

# Electrical Power in Idaho

Idaho residents consistently enjoy some of the least expensive electric service in the nation, according to surveys conducted by the National Association of Regulatory Utility Commissioners (NARUC), the Edison Electric Institute and the Energy Information Administration of the U.S. Department of Energy.



## Idaho Power Company

**2000 Average Number of Customers/Avg. Revenue/kwh\***

*(\*Computed from data available in FERC Form 1 Annual Reports)*

**309,499 Residential Customers/\$0.0515**

**60,321 Commercial Customers/\$0.0379**

**104 Industrial Customers/\$0.0277**



## Avista Utilities

**88,688 Residential Customers/\$0.0522**

**14,329 Commercial Customers/\$0.0558**

**556 Industrial Customers/\$0.0472**



## PacifiCorp/Utah Power

**43,887 Residential Customers/\$0.0729**

**6,172 Commercial Customer/\$0.0665**

**5,332 Industrial Customer/\$0.0406**

**Idaho's  
Electricity  
Rates Are  
Among The  
Lowest In  
The Nation**

# Power Rates in Idaho

As of Nov. 1, 2001

*These rates do not include customer charges or BPA credits. Not all available rate schedules are shown for each utility. These include updated rate information on Idaho Power and Avista Utilities cases that ended in the fall of 2001.*

## IDAHO POWER COMPANY

### Residential

First 800 kWh — \$0.0616

Next 1200 kWh — \$0.0697

All use over 1200 kWh — \$0.0839

### Commercial

Small commercial — \$0.0769, plus \$2.73 per kW demand charge

Large commercial — \$0.0434, plus \$2.73 per kW demand charge

### Industrial

Large industry — \$0.0428; plus \$2.73 per kW demand charge

Irrigation — \$0.0456 in season; plus \$3.58 per kW demand charge in season.

## AVISTA UTILITIES

### Residential

First 600 kWh — \$0.0549

All use over 600 kWh — \$0.0639

### Commercial

Small commercial — \$0.0795 plus \$3.50 per kW demand charge for demand more than 20 kW

Large commercial — \$0.05007 plus \$225 for first 50kW of demand or less and \$2.75 per kW for demand over 50 kW

### Industrial

Large industry — \$0.0348 per kWh plus \$7,500 for first 3,000 kVA (kilovolt-amps) of demand or less and \$2.25 per kVA for demand over 3,000 kVA.

# Power Rates in Idaho, continued

## PACIFICORP-UTAH POWER

### Residential

From May to October — \$0.0983

From November to April — \$0.0749

### Time of Day residential rates

On-peak use from May to October — \$0.1049

Off-peak use from May to October — \$0.0362

On-peak use from November to April — \$0.0897

Off-peak use from November to April — \$0.0330

### Commercial

Small commercial, May to October — \$0.0828

Small commercial, November to April — \$0.7320

Large commercial — \$0.0275 plus \$10.68 per kW demand charge from May to October and a \$8.79 kW demand charge from November to April.

### Industrial

Small industry — \$0.0315 per kWh plus \$8.79 per kW demand charge from May to October and a \$6.59 per kW demand charge from November to April.

### Irrigation

First 25,000 kWh — \$0.0520, plus \$4.01 per kW demand

Use over 25,000 kWh — \$0.0379, plus \$4.01 per kW demand

# Electric Utility Case Reviews

## Idaho Power Company



**Idaho Power Company**  
**1220 W. Idaho Street**  
**P O Box 70**  
**Boise, ID 83707**

**800-488-6161**  
**208-388-2323**  
**(Treasure Valley)**

**Number of Customers**  
**= 369,924**

Idaho Power Co. is Idaho's largest electric utility. The utility typically generates almost 60 percent of its electricity at hydroelectric dams on the Snake River. Due to the extremely poor hydro conditions in 2000, only 52 percent of the utility's electric generation came from hydro with increased reliance on the company's coal-fired plants (at Jim Bridger, Wyoming; Boardman, Oregon; and Valmy, Nev.) and power purchases on the wholesale market. Less than 5 percent of Idaho Power's generation comes from co-generators and small independent power producers.

In 2000, the average Idaho Power household used 13,580 kWh, up 2.2 percent from the 13,276 kWh in 1998. This figure averages residential customers with electric space and water heating with those who do not use electricity for these high-end uses.

