

ATLANTA POWER COMPANY INC.  
11140 CHICKEN DINNER ROAD  
CALDWELL, IDAHO 83406

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IDAHO PUBLIC  
UTILITIES COMMISSION

October 14, 2008

Idaho Public Utilities Commission  
P.O. Box 82720  
Boise, Idaho 83720-0074

ATL-E-08-02

ATTENTION COMMISSION SECRETARY AND HEAD LEGAL SECRETARY

Enclosed are an original and seven copies of Atlanta Power Company's reply to the  
Comments of Greene Tree Incorporated in this case together with a Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Israel Ray". The signature is written in a cursive style with a long, sweeping underline.

Israel Ray  
President

Israel Ray  
Atlanta Power Company, Inc.  
11140 Chicken Dinner Rd.  
Caldwell, ID 83406  
Tel. (208) 459-7007  
Fax (208) 459-7014  
Representative for Atlanta Power Company, Inc.

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IDAHO PUBLIC  
UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
ATLANTA POWER COMPANY FOR AN )  
ORDER AUTHORIZING INCREASES IN THE )  
COMPANY'S RATES AND CHARGES FOR )  
ELECTRIC SERVICE IN THE STATE OF IDAHO )**

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**CASE NO. ATL-E-08-2**

**REPLY TO  
COMMENTS OF GREENE  
TREE INCORPORATED**

COMES NOW Atlanta Power Company Inc., ("Atlanta Power", "Applicant" or "Company") and hereby files the following reply to the Greene Tree Incorporated (Greene or Intervenor) comments filed in this case.

Intervenor has in its comments addressed the energy charges for full time residential and commercial customers. Greene proposes equalizing the energy charges for the two classes of customers. In its comments, Intervenor quoted the court "In *Grindstone Butte Mut Canal Co. v. Idaho Pub. Util. Comm'n*, Idaho 175, 627 P.2d 804 (1981) the court defined, in addition to cost of service, relevant considerations that might justify a difference in rate treatment as:

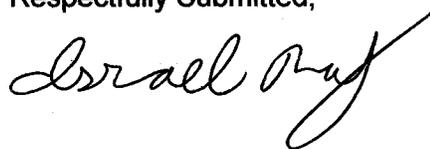
"the quantity of the utility used, the nature of the use, the time of use, the pattern of use, the differences in the conditions of service, the cost of service, the reasonable efficiency and economy of operation and the actual differences in the situation of the consumers for the furnishing of service." 102 Idaho at 180."

Atlanta Power maintains that at least two of these considerations are present. The nature of use for residential customers is for personal purposes and is a cost of living for them. Commercial customers on the other hand incur energy costs as a cost of doing business. The

quantity of the utility used is certainly present. Exhibit No. 13 attached titled "Atlanta Power Company, Calculation of Average Price Per KWh, Permanent Residential and Commercial, At Present Rates" demonstrates that the commercial class of customers excluding Greene Tree's Pinnacle Peaks Lodge use three times the average energy used by residential customers. See line 13, Column (H). The exhibit also shows the average cost per KWh for these customers is \$0 .241 as compared to the residential class average cost of \$0.214 per KWh or 12.6% higher than residential.. See lines 4 and 13 in Column (F). In comparison, the Pinnacle Peaks Lodge uses eleven (11) times more energy than the average residential customer (lines 22 and 26 Column (H)) at an average cost per KWh of \$0.192 (Column (F) line 26), or 10.2 % less than residential.

Intervenor, at page 5 of its comments, uses an example of Idaho Power Company residential and commercial rates in support of its argument that Atlanta Power Company's rates are discriminatory. Intervenor's own example indicates that the commercial rates on the Idaho Power Company electric system are twenty-one and one-half percent (21.5%) greater than residential rates. As demonstrated on the attached exhibit, the average cost per KWh for intervenor is actually ten percent (10%) less than the average cost per KWh for residential customers. This may suggest that indeed, commercial rates should increase at a greater rate than residential rates.

Respectfully Submitted,



Israel, Ray, President

Atlanta Power Company

ATLANTA PWER COMPANY  
 CALCULATION OF AVERAGE PRICE PER KWh  
 PERMANENT RESIDENTIAL & COMMERCIAL  
 AT CURRENT RATES

(A) SCHEDULE	(B) CUSTOMER BILLS	(C) CURRENT RATE	(D) ANNUAL KWh	(E) REVENUE	(F) AVERAGE PRICE/KWh	(G) Avg use Per Bill	(H) % of Res Use
1 Schedule 1 Permanent Residential	250						
2 In Base Rate		\$ 81.00	86,930	\$ 20,250.00	\$ 0.233		
3 Excess over 500 KWh		\$ 0.05	9,830	\$ 491.52	\$ 0.050		
4 Total			96,761	\$ 20,741.52	\$ 0.214	387.04	100.00%
5 Schedule 2 Permanent Commercial	59						
6 In Base Rate		\$ 144.00	24,391	\$ 8,496.00	\$ 0.348		
7 Excess over 500 KWh		\$ 0.18	83,486	\$ 15,027.48	\$ 0.18		
8 Total			107,877	\$ 23,523.48	\$ 0.218	1,828.42	472.41%
9 Eliminate Pinnacle Peak Lodge 2006	47						
10 Remainder of Bills							
11 In Base Rate		\$ 144.00	18,391	\$ 6,768.00	\$ 0.368		
12 Excess over 500 KWh		\$ 0.18	38,065	\$ 6,851.70	\$ 0.180		
13 Total Without Pinnacle			56,456	\$ 13,619.70	\$ 0.241	1,201.19	310.35%
14 Eliminate Pinnacle Peak Lodge 2007	47						
15 Remainder of Bills							
16 In Base Rate		\$ 144.00	18,391	\$ 6,768.00	\$ 0.368		
17 Excess over 500 KWh		\$ 0.18	35,829	\$ 6,449.22	\$ 0.180		
18 Total Without Pinnacle			54,220	\$ 13,217.22	\$ 0.244	1,153.62	298.06%
19 Pinnacle Peaks Lodge 2006	12						
20 In Base Rate		\$ 144.00	6,000	\$ 1,728.00	\$ 0.288		
21 Excess over 500 KWh		\$ 0.18	45,421	\$ 8,175.78	\$ 0.180		
22 Total			51,421	\$ 9,903.78	\$ 0.193	4,285.08	1107.13%
23 Pinnacle Peaks Lodge 2007	12						
24 In Base Rate		\$ 144.00	6,000	\$ 1,728.00	\$ 0.288		
25 Excess over 500 KWh		\$ 0.18	47,657	\$ 8,578.26	\$ 0.180		
26 Total			53,657	\$ 10,306.26	\$ 0.192	4,471.42	1155.28%

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 14<sup>th</sup> DAY OF OCTOBER, 2008,  
SERVED THE FOREGOING **REPLY TO THE COMMENTS OF GREENE TREE  
INCORPORATED**, IN CASE NO. ATL-E-08-2, BY HAND DELIVERY THEREOF TO  
THE FOLLOWING:

SCOTT WOODBURY  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720-0074  
BOISE, IDAHO 83720

DEAN J. MILLER  
MCDEVITT & MILLER LLP  
PO BOX 2564  
BOISE, IDAHO 83701

  
\_\_\_\_\_  
Israel Ray, President  
Atlanta Power Company