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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION FILED)	
BY IDAHO POWER COMPANY FOR AN)	CASE NO. IPC-E-06-4
ORDER RESCINDING ORDER NO. 28804 AS)	
IT APPLIES TO IDAHO POWER COMPANY)	
TO DISCONTINUE THE REQUIREMENT)	
TO FILE BIENNIAL COST INFORMATION-)	
UNBUNDLING REPORTS)	
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IN THE MATTER OF THE PETITION FILED)	
BY AVISTA CORPORATION DBA AVISTA)	CASE NO. AVU-E-06-2
UTILITIES FOR AN ORDER TO)	
DISCONTINUE THE REQUIREMENT TO)	
FILE BIENNIAL COST INFORMATION-)	
UNBUNDLING REPORTS)	
)	
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IN THE MATTER OF THE PETITION OF)	
PACIFICORP DBA UTAH POWER & LIGHT)	CASE NO. PAC-E-06-2
COMPANY REQUESTING THAT ITS)	
BIENNIAL UNBUNDLED COST)	COMMENTS OF THE
INFORMATION REPORTING)	COMMISSION STAFF
REQUIREMENT BE DISCONTINUED)	
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COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Cecelia A. Gassner, Deputy Attorney General, and in response to the Notice of Petitions, Notice of Consolidation and Notice of Modified Procedure issued in Order No. 30009 on March 30, 2006, submits the following comments.

BACKGROUND

On February 28, 2006, Idaho Power Company (“Idaho Power”) filed a Petition seeking relief from the requirements of Order No. 28804, as it applies to Idaho Power. Order No. 28804 requires Idaho Power, Avista Corporation (“Avista”) and PacifiCorp dba Utah Power & Light (“PacifiCorp”) to file certain biennial cost reports with the Commission. On March 10, 2006, Avista filed a similar Petition, asking for relief from the filing requirements of Order No. 28804 as it applies to Avista. On March 10, 2006, PacifiCorp also filed a similar Petition, asking for relief from the filing requirements of Order No. 28804 as it applies to PacifiCorp.

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 information¹ 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 the opportunity 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 interjurisdictional 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 COMMENTS

¹ Such information, as determined by *Idaho Code* § 61-338 [repealed], includes “such cost information . . . consisting, at a minimum, of generation, transmission and distribution services and including such other categories as the Commission may require.” Order No. 28804.

STAFF COMMENTS

Unbundled cost studies breakout the costs of providing service by rate schedule or by delivery voltage level. Costs are identified as generation related, transmission related, distribution related or other. Some of the four major categories are further divided into sub-categories. By Commission Order the three electric utilities participating in this case have filed unbundled cost studies with the Commission for the following years: 1996, 1998, 1999, 2001 and 2003.

Unbundled cost information is used or referenced by Staff from time to time. The larger staffs that the three electric utility companies employ, and the fact that they are more acquainted with their own models and data, make it easier for the companies to do these studies than it would be for Staff to complete them. However, Staff observes that this information is only occasionally needed and that, in general, unbundled cost results change slowly and, therefore, this type of analysis can be done on an infrequent basis.

There is every indication that all three utilities will have more frequent rate cases in the near term. General rate cases require the companies to file Cost of Service information, which contains the elements of the companies' costs used to derive unbundled costs. However, there is a substantial effort involved in putting the data in the unbundled cost format. Staff will have an opportunity during the course of a rate case to request this information from the relevant company if it is deemed necessary.

RECOMMENDATIONS

Due to infrequent requirements for unbundled cost information, Staff supports the three companies' requests to discontinue the biennial filings required by Order No. 28804. However, Staff requests that the Commission order the companies to provide unbundled cost information upon Staff request in a general rate case. As time allows, Staff commits to work to develop the models necessary to extract and organize the information.

Respectfully submitted this 20th day of April 2006.



Cecelia A. Gassner
Deputy Attorney General

Technical Staff: Keith Hessing

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20TH DAY OF APRIL 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-06-4/ AVU-E-06-2/ PAC-E-06-2, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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