September 28, 2001

### **IDAHO POWER GRANTED RECORD ONE-YEAR SURCHARGE**

**Case Nos. IPC-E-01-7, IPC-E-01-11, Orders No. 28722 and 28852**

A record low water year and one of the most volatile electric and gas wholesale markets in history led to a request from Idaho Power to recover \$227.4 million from its customers to cover power purchases made on the wholesale market during 2000 and early 2001.

Each spring since 1993, Idaho Power has filed with the commission a "power cost adjustment" that annually increases or decreases customer rates for above normal or below normal costs of supplying power. If costs for buying power are higher than anticipated, the result is a one-year customer surcharge. If costs are lower than expected, there is a credit. Up until 2001, Idaho Power's largest power cost adjustment was for \$14.8 million in 2000. During three of the last nine years, power supply costs were lower than anticipated, as in 1999 when the adjustment was a negative \$23.1 million. Idaho Power's 2001 request to recover \$227.4 million is, by far, the largest PCA since the annual adjustment began.

The commission approved \$168.3 million of Idaho Power's request on May 1, but deferred the remaining \$59.1 million for further investigation. On Sept. 28, the commission approved another \$47.66 million in recovery for the company, but disallowed \$11.6 million.

To mitigate the size of the increase, which amounted to about 23 percent to residential customers, commissioners took a number of steps, including negotiation of a rate credit with the Bonneville Power Administration (see below).

# Electric Case Reviews, continued



The commission also ordered Idaho Power to file a demand-side management (conservation) program that would decrease the need for the company to buy power on the volatile wholesale market. That plan was still under review by publication deadline.

Further, the commission opened a separate case that will review Idaho Power's trading practices.

October 1, 2001

## **BPA CREDIT GIVES IDAHO POWER CUSTOMERS SOME RELIEF**

Case No. IPC-E-01-30, Order No. 28868

The Northwest Regional Power Act of 1980 established a residential and small-farm exchange program that required BPA to provide residential and small-farm customers of Northwest electric utilities a share of the benefits from the federal hydroelectric projects located in the region. The program technically expired in 2001 but the credit was revived through BPA's new power subscription process.

The Idaho Public Utilities Commission worked extensively with commissioners from Washington, Oregon and Montana to negotiate an agreement with BPA that will last 10 years, though it can be modified after five years.

To the Idaho Power residential customer who consumes 1,200 kWh a month, the reduction is about \$3.60 a month. For a small-farm customer using 100,00 kWh a month, the reduction would be about \$300.

"There were multiple negotiation sessions involving all three of Idaho's commissioners," said Paul Kjellander, president of the Idaho commission. "We are grateful that these benefits could come at a time that offsets some of the increases we've seen," Kjellander said.

May 12, 2001

## **COMMISSION OKs BUYBACK PROGRAMS WITH IRRIGATORS, INDUSTRY**

Case No. IPC-E-01-3, Order No. 28676; Case No. IPC-E-01-4, Order No. 28707

A record low runoff in the Snake River and an extremely volatile wholesale market that saw electric prices increase from about 3 cents a kWh to as high as 50 cents per kWh led to measures that could prevent Idaho utilities from having to buy power on the wholesale market.

Idaho Power negotiated power buyback agreements with Idaho irrigation customers and its large industrial customers.

Idaho Power offered to pay irrigators 15 cents for each kWh saved



## Electric Case Reviews, continued

from irrigators who agreed to save at least 100,000 kWhs. At the time the offer was made, power on the wholesale market was selling for about 30 cents a kWh. Bids were received from about 429 Idaho irrigators who were expected to save about 500 million kilowatt-hours.

The commission also approved (Case No. IPC-E-01-6, Order No. 28706) a pilot program allowing up to 300 irrigation customers to participate in a “time-of-day metering” program. This program did not necessarily save energy, but it allowed customers, with the use of special meters the company installed, to shift their energy use away from peak power times, when energy is more expensive. Irrigation customers representing about 180 metered service points participated in the program.

A buy-back program for commercial and industrial customers capable of reducing consumption by 1,000 kilowatt hours was extended for one year by the commission. Customers get a credit against their bill for the energy saved.

