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July 10, 2009

VIA ELECTRONIC FILING AND U.S. MAIL

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

Re: Docket UM 1396

Enclosed for filing in the above-identified docket are an original and five copies of Idaho Power Company's Opening Brief.

A copy of this document is being served upon all parties in this proceeding as indicated on the enclosed service list.

Very truly yours,
Wendy McJudoo

Wendy McIndoo

Enclosure

cc: Service List

CERTIFICATE OF SERVICE

2	I hereby certify that I served a true and correct copy of the foregoing document in				
3	3 Docket UM 1396 on the following named person(s) on the date indicated below by email				
4	and first-class mail addressed to said person(s) at his or her last-known address(es	;)			
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BEFORE THE PUBLIC UTILITY COMMISSION 1 OF OREGON 2 **UM 1396** 3 4 In the Matter of: **IDAHO POWER COMPANY'S OPENING** 5 PUBLIC UTILITY COMMISSION OF BRIEF **OREGON Investigation into determination** 6 of resource sufficiency, pursuant to Order No. 06-538 7 Pursuant to the Administration Law Judge ("ALJ") Patrick Power's Ruling on June 15, 8 2009, Idaho Power Company ("Idaho Power" or "Company") submits this brief to the Public Utility Commission of Oregon ("Commission"). In Order No. 05-584 issued in UM 1129, the Commission considered the calculation 11 of avoided cost rates, including the question as to whether the calculation of such rates 13 should be differentiated to reflect a utility's resource position. The Commission concluded 14 that "an accurate calculation of avoided costs requires differentiation when a utility is in a 15 resource sufficient position versus a resource deficient condition." However, the Commission made an exception for Idaho Power, stating that "administrative efficiency interests . . . justify authorizing Idaho Power to continue using the SAR methodology to calculate avoided costs regardless of its resource position."2 In so doing, the Commission specifically recognized that Idaho Power exclusively uses the SAR methodology in its Idaho service territory, "where it serves far more customers than its Oregon service territory . . . " and that "the costs of developing and applying new avoided cost methodologies in Oregon 22 outweigh the potential benefits "3 23 ¹ See, Re Public Utility Commission of Oregon Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities, Docket UM 1129, Order No. 05-584 at 26. 25 2 Id. 26 ³ Id.

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	1	Idaho Power agrees with the Commission on both counts. The Company agrees			
	2	that accounting for a utility's resource position will generally produce a more accurate			
	3	avoided cost calculation. And, the Company agrees that given Idaho Power's specific			
	4	resource position, and given the fact that the Idaho Public Utility Commission has ordered			
	5	the Company to use the SAR method without differentiating between resource positions, it's			
	6	appropriate to continue to allow the Company to do so in Oregon, as well.			
	7	7 However, as Idaho Power's resource position changes, the Company foresees that it			
	8	8 may determine that it is appropriate for it to distinguish between resource sufficiency and			
	9 insufficiency in modeling its avoided costs—in both Idaho and Oregon. The Company				
1	0	therefore wishes to reserve the right to request that it be allowed to do so, at some time in			
1	11 the future. In such a case, the Company agrees with the approaches articulated by the				
1	12	Portland General Electric Company and Pacific Power and Light.			
1	13	1 0			
1	4	DATED: July 10 2009	McDowell & Rackner PC		
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1	6		pisette		
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