

IDAHO PUBLIC UTILITIES COMMISSION

C.L. "Butch" Otter, Governor

P.O. Box 83720, Boise, Idaho 83720-0074

Mack A. Redford, President
Marsha H. Smith, Commissioner
Jim Kempton, Commissioner

**TO: PARTIES OF RECORD
COMMISSION SECRETARY**

FROM: SCOTT WOODBURY

DATE: JUNE 10, 2008

**SUBJECT: REPLACEMENT PAGES FOR STAFF COMMENTS SUBMITTED
JUNE 5, 2008 IN CASE NO. ATL-E-08-2.**

RECEIVED
008 JUN 10 PM 12:45
IDAHO PUBLIC UTILITIES COMMISSION

In the Comments of the Commission Staff dated June 5, 2008, page 6, RATE DESIGN, paragraph 2, in the last sentence the number 30,048 has been replaced with the number 27,669, and the percentage of 14% has been replaced with 13%.

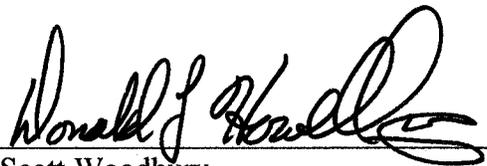
On page 6, RATE DESIGN, paragraph 3, in the sentence that reads, "This adjustment increases the customer count by 2, approximately 3%, and kWh by 5,512 which is a 3% increase over 2006 amounts." The number 5,512 has been replaced by the number 5,443. Also in paragraph 3, in the sentence that reads, "The two adjustments together change the Company's revenue under present rates from the Company proposed amount of \$68,389 to \$73,407." The number \$73,407 has been replaced by \$74,750.

On page 6, RATE DESIGN, paragraph 4, in the sentence that reads, "The percentage increase that produces the \$23,302 of surcharge revenue requirement proposed by the Staff is 31.74%." The percentage of 31.74% has been changed to 31.2%.

On page 7, STAFF RECOMMENDATIONS, paragraph 1, in the first sentence the percentage of 31.74% has been changed to 31.2%.

Attachment A to the Comments has been replaced by Revised Attachment A. Revised Attachment A reflects the number and percentage changes made above.

The above changes correct a calculation error.

for 
Scott Woodbury
Deputy Attorney General for Commission Staff

RATE DESIGN

The Commission Staff has reviewed the Company's proposed rate design calculations. For the purpose of rate design, the Company used calendar year 2007 customers and customer usage.

Staff proposes two types of adjustments to the rate design data presented by the Company. First, the Staff proposes the use of 2007 numbers of bills applied to 2006 average use per customer by rate schedule. Staff proposes this adjustment to adjust for anomalous usage experienced by the Company during the summer of 2007 when the Company's hydro power system was not in service and power from the back-up diesel generator was only available part time. This adjustment increases kWh by 27,669 which is a 13% increase over 2006 amounts.

Second, the Staff proposes the addition of two customers to the billing data. The two customers are the Company owner and the person who operates and maintains the power system. Neither person is billed but both are provided power as partial compensation for the service they provide to the Company. Staff proposes that the owner be assigned to Schedule 3 and the other individual, who lives in Atlanta full time, be assigned to Schedule 1. This adjustment fairly spreads a portion of the Company's emergency surcharge revenue requirement to these customers and reduces the revenue requirement responsibility of all other customers. This adjustment increases the customer count by 2, approximately 3%, and kWh by 5,443 which is a 3% increase over 2006 amounts. The two adjustments together change the Company's revenue under present rates from the Company proposed amount of \$68,389 to \$74,750.

For the emergency surcharge portion of this case, Staff proposes that the increased revenue requirement be recovered by a uniform percentage increase applied to all tariffed rates except the new customer connection charge and the meter testing charge. The percentage increase that produces the \$23,302 of surcharge revenue requirement proposed by the Staff is 31.2%. Attachment A shows that the proposed increase recovers the Staff's surcharge revenue recommendation. Staff recommends that the Company continue to calculate customer bills under current base rates and then calculate and add the surcharge, which would be shown on a separate line, to get the final bill. The Staff recommends that a new schedule be created that specifies the surcharge percentage and states that it applies to all tariffed rates except the two rates previously specified.

STAFF RECOMMENDATIONS

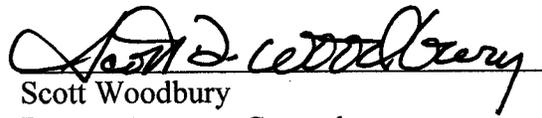
Staff recommends approval of a 31.2% temporary emergency increase to all tariffed rates except the new customer connection charge and the meter testing charge effective as soon as possible following issuance of the temporary emergency surcharge Order, subject to refund (if necessary) once the Commission issues a final Order in the Atlanta Power general rate case, Case No. ATL-E-08-2.

Staff recommends that the prudence of the extraordinary expenditures necessitating the loan payments be determined contemporaneously with the review of the Company's costs and records supporting its request for a general base rate increase in this case and that the owners be solely responsible for repayment of any portion of these Notes that are disallowed in the rate proceeding. Staff recommends that the issue of a surcharge, its amount and treatment be revisited at that time.

Staff recommends that the Company bill the emergency surcharge approved by the Commission on a separate line on its customers' bills. To ensure that an adequate record is maintained in case the emergency surcharge or a portion thereof is refunded, Staff recommends the Company maintain a record of surcharge payments by each individual customer and record those payments in a separate account on its books.

Staff recommends that a new schedule be created that specifies the surcharge percentage and the rates to which it applies.

Respectfully submitted this 10th day of June 2008.


Scott Woodbury
Deputy Attorney General

Technical Staff: Keith Hessing
Patricia Harms
Nancy Hylton

i:/umisc/comments/atle08.2swkhphnh rev 6 & 7 & Attach A

Atlanta Power Company
Summary of Revenue
Commission Staff Case
2006 Test Year Adjusted
(Includes Both Staff Adjustments)

(1) (2) (3) (4) (5) (6) (7) (8) (9)

Line No.	Tariff Description	Rate Schedule	2006 No. of Bills Adjusted	2006 Sales Adjusted (kWh)	Present Revenue (\$)	Revenue Adjustments (\$)	Proposed Revenue (\$)	Percent Change
----------	--------------------	---------------	----------------------------	---------------------------	----------------------	--------------------------	-----------------------	----------------

1	Permanent Residential	1	262	101,405	\$21,737	\$6,776	\$28,513	31.2%
2	Permanent Commercial	2	59	107,877	\$23,524	\$7,333	\$30,857	31.2%
3	Seasonal Residential	3	602	40,091	\$29,489	\$9,193	\$38,682	31.2%
4	Seasonal Commercial	3	0	0	\$0	\$0	\$0	0.0%

5	Total Retail Sales		923	249,374	\$74,750	\$23,302	\$98,052	31.2%
---	---------------------------	--	-----	---------	----------	----------	----------	-------

Revised Attachment A
 Case No. ATL-E-08-2
 K. Hessing, Staff
 6/10/08