The commission approved a buy-back agreement between Idaho Power and Astaris, which, at that time, was Idaho Power’s largest customer. (Case No. IPC-E-01-9, Order No. 28678) The company agreed to pay Astaris 15.9 cents for each kWh not used by the company. The Pocatello company idled two of its four furnaces and put a third on stand-by.

# Electric Case Reviews, continued

## PacifiCorp-Utah Power

Based in Salt Lake City, Utah Power, a division of Portland-based PacifiCorp, provides electricity in eastern Idaho. It is the third largest electric utility in Idaho.

Utah Power relies more heavily on thermal generation facilities than any other electric utility in Idaho.

There were no rate increases or decreases to Idaho customers of PacifiCorp-Utah Power during 2000. As part of the commission's approval of a merger between PacifiCorp and ScottishPower on Nov. 15, 1999, the utility agreed to a moratorium on rates through the end of 2001.

In 2000, the average UP&L residential customer used 13,069 kWh of electricity, a 1.5 percent decrease from the 13,276 kWh average in 1999. This figure averages residential customers with electric space and water heating with those who do not use electricity for these high load uses.

April 4, 2001

### **PUC APPROVES MODIFIED IRRIGATION BUYBACK PROGRAM**

#### **Case No. PAC-E-01-4, Order No. 28702**

BOISE - The Idaho Public Utilities Commission approved an irrigation buyback program for customers of PacifiCorp in southeastern Idaho.

PacifiCorp agreed to increase- from 12 cents per kWh to 15 cents - the amount it proposes to pay irrigators who agree to disconnect their participating pumps. The company will pay 13.5 cents per kWh to irrigators who remain connected to the company's system.

Originally, PacifiCorp offered to pay 8.5 cents per kWh to irrigators who agree to disconnect their pumps in an effort to save energy. Commissioners originally voted to delay approval of the PacifiCorp program to encourage the company to offer a program more responsive to the needs of irrigators. They upped its offer to 15 cents to those who completely disconnect and 13.5 cents to customers who reduce some of their pumping. All three commissioners commended the company for its willingness to modify the program to include a higher payment to irrigators.

"It's definitely an improvement from what we had a week ago," said Commissioner Dennis Hansen. "Irrigators in southeast Idaho seem a lot more comfortable with it."

PacifiCorp estimates that between 20 and 25 percent of 2,000 eligible irrigator customers will participate in the program, which is designed to decrease demand during high-peak periods this summer and benefit all ratepayers by reducing the amount of electricity the company has to buy on the expensive wholesale market.



**PacifiCorp  
dba  
Utah Power & Light  
1407 West N. Temple  
Salt Lake City  
Utah, 84116**

**801-220-2000**

**(SLC)**

**208-852-1916**

**(Preston)**

**208-356-7366**

**(Rexburg)**

**Number of Customers  
= 55,391**

# Electric Case Reviews, continued

June 1, 2001

**IPUC APPROVES PACIFICORP  
CUSTOMER CHALLENGE PROGRAM  
Case No. PAC-E-01-7, Order No. 28743**

The Idaho Public Utilities Commission approved a PacifiCorp conservation program rewarding the company's southeast Idaho customers who reduced their monthly usage by 10 percent or more from their previous year's usage.

Customers saving 10 percent over their previous year's usage in July, August and September received a 10 percent reduction on those months' bills. Customers who saved 20 percent got a 20 percent reduction for the months of June, July, August and September.

Initially, the company proposed to reward only those customers who reduced their monthly kilowatt usage by 20 percent or more. But the commissioners expressed concerns that 20 percent savings would be too difficult to achieve, particularly in southeast Idaho where few customers have air conditioning. In response to those concerns, PacifiCorp revised its program to reward customers who reduce their kilowatt usage by 10 percent.

In another effort to conserve energy during a year of record-setting wholesale prices for electricity, the commission approved a PacifiCorp program (Case No. PAC-E-01-1, Order No. 28628) to buy back commitments for electricity from its commercial and industrial customers using an Internet auction process. Under the program, PacifiCorp customers with electricity requirements of more than 4,000 kilowatt-hours or customers with 1,000 kilowatt-hours of onsite generation can "shed," or sell back, electricity commitments to the utility in an Internet auction. Commissioners ordered PacifiCorp to provide the commission access to the secured Website for tracking and observation.

