

RECEIVED  
FILED



2004 MAR 19 PM 4:49

IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR ELECTRIC SERVICE )  
TO ELECTRIC CUSTOMERS IN THE STATE )  
OF IDAHO. )  
\_\_\_\_\_ )

CASE NO. IPC-E-03-13

IDAHO POWER COMPANY

REBUTTAL TESTIMONY

OF

JOHN R. GALE

1 Q. Please state your name and the party you are  
2 representing.

3 A. John R. Gale. I am testifying on behalf of  
4 Idaho Power Company.

5 Q. Are you the same Mr. Gale that presented  
6 direct testimony in this proceeding?

7 A. Yes.

8 Q. What issues will you be responding to in your  
9 rebuttal testimony?

10 A. My testimony will (1) provide an overview of  
11 the Staff's collective recommendations and approach to this  
12 rate case, (2) respond to a variety of specific revenue  
13 requirement adjustments proposed by the Staff, (3) discuss  
14 the proposals for systematic ratemaking treatment of the  
15 irrigation subsidy, (4) respond to a number of witnesses who  
16 are opposed to the proposed increase to the monthly service  
17 charge for small customer classes, (5) speak to the  
18 decoupling issue, and (6) end by summarizing revenue  
19 requirement impact of the Company's collective rebuttal  
20 positions.

21 Overview

22 Q. Please summarize your understanding of the  
23 collective revenue requirement recommendations of the  
24 Commission Staff.

25 A. The Staff attacks the Company's revenue

1 requirement in a number of ways through a number of  
2 witnesses.

3 Ms. Carlock recommends lower returns on both the  
4 debt and equity portion of the Company's proposed capital  
5 structure. Her repricing of bonds expiring in 2004 reduces  
6 the debt component. The return on equity selected by Ms.  
7 Carlock is 10.0 percent compared to the 11.2 percent  
8 proposed by Idaho Power.

9 Mr. English eliminates ongoing pension expense from  
10 the test year, removes prepaid pension from rate base, and  
11 makes other expense reductions related to membership dues,  
12 legal fees, and other business expenses.

13 Mr. Leckie changes the Company's proposed  
14 annualizing and known and measurable adjustments in a manner  
15 that effectively disallows important plant facilities that  
16 are providing customer service as we speak. Mr. Leckie  
17 reclassifies some past investments related to the Company's  
18 hydro production in order to remove these investments from  
19 the test year. He also removes a portion of a document  
20 management system and some thermal production assets at  
21 IERCO.

22 Mr. Holm accepts six Company proposed adjustments  
23 (all of which appropriately reduce the Company's revenue  
24 requirement), adjusts certain payroll-related expenses to  
25 account for year-end labor costs, and adjusts accumulated

1 depreciation and depreciation expense to reflect the  
2 settlement and final order of Case No. IPC-E-03-7. Mr. Holm  
3 removes the incentive or pay-at-risk portion of the  
4 Company's compensation package. Mr. Holm also sets the  
5 Company's income tax rate to an effective rate that is based  
6 on an arbitrary five-year average, which effectively reaches  
7 back to grab a 2002 tax deduction and includes it in the  
8 test year. These adjustments result in further decreases to  
9 the revenue requirement.

10 Mr. Sterling offers support of the Company's  
11 normalized power supply expenses and the inclusion of the  
12 Danskin Station plant. Mr. Hessing addresses class  
13 allocations, but did raise the costs of the Company's cloud  
14 seeding program as an issue for consideration by the  
15 Commission.

16 Other Staff witnesses presented testimony on issues  
17 related to rate spread, rate design, and customer service  
18 issues without weighing in on revenue requirement.

19 Q. Did any Staff witness propose an adjustment  
20 that would have been a net increase to the Company's initial  
21 proposals?

22 A. None that I can determine.

23 Q. Does the Staff have a designated individual  
24 leading the Staff's case?

25 A. Although none of the witnesses identify

1 themselves as the case manager or coordinator, Mr. Holm  
2 identifies himself as the overseer of the Staff audit and  
3 test year. The collection of disallowances manifests itself  
4 in Mr. Holm's testimony. Witnesses appear to have developed  
5 their issues independently. As such, it is my opinion that  
6 no Staff person weighed the collective impact or  
7 reasonableness of all of the proposals.

8 Q. Who is Idaho Power Company's case manager in  
9 this proceeding?

10 A. I am with assistance from Mr. Said on revenue  
11 requirement issues, Ms. Brilz on rate design issues, and Mr.  
12 Kline as lead counsel.

