

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 185

In the Matter of)	
)	
IDAHO POWER COMPANY)	ORDER
)	
Proposed Tariff for Electric Service.)	
Advice No. 06-02)	

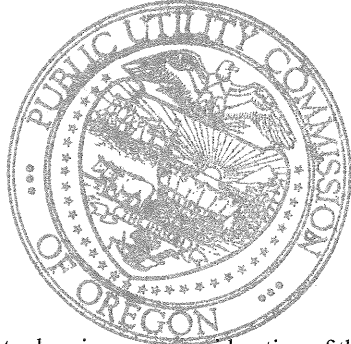
DISPOSITION: TARIFF SHEET ALLOWED; WAIVER GRANTED

On April 28, 2006, IDAHO POWER COMPANY filed a tariff sheet in Advice No. 06-02 to be effective May 30, 2006. The terms of the proposed tariff sheet set forth in the Staff Report dated May 10, 2006, attached as the Appendix to this order.

At its May 23, 2006, 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 May 30, 2006.

IT IS ORDERED that Advice No. 06-02 filed by IDAHO POWER COMPANY, is allowed effective with meter readings on and after May 30, 2006.

Made, entered, and effective MAY 24 2006.



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 by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 23, 2006**

REGULAR _____ CONSENT X EFFECTIVE DATE With Meter Readings on and after May 30, 2006

DATE: May 10, 2006

TO: Public Utility Commission

FROM: Syed Rezvi SR

THROUGH: Lee Sparling, Ed Busch and Bonnie Tatom
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SUBJECT: IDAHO POWER COMPANY: (Docket No. UE 185/Advice No. 06-02)
Revises Schedule 98, Residential and Small Farm Energy Credit.

STAFF RECOMMENDATION:

Staff recommends the Commission waive OAR 860-022-0032 and allow Idaho Power Company's Second Revised Tariff Sheet No. 98-1 to become effective with meter readings on and after May 30, 2006.

DISCUSSION:

On April 28, 2006, Idaho Power Company (Idaho Power or the Company) filed Advice No. 06-02 to become effective with meter readings on and after May 30, 2006. The filing was made in accordance with ORS 757.205, *Filing Rate Schedules with the Commission*. It 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 May 30, 2006. This will allow Idaho Power to implement the credit without prorating the credit on customer billings.

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 increase from \$.00223/kWh to \$.003267/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.

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May 10, 2006
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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 April 2006 through September 2006, is \$320,178, an increase from \$308,436 in the prior period.

To calculate the new credit rate for residential customers, Idaho Power makes three 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 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, 82.67% of the credit is allocated to residential customers as opposed to 94.77% of the credit in the prior period. Finally, the residential portion of the benefit is allocated to the residential customer classes' projected usage to arrive at a per kWh credit. Projected residential usage for the April 2006 through September 2006 period is 84.7 million kWh, compared to the 119.2 million kWh estimate used to calculate the prior credit.

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 increase from \$.00223/kWh to \$.003267/kWh.

Staff Review: Staff reviewed Idaho Power's filing and supporting documentation as well as prior filings made to establish and adjust Schedule 98. Staff finds that the assumptions used by Idaho Power are reasonable and 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 May 30, 2006, is reasonable and consistent with past Commission precedent. Given the size and on-going nature of the credit, Staff believes this approach is preferable to the administrative burden associated with prorating customer bills.

Idaho Power's proposed credit rate adjustment is supported and reasonable. Staff recommends that Idaho Power's filing should be allowed to become effective with meter readings on and after May 30, 2006.

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PROPOSED COMMISSION MOTION:

OAR 860-022-0032 be waived and Idaho Power's Second Revised Sheet No. 98-1 be allowed into effect with meter readings on and after May 30, 2006.

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