony on the seasonal rate proposal in its initial filing through the testimony of several Company witnesses, including Tim Tatum (IP/800-804), Michael Youngblood (IP/1200-1214), and Courtney Waites (IP/900-902). Idaho Power believes that this testimony, taken as a whole, satisfies its obligation to support its seasonal rate proposal for residential customers. Notwithstanding these objections, Idaho Power acknowledges that the testimony sought by CUB is relevant to the issues raised in its initial filing and states that the Company is willing and able to provide information responsive to CUB's requests.

Ruling

The procedural step of allowing the parties to request supplemental testimony is relatively new, and has been adopted in response to perceived gaps in initial utility filings. The procedure is being implemented in several dockets on a trial basis and is intended to help ensure that a utility files initial testimony and supporting documents that are sufficiently robust.

With respect to CUB's request, the issue appears to be a close one. The Company has indeed filed testimony addressing the issues raised by CUB. CUB has, however, raised certain issues with respect to that testimony, and additional testimony on the issue is within the scope of the Company's burden of proof. Moreover, supplemental testimony would assist the Commission in deciding the issue. CUB's request for information is therefore granted.

B. OICIP's Request

In its request, OICIP asserts that Idaho Power should be required to file supplemental testimony on "the feasibility and cost savings of a virtual peaking or distributed generation program that utilizes standby generators of Idaho Power Company's customers to meet peak system capacity requirements." According to OICIP, Idaho Power concluded in its 2008 IRP update that it "may be economical to operate customers' generators during short periods of high energy demand."²

Idaho Power objects to OICIP's request as completely outside the scope of the Company's initial filing. The Company states that, although it is exploring the economic and technical viability of a virtual peaking resource as part of its 2009 IRP process, it has not undertaken to establish a program using customer standby generation to serve peak loads, nor does it seek to recover costs associated with such a program in this rate case. Idaho Power asserts that OICIP is free to argue that the Company should have included such a program in

² Citing Idaho Power's 2008 Integrated Resource Plan update at 5 (June 2008).

place of costs actually sought by the Company in its filing, but that it should not be required as supplemental testimony.

Ruling

Under Oregon law, Idaho Power is required to “bear the burden of showing that the rate or schedule of rates proposed to be established or increased or changed is fair, just and reasonable.” ORS 757.210(1)(a). Under this standard, Idaho Power assumes the burden of proving the reasonableness of the rates it proposes in its initial filing. To the extent the Company is not seeking to recover rates based on a virtual peaking or distributed generation program, the Company is not required to provide evidence regarding such a program with its initial application.

OICIP is free to seek information on this issue through discovery. It may also assert in its testimony that the Company should implement such a program, or that the lack of such a program renders the Company’s existing rate filing unreasonable or somehow inappropriate. The request is, however, outside the scope of supplemental testimony.

C. Conclusion

CUB’s request for supplemental testimony is GRANTED. OICIP’s request for supplemental testimony is DENIED.

Dated this 18th day of September, 2009, at Salem, Oregon.



Lisa D. Hardie
Administrative Law Judge