13 Q. Please summarize the Company's rebuttal  
14 testimony.

15 A. Mr. Avera rebuts the rate of return on equity  
16 proposals of the Staff and Micron. Mr. Gribble rebuts the  
17 Staff's bond repricing proposal and Staff's American Falls  
18 Bond treatment.

19 Mr. Obenchain rebuts the Staff's treatment of  
20 annualizing and known and measurable adjustments. Mr. Minor  
21 rebuts Staff's compensation representations including the  
22 exclusion of the Company's pay-at-risk or incentive portion  
23 of its employees' compensation. Mr. Fowler rebuts Staff's  
24 treatment of pension expense and prepaid pension in rate  
25 base.

1           Mr. Prescott addresses Danskin Station Power Plant,  
2 the Woodhead Park improvements, the cost of the Biological  
3 Opinion litigation, and Idaho Power's cloud seeding program.  
4 Mr. MacMahon and Mr. Ripley rebut Staff's tax proposals.

5           Mr. Said rebuts Staff's proposal for the Expense  
6 Adjustment Rate for Growth. Ms. Brilz rebuts the assorted  
7 class allocation issues and pricing proposals. Ms. Fullen  
8 responds to Ms. Parker's recommendations regarding customer  
9 service issues and addresses Mr. Robinette's proposals  
10 regarding Low-Income Weatherization Assistance.

11                           Revenue Requirement Reductions

12           Q.       Mr. English excludes a number of Idaho Power  
13 expenses listed on Staff Exhibit 110. Please give your  
14 general response to these exclusions.

15           A.       Mr. English states that a Company expense  
16 must be directly or indirectly related to providing  
17 electricity in order for it to be a legitimate expense  
18 recoverable through rates. By applying this definition,  
19 business expenses are excluded from the Company's revenue  
20 requirement based on Mr. English's opinion that they benefit  
21 only the shareholder and not the customer. Many of these  
22 exclusions deserve a closer look.

23           Q.       Line 1 of Exhibit No. 110 excludes 75 percent  
24 of the Company's expenses associated with its involvement  
25 with Edison Electric Institute ("EEI"). Please respond to

1 this exclusion.

2           A.       EEI is the trade association of the electric  
3 utility industry. As such it provides a variety of services  
4 to meet its clients' needs with regard to electric policy  
5 formulation at the local, state, congressional, and federal  
6 regulatory levels. EEI serves as an educational guide  
7 through the complex issues facing our industry today:  
8 energy infrastructure, environmental issues, emerging  
9 accounting issues, legal and business practices, and  
10 reliability issues. EEI actively encourages debate among  
11 members as to how best to address and respond to these  
12 issues through its sponsorship of specialized committees,  
13 informational webcasts and conferences and the creation of  
14 Internet workrooms that foster collaboration with member  
15 utilities. In fact, EEI serves a similar function to  
16 investor-owned utilities as the National Association of  
17 Regulatory Utility Commission does to state public utility  
18 commissions. Both entities exist to provide critical  
19 industry data to its members and support the advancement and  
20 promotion of equitable regulations.

21           Staff's testimony recommends the elimination of  
22 approximately 75 percent of the Company's EEI dues from the  
23 test year. Staff's reasoning is two-fold; first, they  
24 believe it is inappropriate to pass on dues expense to  
25 customers if those dues go to associations that do not

1 provide products that allow Idaho Power to provide  
2 electricity to its customers. Second, Staff states that  
3 customers should not be forced to support an organization  
4 whose ideology they may not agree with. Staff also  
5 questions the need for EEI lobbying efforts when the Company  
6 has an employee whose sole responsibility is representing  
7 the Company on major political efforts.

8 I would like to take a moment to address each of  
9 Staff's concerns.

10 First, EEI provides products and services to Idaho  
11 Power that directly affect the Company's ability to provide  
12 low cost, reliable power to its customers. For example  
13 Idaho Power participates in the Transmission Subject Area  
14 Committee ("TSAC") and the Distribution Subject Area  
15 Committee ("DSAC"). Both of these committees are sponsored  
16 by EEI.

17 Participating on the TSAC and DSAC provides Idaho  
18 Power and its customers the following benefits:

19 1. Best Practices - Idaho Power shares with, and  
20 learns from, other utilities in the areas of design,  
21 engineering, construction, operation, and maintenance of  
22 substations, transmission lines, and distribution lines. As  
23 a direct result of this participation, the Company has  
24 chosen design and drafting applications and tools.

