

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 193

In the Matter of)	
)	
IDAHO POWER COMPANY)	ORDER
)	
Proposed Tariff for Electric Service.)	
Advice No. 07-05)	

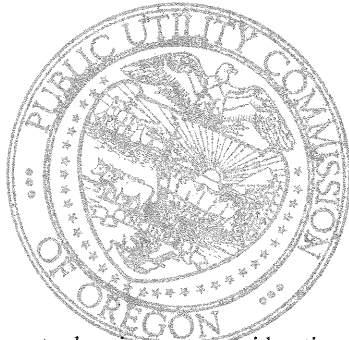
DISPOSITION: TARIFF SHEETS ALLOWED; WAIVER GRANTED

On May 24, 2007, IDAHO POWER COMPANY filed tariff sheets in Advice No. 07-05 to be effective with meter readings on and after May 30, 2007. On May 30, 2007, the company requested the effective date be extended to June 1, 2007. The terms of the proposed tariff sheets are set forth in the Staff Report dated May 25, 2007, attached as the Appendix to this order.

At its May 30, 2007, public meeting, the Public Utility Commission of Oregon allowed the tariff sheets to go into effect. Pursuant to a waiver of OAR 860-022-0032, the Commission finds that the tariff sheets shall be effective with meter readings on and after June 1, 2007.

IT IS ORDERED that Advice No. 07-05 filed by IDAHO POWER COMPANY, is allowed effective with meter readings on and after June 1, 2007.

Made, entered, and effective JUN 01 2007.



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.

Ipco07-05

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 30, 2007**

REGULAR CONSENT EFFECTIVE DATE June 1, 2007

DATE: May 25, 2007

TO: Public Utility Commission

FROM: Marc Hellman *MH*

THROUGH: Lee Sparling *MH Ger C-7*

SUBJECT: IDAHO POWER COMPANY: (Advice No. 07-05) Suspending the Regional Power Act Credit.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve the Idaho Power Company rate filing, Advice No. 07-05, as filed suspending the Regional Power Act credit to customers. The Commission should also approve Idaho Power Company's less-than-statutory notice request and allow the rates to go into effect June 1.

DISCUSSION:

On May 24, 2007, Idaho Power Company filed Advice 07-05, to zero-out the Regional Power Act credit. The effect of this rate change is a 6% rate increase for residential and small farm customers. This translates in an increase in a typical residential electric bill of \$6.54 per month. The Regional Power Act credit is the means for providing federal system benefits to Idaho Power Company's customers. The credit reflects a 100% flow through to residential and small farm customers of the Bonneville Power Administration (BPA) cash payments to Idaho Power Company. On May 21, 2007, BPA notified all investor-owned utilities that BPA was suspending payments.

For further background discussion refer to agenda item #1, discussing the filing by PacifiCorp, for this same public meeting.

While the Commission strongly disagrees with the Court's findings, as well as BPA's action to suspend payments, the fact is that BPA has suspended payments to Idaho Power Company. It is prudent to zero out the credit and keep that in place until we are

Approval of Suspending Regional Power Act Credits
 May 25, 2007
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successful in restoring the benefits. Zeroing out the credit will result in a 6% increase to Idaho Power Company's residential and small farm customers.

Alternative:

The tariff is subject to Commission approval and so the Commission could direct Idaho Power Company to continue providing some level of rate credit to customers. The merit of such action is that it tempers the rate increase and acknowledges that at some point BPA should again be providing federal system benefits to Idaho Power Company's residential and small farm customers. However I do not support this alternative for a number of reasons. First, continuing a rate credit to customers is in essence a loan from the company to its customers. Customers would not only be paying back to Idaho Power Company the monies loaned to customers, customers would also be paying interest on the outstanding balance. Second, the timing of when monies would be returned to Idaho Power Company could be during the winter heating season. Many customers might not be able to afford both paying for household heating as well as paying back the money Idaho Power Company loaned to customers through continuation of a credit. Third, zeroing out the credit provides customers the clear message that BPA has ceased providing ANY federal system benefits. This BPA action means that three-quarters of Oregon residents are disenfranchised from the BPA system. Clearly this is an outcome that is inequitable and unacceptable.

Idaho Power Company's tariffs flowing through the federal system benefits is as follows:

Rate Schedule for Regional Act Credit	Schedule 98
Current residential credit	\$0.005629/kWh

To date, since October 1, 2001, Idaho Power Company customers have received benefits equaling roughly \$3 million. The current annual benefit to Idaho Power Company customers was \$1.3 million prior to BPA suspending the payments. (As established by contract between BPA and Idaho Power, Idaho Power Company's benefits beginning October 1, 2006 increased 87.5% from the levels provided from October 1, 2001 through September 30, 2006.)

PROPOSED COMMISSION MOTION:

Approve the Idaho Power Company filing, with less than statutory notice, and reduce the Regional Power Act credit to zero, effective June 1, 2007.