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3 **BEFORE THE PUBLIC UTILITY COMMISSION**
4 **OF OREGON**
5 **UM 1056**

6 IN THE MATTER OF

7
8 An Investigation into Integrated Least Cost
9 Planning Requirements

IDAHO POWER'S REPLY COMMENTS

10 Idaho Power Company ("Idaho Power" or the "Company") submits these Reply
11 Comments in accordance with the Consolidated Ruling issued on July 11, 2005, by
12 Administrative Law Judge Logan in the above-referenced docket and the Company's Motion to
13 Submit Late-Filed Comments filed herewith.

14 As noted by the Company in its Initial Position Statement dated April 6, 2005, Idaho
15 Power is a multi-jurisdictional public utility that is regulated in the states of Oregon and Idaho.
16 Idaho Power has a limited presence in Oregon because the Company's retail customers comprise
17 only 2% of the electric load regulated by the Public Utility Commission of Oregon ("OPUC").
18 Furthermore, only about 5% of Idaho Power's retail customers are located in Oregon. The
19 remaining 95% of the customers who obtain service from Idaho Power reside in Idaho, where the
20 Idaho Public Utilities Commission ("IPUC") regulates the Company.

21 Current OPUC guidelines for integrated resource planning have been essentially the same
22 in Idaho and Oregon since either Commission has required its regulated utilities to file Integrated
23 Resource Plans ("IRP" or "IRPs"). In its Initial Position Statement, Idaho Power expressed its
24 concern that these proceedings not create rigid requirements that may not be compatible with the
25 procedures currently followed in Idaho. Idaho Power has participated in each of the workshops
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1 held in this matter. The Company's primary focus has been to monitor the proceedings to
2 encourage continued compatibility in IRP filing requirements between the two states.

3 For the reasons stated above, Idaho Power generally concurs with the positions of
4 Pacificorp and Portland General Electric that, by and large, the current IRP process in Oregon
5 works and that permitting continued flexibility in the IRP process allows that process to remain
6 effective as energy markets evolve and new resource planning challenges and opportunities arise.
7 Furthermore, the present IRP requirements set forth by the OPUC are largely compatible with
8 and not overly prescriptive relative to the IRP requirements established by the IPUC. In
9 addition, the IRP process presently conducted by Idaho Power appears to satisfy the spirit and
10 intent of the guidelines proposed by the OPUC Staff.

11 Continued alignment of the IRP processes in Oregon and Idaho that meet the IRP
12 objectives of both states would assure that the Company would not have to expend significant
13 additional resources to meet certain overly prescriptive jurisdictional-specific requirements that
14 may not significantly enhance or alter the quality and contents of the IRP that Idaho Power
15 presently files with both Oregon and Idaho. Idaho Power's main concern is that the IRP process
16 remain relatively flexible and rely less on rules and more on the principles outlined in the OPUC
17 Staff's four substantive requirements. That flexibility would afford each utility within the
18 jurisdiction of the OPUC with the flexibility needed to address the unique characteristics of its
19 infrastructure, service territory and customers.

20 Prior to the September 22, 2005 workshop in this docket, Administrative Law Judge
21 Logan posed certain questions to workshop representatives. In response to Judge Logan's
22 question concerning which aspects of the IRP process should be addressed as administrative
23 rules versus Commission Orders, Idaho Power encourages the Commission to adopt rules
24 regarding only the timing of submission of IRPs and the participation of public representatives in
25 developing a utility's IRP.

1 Judge Logan also inquired when utilities should be required to notify the Commission
2 concerning an adjustment or modification of its IRP Action Plan. Idaho Power believes it is
3 reasonable to advise the commissions having jurisdiction over its activities whenever there is a
4 significant change in the Company's load/resource balance or any other development that
5 necessitates a material deviation from the Action Plan incorporated into the Company's
6 acknowledged IRP. Examples of circumstances that may trigger such notification might be loss
7 or addition of a major customer, unforeseen customer growth, loss of an existing resource, or
8 required purchases of significant quantities of unanticipated PURPA projects.

9 The following generally describes how the Company's existing IRP process aligns with
10 the proposed guidelines set out by the OPUC Staff in this docket. Consistent with OPUC Staff's
11 Proposed Guideline No. 3, Idaho Power files a biennial IRP with a ten-year planning horizon
12 (and a 30-year portfolio analysis) with both the Oregon and Idaho commissions and closely
13 tailors its competitive bidding process for energy resources with its Commission-acknowledged
14 IRP as set out in OPUC Staff's Proposed Guideline No. 15.

15 In conformance with OPUC Staff's Proposed Guideline No. 2, the Company works with
16 representatives of major stakeholders to develop Idaho Power's IRPs. In 2004, representatives
17 from the environmental community, major industrial customers, irrigation customers, the state
18 legislatures, the Oregon and Idaho commissions, the Idaho Governor's office, and other
19 interested stakeholders formed the Integrated Resource Plan Advisory Council ("IRPAC"). The
20 IRPAC made significant contributions to Idaho Power's IRP.

21 In the Company's 2004 IRP process, the configuration of the portfolios considered and
22 certain aspects of the analysis were influenced by the contributions of the IRPAC. The Company
23 evaluated a number of resource portfolios and selected a diversified portfolio consisting of
24 demand-side resources (consistent with OPUC Staff's Proposed Guideline No. 8), renewable and
25 distributed generation (consistent with OPUC Staff's Proposed Guideline No. 14), and traditional
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1 thermal generation as the preferred portfolio consistent with OPUC Staff’s Proposed Guideline
2 No. 14.

3 The Company supports the recommendation made by the OPUC Staff in its Guideline
4 No. 3 that Idaho Power prepare an informational filing with the Commission that updates the
5 Commission on progress the Company has made since OPUC acknowledgement of its IRP in
6 meeting the IRP Near-Term Action Plan and in identifying those issues that may affect
7 implementation of that Plan. That guideline is consistent with the Company’s practices in Idaho.

8 The contents of Idaho Power’s IRPs generally comport with the requirements and
9 elements set out in OPUC Staff’s Proposed Guideline Nos. 1 and 4. In addition, consistent with
10 OPUC Staff’s Proposed Guideline No. 11, the Company strongly supports conducting integrated
11 resource planning on a system-wide basis. In that analysis, the Company considers, among other
12 things, loads, resources, generation and transmission. Because geographical issues such as load
13 and resource locations, generation sites and transmission paths transcend jurisdictional
14 boundaries, Idaho Power supports the Staff’s position to continue integrated resource planning
15 on an integrated system basis.

16 Given Idaho Power’s limited presence in Oregon and the success of developing IRPs an
17 integrated basis for the Idaho Power system under the present guidelines set forth by the Oregon
18 and Idaho commissions, as well as the fact that the Company’s existing IRP process meets the
19 spirit and intent of the guidelines proposed by the OPUC Staff, Idaho Power respectfully
20 requests and encourages the continued compatibility in IRP filing requirements between the
21 states of Idaho and Oregon.

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1 Respectfully submitted this 7th day of October 2005.

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