25 2. Equipment Failures - The Company receives

1 reports of specific failures of equipment. By using this  
2 information, Idaho Power is able to prevent, or mitigate  
3 for, potential failures. This information has been used to  
4 avoid costly outages and catastrophic failures of  
5 transformers, circuit breakers, protective relays, and  
6 capacitors.

7           3.       New Products - The Company receives reports  
8 of new equipment with which other utilities have had success  
9 or failure. This allows the Company to keep up with  
10 technology that its small size would otherwise prevent.  
11 Based on this, new technology products have been used to  
12 increase reliability for Idaho Power customers. Idaho Power  
13 has also avoided other products that showed promise, but  
14 were not successful.

15           4.       Roundtable Surveys - The Company is able to  
16 participate in roundtable questionnaires that quiz utilities  
17 about their design, construction, and operating practices.  
18 This allows the Company to compare itself to the best in  
19 class, and improve efficiency.

20           5.       EEI Network Survey - Idaho Power has the  
21 ability to canvas other utilities on a particular issue at  
22 any time during the year, providing up to the minute  
23 information on equipment and issues.

24           Idaho Power also participates in EEI on the Metering  
25 Subject Area Committee ("MSAC"). Participating on MSAC

1 provides Idaho Power and its customers the following  
2 benefits:

3           1.           Best Practices - Through a partnership  
4 between EEI and the American Gas Association, Idaho Power's  
5 Metering Department participates and obtains the results of  
6 a benchmarking service called Data Source. This membership  
7 enables the Company to compare standard performance  
8 measurements against other electric and gas utilities and  
9 helps identify best practices and areas for improvement.

10           2.           Equipment Failures - The EEI Transmission,  
11 Distribution, and Metering Conference occurs semi-annually.  
12 During these meetings specific sessions, excluding  
13 manufacturers, are held for the sole purpose of discussing  
14 equipment problems utilities have been experiencing with  
15 their metering equipment. The Company considers the  
16 experience of other utilities as part of its evaluation of  
17 products for servicing our customers.

18           3.           Industry Networking - Idaho Power is part of  
19 and utilizes a nation-wide network of individuals involved  
20 in the utility industry. The Company frequently contacts  
21 these people to discuss issues and ideas specific to  
22 metering.

23           4.           Surveys - The Company is able to participate  
24 in EEI enabled questionnaires that allow us to quiz other  
25 utilities about their design, construction, and operating

1 practices. This allows for acquisition of more specific  
2 information than is provided in the Data Source benchmarking  
3 service.

4           These examples of membership benefits have been  
5 cited specifically because they are less high profile than  
6 the victories that the Company and its customers have had  
7 with the help of EEI in the legislative and federal  
8 regulatory arena. These victories include but are not  
9 limited to the Federal Energy Regulatory Commission's  
10 ("FERC") recognition of the need for regional flexibility in  
11 its revised Wholesale Market Platform paper, and major  
12 progress on the comprehensive energy legislation  
13 specifically with regard to the creation of a mandatory  
14 reliability organization, streamlining of hydropower  
15 relicensing, and new funding for Low Income Home Energy  
16 Assistance Program.

17           Staff's characterization of EEI as solely a  
18 legislative lobbying and regulatory advocacy organization  
19 for investor-owned electrical utilities providing no benefit  
20 to Idaho Powers customers is incomplete and incorrectly  
21 assumes that the interests of Idaho Power and its customers  
22 are unaligned.

23           Second, Staff characterizes EEI as an ideological  
24 organization that customers should not be forced to support.  
25 In fact, EEI is a trade organization that represents the

1 interests of its members through the education of decision  
2 makers about the complex issues facing the industry. The  
3 organization promotes no doctrine or political ideology for  
4 mass acceptance or belief in either the modern pejorative  
5 sense or in the classic definition of the word.

6 Third, Staff takes issue with EEI lobbying efforts  
7 when the Company has a Company officer whose sole  
8 responsibility is representing the Company on major  
9 political efforts. To begin with, EEI spends less than 25  
10 percent of its membership dues on legislative advocacy.  
11 Applying this logic to Staff's adjustment would equate to  
12 the removal of 25 percent of EEI dues from the test year,  
13 not 75 percent. However, I do not accept Staff's hypothesis  
14 that lobbying is per se "bad". Lobbying is targeted  
15 education and when such education serves to preserve or  
16 improve Idaho Power's ability to deliver reliable low-cost  
17 power to its customers, all interests benefit. Furthermore,  
18 the efforts of EEI and the position of the Vice President of  
19 Public Affairs are not duplicative as alleged by Mr.  
20 English. The Vice President of Public Affairs is completely  
21 immersed in the major hydro relicensing efforts of the  
22 Company. This means that the Company must marshal  
23 additional resources in order to cover the active  
24 proceedings at the FERC, (Standard Market Design, Generation  
25 Interconnection, Standards of Conduct, Regional Transmission

1 Organization Formation, Supply Margin Assessment,  
2 Reliability, and Infrastructure Protection), and on Capitol  
3 Hill (Comprehensive Energy Bill).