# Electric Case Reviews, continued



August 28, 2001

## **PACIFICORP CREATES HOLDING COMPANY**

**Case No. PAC-E-01-8, Order No. 28836**

The Idaho Public Utilities Commission approved an application from PacifiCorp, allowing the utility to transfer the common stock of PacifiCorp to a newly formed affiliate that will function as a holding company responsible for PacifiCorp's non-utility businesses.

The holding company, PacifiCorp Holdings Inc. (PHI), will facilitate the further separation of PacifiCorp's non-utility operations from its regulated utility operations. That separation will reduce the exposure of the regulated side of PacifiCorp's business and its electric customers to any adverse results from its non-utility operations.

The new holding company, incorporated under the laws of Delaware, will receive all of the common stock presently held by NA General Partnership, a holding company structure created when PacifiCorp's merger with ScottishPower was approved in November 1999.

The cost to accomplish the exchange of stock will not be borne by customers and will not affect electric rates or service for the company's 56,000 customers in southeastern Idaho where PacifiCorp operates as Utah Power.

The non-utility functions are enterprises, primarily financial services, PacifiCorp provided before its merger with ScottishPower. Those enterprises still exist but they are being de-emphasized as the company has redirected its focus to strictly electric service since the merger.

When the commission approved PacifiCorp's merger with ScottishPower in 1999, it directed the company to "fully separate accounting functions and provide full cost allocations" of any non-utility business.

PacifiCorp has filed a separate case with the commission (PAC-E-00-6) that proposes to reorganize the regulated side of the company into individual electric companies in its six-state region. The company would also create a single generation business, "PacifiCorp Generation Co," which would be able to buy and sell power on the wholesale market on behalf of its six state entities, one of which would be PacifiCorp Idaho, Inc. All six state companies, PacifiCorp Generation, and a service company that performs centralized functions, will operate under the newly proposed PacifiCorp Holdings, Inc.

The commission had not acted on this case nor had any hearing dates been set at the publication of this report. The reorganization must be approved by commissions in all six states.



## Avista Utilities

(physical address)  
E 1411 Mission Ave.

(mailing address)  
P O Box 3727  
Spokane, WA 99220

800-727-9170

509-489-0500

(Spokane)

208-664-0421

(Coeur d'Alene)

208-743-5541

(Lewiston)

208-882-7511

(Moscow)

Number of Customers  
= 103,573

# Electric Case Reviews, continued

## Avista Utilities

Avista generates most of its electricity at hydropower dams located in Washington, Idaho and Montana. The company also receives power from thermal plants in Washington and Montana.

In 2000, the average Avista household used 11,719 kWh, almost identical to the 11,723 kWh used during 1999. This figure averages residential customers with electric space and water heating with those who do not use electricity for these high load uses.

Oct. 15, 2001

### COMMISSIONERS NEGOTIATE BPA CREDIT FOR AVISTA CUSTOMERS

Case No. AVU-E-01-13, Order No. 28869

The size of the power cost adjustment granted Avista was somewhat lessened with the announcement of a credit from the Bonneville Power Administration negotiated by commissions in four Northwest states, including Idaho.

Residential and small-farm utility customers in Avista's northern Idaho territory will get a monthly credit of about \$3.37 for a household using 1,000 kWh per month and \$4.72 for a household using 1,400 kWh.

The 10-year BPA credit is the result of lengthy negotiations between the federal agency and commissioners in Idaho, Montana, Oregon and Washington. It is part of the Northwest Power Planning Act of 1980 that was designed to help Northwest residents share in the benefits from the federal hydroelectric projects located throughout the region.

Feb. 6, 2001

### TEMPORARY 4.76 PERCENT INCREASE APPROVED FOR AVISTA

Case No. AVU-E-00-9, Order No. 28627

The commission approved a request by Avista Corp. for a temporary rate increase of 4.76 percent to help pay for its increased electric power supply costs.

The increase boosted the monthly bill of a residential customer using 1,000 kilowatt-hours about \$2.45 and went into effect Feb. 1, 2001 and was set to expire on Jan. 31, 2002.

