

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 175

In the Matter of	)	
	)	
IDAHO POWER COMPANY	)	ORDER
	)	
Proposed Tariff for Electric Service.	)	
Advice No. 05-17	)	

**DISPOSITION: TARIFF SHEET ALLOWED; WAIVER GRANTED**

On October 27, 2005, IDAHO POWER COMPANY filed a tariff sheet in Advice No. 05-17 to be effective December 28, 2005. The terms of the proposed tariff sheet is set forth in the Staff Report dated December 8, 2005, attached as the Appendix to this order.

At its December 20, 2005, public meeting, the Public Utility Commission of Oregon allowed the tariff sheet to go into effect. Pursuant to a waiver of OAR 860-022-0032, the Commission finds that the tariff sheet shall be effective with meter readings on and after December 28, 2005.

IT IS ORDERED that Advice No. 05-17 filed by IDAHO POWER COMPANY, is allowed effective with meter readings on and after December 28, 2005.

Made, entered, and effective DEC 23 2005.



BY THE COMMISSION:

Becky L Beier  
Becky Beier  
Commission Secretary

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.

ITEM NO. CA3

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 20, 2005

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE \_\_\_\_\_ With Meter Readings on and after Dec. 28, 2005

DATE: December 8, 2005

TO: Public Utility Commission

FROM: Syed Rezvi *SR*

THROUGH: *LS* Lee Sparling, *EB* Ed Busch and *BT* Bonnie Tatom

SUBJECT: IDAHO POWER COMPANY: (Docket No. UE 175/Advice No. 05-17)  
Revises the BPA credit adjustment in Schedule 98.

**STAFF RECOMMENDATION:**

Staff recommends the Commission waive OAR 860-022-0032 and allow Idaho Power Company's First Revised Tariff Sheet No. 98-1 to become effective with meter readings on and after December 28, 2005, with less than statutory notice.

**DISCUSSION:**

On October 27, 2005, Idaho Power Company (Idaho Power or the Company) filed Advice 05-17 to become effective with meter readings on and after November 28, 2005. Staff's initial review revealed inconsistencies in the worksheet and requested the Company file a revised worksheet. The Company also agreed to file an extension of the effective date to allow Staff more time for review. On November 15, 2005, the Company revised the rate by filing a revised sheet with an extension of the effective date to December 28, 2005. The Company revised and re-filed the Tariff and worksheets on December 9, 2005, with less than statutory notice, to correct some data entry errors. The filing was made in accordance with ORS 757.205, Filing Rate Schedules with the Commission. The filing includes a request that the Commission waive the requirements of OAR 860-022-0032 to allow the tariff revision to be effective with meter readings on and after December 28, 2005. This will allow Idaho Power to implement the credit without prorating the credit on customer billings.

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The purpose of the filing is to adjust tariff Schedule 98, Residential and Small Farm Energy Credit. As a result of the amended filing, the residential energy credit will decrease from \$.003139/kWh to \$.00223/kWh.

Background: On October 25, 2001, Idaho Power terminated its Firm Power Sales Agreement with the Bonneville Power Administration (BPA). The firm power benefits have been converted to monetary benefits under the Settlement Agreement and are currently being passed through to eligible customers via Schedule 98.

The current filing is being made to adjust the energy credit rate for Idaho Power's residential customers. The overall rate benefit for residential and farm customers projected for the six-month period from October 2005 through March 2006 is \$308,436, a decrease from \$310,486 in the prior six-month period.

To calculate the new credit rate for residential customers, Idaho Power makes the following adjustments. First, Idaho Power adds the difference between the benefit actually paid in the prior six-month period and the benefit that had been projected for that six-month period. This is done to "true-up" the benefit paid during the prior period. Then, due to the seasonal fluctuation in the amount of demand required by residential versus farm customers, 94.77% of the credit is allocated to residential customers as opposed to 76.05% of the credit in the prior six-month period. Finally, the residential portion of the benefit is allocated to the residential customer class's projected usage to arrive at a per kWh credit. Projected residential usage for the October 2005 through March 2006 period is 119.2 million kWh, compared to the 84.7 million kWh estimate used to calculate the April 2005 through September 2005 credit. Since residential customer usage during winter months is higher than usage over the summer months, the credit is smaller on a per kWh basis in the winter months.

As a result of the BPA rate change, the prior period "true-up," the seasonal change in projected demand and the change in the ratio of residential to farm demand, the credit rate for residential customers will decrease from \$0.003139 per kWh to \$0.00223 per kWh.<sup>1</sup>

Staff Review: Staff reviewed Idaho Power's filing and supporting documentation as well as prior filings made to establish and adjust Schedule 98. After consultation and revisions, Staff finds that the assumptions used by Idaho Power are reasonable and

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<sup>1</sup> Due to extension of the effective date from November 28, 2005 to December 28, 2005, the credit rate applied to the month of December was the one for the prior period of \$0.003139 per kWh. Without this overpayment, the residential credit would be \$0.002363. This excess credit of \$15,868 reduces the overall credit for the six month period and is reflected in the \$0.00223 per kWh rate.

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consistent with those used to establish prior credit rate changes. Idaho Power's calculations are accurate. The BPA subscription rate used in Idaho Power's calculations agrees with the rate posted on BPA's web site.

Staff Conclusions: Staff believes that the request to waive OAR 860-022-0032 to allow the fixed credit to become effective with meter readings on and after December 28, 2005, is reasonable and consistent with past Commission precedent. Given the size and ongoing nature of the credit, Staff believes this approach is preferable to the administrative burden associated with prorating customer bills.

The company made a revised filing on December 9, 2005 after consulting with Staff, and Staff recommends that the Commission approve the request that the revised sheet be effective with less than statutory notice.

Idaho Power's proposed credit rate adjustment is supported and reasonable. Staff concludes that Idaho Power's filing should be allowed to become effective with meter readings on and after December 28, 2005.

**PROPOSED COMMISSION MOTION:**

OAR 860-022-0032 be waived and Idaho Power's First Revised Sheet No. 98-1 be allowed into effect with meter readings on and after December 28, 2005, with less than statutory notice.

Idaho Power Advice 05-17.doc