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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1120

In the Matter of)	
)	
IDAHO POWER COMPANY)	ORDER
)	
Application for Revised Depreciation Rates.)	

DISPOSITION: STIPULATION ADOPTED;
DEPRECIATION RATES APPROVED

On November 18, 2003, Idaho Power Company (Idaho Power) filed an application for an order approving a change in its depreciation rates. Idaho Power requests authority to institute revised depreciation rates for the company's electric plant-in-service in the same manner approved by the Idaho Public Utility Commission (IPUC). In its Order No. 29363, the IPUC adopted a settlement that increased Idaho Power's annual depreciation expense by \$4.3 million. If adopted here, the proposed changes would result in an annual Oregon jurisdiction expense increase of approximately \$220,271. Idaho Power does not request any change to its electric rates.

On May 4, 2004, the Commission Staff (Staff) and Idaho Power filed a stipulation for Commission review. The stipulation is attached as Appendix A and incorporated by reference. Staff has reviewed Idaho Power's depreciation study and supporting documents, as well as information from the IPUC proceeding. Staff agrees that the rates adopted by the IPUC and proposed in the study are reasonable and should be adopted in Oregon. No other entities have sought or secured party status in this docket.

Commission Resolution

The Commission concludes that the stipulation is reasonable and should be adopted for two primary reasons. First, Staff explains that, based on its extensive review of this matter, the rates adopted by the IPUC are reasonable. Second, Staff believes this Commission should adopt a similar set of rates for cost efficiency for Idaho Power. With differing rates, Idaho Power would be required to track two sets of depreciation expenses for the same piece of plant. Because Oregon accounts for only 5.11 percent of the overall

expense, we agree with Staff that a separate set of depreciation rates would not be cost justified.

ORDER

IT IS ORDERED that the stipulation, set forth in Appendix A, is adopted. The stipulated depreciation rates for Idaho Power Company shall become effective for accounting purposes on December 1, 2003.

Made, entered, and effective _____.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.