

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: CECELIA A. GASSNER

DATE: MARCH 10, 2006

SUBJECT: CASE NOS. IPC-E-06-4, AVU-E-06-2, AND PAC-E-06-2
PETITIONS TO RESCIND ORDER NO. 28804, FILING OF BIENNIAL
COST INFORMATION BUNDLING REPORTS

On February 28, 2006, Idaho Power Company (“Idaho Power”) filed a Petition to rescind Order No. 28804, as it applies to Idaho Power, which requires Idaho Power to file biennial cost information-unbundling reports with the Commission. On March 10, 2006, Avista Corporation dba Avista Utilities (“Avista”) filed a similar Petition, asking for the rescission of Order No. 28804 as it applies to Avista. On March 10, 2006, PacifiCorp dba Utah Power & Light Company (“PacifiCorp”) also filed a similar Petition, asking for the rescission of Order No. 28804 as it applies to PacifiCorp.

THE PETITIONS

Order No. 28804 was issued by the Commission on August 15, 2001. Under this Order, Idaho Power, Avista and PacifiCorp are obligated to file biennial cost reports that include, *inter alia*, unbundled cost information at the actual earned rate of return and not adjusted to authorized return levels, as well as the actual earned rate of return for each customer class.

In its Petition, Idaho Power states that it intends to regularly file general rate actions with the Commission that would enable the Commission to routinely examine its costs. Idaho Power believes that these more frequent rate case filings will allow the Commission and its Staff the opportunity to review Idaho Power’s costs in greater detail than afforded in the biennial cost reports.

PacifiCorp similarly states in its Petition that it anticipates that regular rate case actions will be needed in the future, and that such rate case filings will afford the Commission

and its Staff to review PacifiCorp's costs. It further states that in addition to the review allowed by rate case filings, the Commission and its Staff receive PacifiCorp's annual results of operations. PacifiCorp will file these results for the 10 years following the Commission's ratification of the Revised Protocol, PacifiCorp's inter-jurisdictional cost allocation methodology.

Avista states that given the anticipated frequency with which it intends to file general rate cases, it believes the Commission and its Staff will continue to have access to Avista's costs through the cost of service studies that are part of the rate cases.

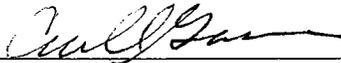
STAFF RECOMMENDATION

Staff recommends that the Petitions of Idaho Power, Avista and PacifiCorp be processed by Modified Procedure with a 21-day comment period. This should allow sufficient time for interested parties to review the Petitions and file their comments with the Commission. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

COMMISSION DECISION

Does the Commission preliminarily find that the public interest may not require a hearing to consider the issues presented in Case Nos. IPC-E-06-4, AVU-E-06-2 and PAC-E-06-2, and that these cases are appropriate for Modified Procedure pursuant to Commission Rules of Procedure 201 through 204?

Does the Commission approve of a comment period of 21 days?



Cecelia A. Gassner

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