(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE COMMISSION’S OWN INVESTIGATION INTO THE COSTS INCURRED BY IDAHO’S ELECTRIC UTILITY IN PROVIDING ELECTRIC SERVICE. | )  )  )  )  )  )  ) | CASE NO. GNR-E-97-1  NOTICE OF INQUIRY  NOTICE OF WORKSHOP  ORDER NO.  26995 |

YOU ARE HEREBY NOTIFIED that House Bill No. 399 pertaining to the restructuring of the electric industry will be effective July 1, 1997.  The Idaho Legislature determined that it is necessary and appropriate to begin analyzing the effects that restructuring of the electric industry could have on the citizens of this state.  An analysis of the costs that Idaho’s electric suppliers incur in providing generation, transmission and distribution services is essential to that analysis.  House Bill No. 399 (Idaho Code §§ 61-338 and 61-339 (new sections)), requires that this Commission commence proceedings on or before July 1, 1997, to obtain such information from each electric utility with more than one-thousand (1,000) customers.  According to the new law, cost information shall be separated among utility functions consisting, at a minimum, of generation, transmission and distribution services and such other categories as this Commission deems relevant.  Moreover, Idaho Code § 61-339 requires that cooperative and municipal electric suppliers (as defined in Idaho Code § 61-332A) also submit their cost information in the form and manner requested by this Commission.

In a recent letter to the Commission President, Governor Philip Batt suggested that the utilities’ investments in “public purposes” should be a separate cost component along with generation, transmission and distribution.  The Governor further urged the Commission to separate the various programs that fall in the category of public purpose, in particular, universal service and fish mitigation costs, for possible listing as separate line items on bills.

YOU ARE FURTHER NOTIFIED that, in compliance with House Bill No. 399, the Commission hereby initiates this proceeding for the purpose of obtaining the information identified above.

YOU ARE FURTHER NOTIFIED that the Commission will conduct a workshop on WEDNESDAY, AUGUST 6, 1997, COMMENCING AT 9:30 A.M. AT THE OFFICES OF THE IDAHO PUBLIC UTILITIES COMMISSION, 472 WEST WASHINGTON STREET, BOISE, IDAHO.  The Commission intends to retain a private consultant with expertise in matters pertaining to the restructuring of the electric industry, including the unbundling of rates.  The consultant will make a presentation to the Commission and all those in attendance.  Following this presentation, the Commission will invite other interested parties to make presentations as well.  The Commission requests that such presentations be limited to 30 minutes or less.  Any person desiring to make such a presentation should submit a written outline to the Commission Secretary on or before July 25, 1997.  Finally, the Commission will discuss all relevant procedural and substantive matters pertinent to this proceeding.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

O R D E R

IT IS HEREBY ORDERED that Case No. GNR-E-97-1 is hereby initiated for the purposes set forth above.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of June 1997.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/N:GNR-E-97-1.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

July 1, 1997