# Electric Case Reviews, continued

Oct. 15, 2001

## **AVISTA GRANTED 14.7 PERCENT SURCHARGE**

**Case No. AVU-E-01-11, Order No. 28297**

BOISE – The Idaho Public Utilities Commission approved Avista Utilities’ request to impose a 14.7 percent surcharge on its customers to recover the cost of buying power on the wholesale market over the last year. The commission also granted an extension of a 4.7 percent surcharge implemented earlier (*see Feb. 6, 2001 press release previous page*) that was set to expire Jan. 31, 2002.

Avista applied for the combined 19.4 percent surcharge last July and asked that it be effective for 27 months. But the commission allowed only a one-year surcharge.

“We are uncomfortable with authorizing the extended surcharge period requested by the company,” the commission said. The commission did authorize the surcharge for 12 months and directed the company to file a status report 60 days before the surcharge expires. After reviewing that report, the commission will consider continuing the surcharge for another year.

The surcharge, which became effective Oct. 12, 2001, increased customer bills by about \$7.55 a month for a customer who uses 1,000 kWh, about a 13.7 percent increase. For a customer who uses 1,400 kWh, the increase was \$10.94 per month, about a 14.1 percent increase.

To mitigate the size of the increase, the commission approved a plan to accelerate payments due Avista from Portland General Electric. Initially, the company planned to spread out the PGE credit of about \$34.6 million to benefit customers over an extended period, but then decided to accelerate payments to lessen the impact of the surcharge. Without it, Avista’s request would have been almost double at about 33 percent.

The surcharge allowed the company to collect \$23.6 million to pay for power purchases costs in the high-priced wholesale market. The surcharge was needed, Avista stated, because of a combination of the worst hydroelectric conditions in 73 years and unprecedented high wholesale market prices and volatility.

The commission noted the size of the surcharge is “extraordinary.” But the threat to the company’s financial viability is also real, commissioners said. “Indeed, the company’s financial ratings have already been downgraded,” the commission said. “Lenders are wary of extending further credit without some improvement in the company’s financial indicators.” Avista requested prompt rate relief to get financing to support ongoing operations. Avista had been unable to obtain final construction financing for its Coyote Springs II project, a natural gas plant planned near Boardman, Oregon.





# Electric Case Reviews, continued

April, 10, 2001

## **IPUC APPROVES AVISTA BUY-BACK PROGRAMS** Case No. AVU-E-01-4, Order No. 28698; Case No. AVU-E-00-10, Order No. 28595

Irrigators who save 50,000 kilowatt-hours or more from May through September will be paid 10 cents for every kWh saved, under an irrigator buy-back program proposed by Avista and approved by the commission.

Irrigation customers who save between 25,000 and 50,000 kWh will be paid 5 cents per kWh.

The company estimates that about 2.5 million kilowatt hours could be saved.

Earlier, on Dec. 19, 2000, the commission approved a buy-back program for Avista's large industrial and commercial customers.

Under the program, large users can voluntarily reduce power consumption in return for credits on their power bills. The buy-back rate offered by Avista amounts to about the wholesale market rate at the time.

Aug. 10, 2000

## **POTLATCH PETITION FOR SHARE OF CENTRALIA PLANT DENIED**

Case No. AVU-E-99-06, Order No. 28461

A petition by Potlatch Corp. to share in the customer gain from the sale of Avista Corp.'s portion of the Centralia, Wash. power plant was turned down by the Idaho Public Utilities Commission.

Avista sold its 15 percent stake in the ownership of the 1,340-mega-watt power station and approximately \$6.8 million of the gain from the sale was to be returned to its Idaho customers. Potlatch was excluded from the distribution. In its petition, Potlatch asked the PUC to reassess its decision excluding the company from receiving part of the gain from the sale.

The PUC noted that Potlatch's service from Avista is based upon a specific contract between the utility and the company that made no provision for a share in the sale of the assets. The commission noted ... "it is not because Potlatch is a special contract customer that it is denied a share of the gain. It is because the contract that it negotiated and presented to the Commission for approval did not reserve or establish such a right" to a share in the gain from the sale of the plant.

**Also Under IPUC  
Jurisdiction:**

**Atlanta Power**

**Company**

**319 River Road  
Bliss, ID 83314**

**208-352-4692 (Bliss)  
208-764-2310 (Fairfield)**

# SERVICE AREAS OF INVESTOR OWNED ELECTRIC UTILITIES IN IDAHO