4           Finally, Staff concludes their comments with regard  
5 to EEI membership dues by stating that the Company can  
6 access EEI research without contributing to the cause.  
7 Clearly, Staff is conceding that EEI in fact serves more  
8 purposes than just advocacy, but regardless, I do not  
9 believe that the Commission would view this type of  
10 freeloading as sound public policy.

11           Q.       Line 2, 3, and 4 of Exhibit No. 110 excludes  
12 Company dues and contributions to Rotary, Kiwanis, and Lions  
13 service clubs. Please respond to this exclusion.

14           A.       I am not sure which service clubs Mr. English  
15 has attended, but as a long time Rotarian and a past  
16 Kiwanian, it is incorrect to characterize any of these  
17 service clubs as "spiritual". Service clubs serve an  
18 important community and customer function. They serve as a  
19 great extension of our community relations' efforts and  
20 complement the work of our Community Relations  
21 Representatives. The opportunities to network with  
22 customers in our communities are particularly important  
23 since the centralization of the Company's customer service  
24 operations. Reaching out to the community is especially  
25 important during this critical time in the Company's

1 relicensing process. Idaho Power submits that there is a  
2 bona fide business purpose to being involved in the  
3 community it serves. My experience has been that, besides  
4 the business establishments, many state agencies have  
5 employees as members in service clubs as well.

6 Q. Line 5 of Exhibit 110 excludes Company  
7 expenses related to various Chambers of Commerce. Please  
8 respond to this exclusion.

9 A. Mr. English incorrectly states that Chambers  
10 of Commerce actions have no impact on Idaho Power Company.  
11 Chamber meetings and activities become great opportunities  
12 for Idaho Power to work for and with the customers on issues  
13 of mutual concern. Many of the Chambers to which Company  
14 employees belong are also responsible for their cities'  
15 economic development function. To the extent that the  
16 Chambers are successful in business attraction and creating  
17 a healthy business environment, their actions have a direct  
18 impact on our Company.

19 Chambers serve an important community and customer  
20 function. As with the service clubs, Chambers are an  
21 extension of Company Community Relations Representatives,  
22 and particularly important since the centralization of the  
23 Company's operations and our current relicensing efforts.  
24 Idaho Power submits that there is a bona fide business  
25 purpose to being involved with our customers. I believe

1 that many state agencies have employees as members of  
2 Chambers of Commerce as well.

3 Q. Line 6 of Exhibit No. 110 excludes Company  
4 expenses related to \$2,000 of political contributions made  
5 during the test year. Please respond to this exclusion.

6 A. The Company agrees with this exclusion. The  
7 transactions were incorrectly coded and inadvertently  
8 included in the Company's initial filing. It is not the  
9 Company's intent to have our customers pay for political  
10 contributions.

11 Q. Line 7 of Exhibit No. 110 excludes Company  
12 expenses related to Company memberships in the Arid Club.  
13 Please respond to this exclusion.

14 A. Memberships in the Arid Club serve a business  
15 purpose for Idaho Power - specifically, business meetings,  
16 business contacts, and board dinners. The Arid Club also  
17 provides some non-business social benefits that are not  
18 business expenses.

19 The Company excluded non-business Arid Club expenses  
20 in its filing by including the individual members' personal  
21 reimbursement to Idaho Power for the non-business use of the  
22 club. Accordingly, the Company believes that the partial  
23 inclusion of Arid Club expenses for business purposes is  
24 appropriate and standard for the industry.

25 The Staff did not recognize the reimbursements in

1 its position. The Staff has also double-counted Arid Club  
2 expenses in several instances.

3 Staff goes on to state that there may be other  
4 Company employees whose club memberships are provided by the  
5 Company. On the contrary, the Company does not provide any  
6 additional Arid Club memberships other than the four  
7 officers noted by Staff. Additionally, the Company provides  
8 no other memberships for any employee to a country club or  
9 similar type exclusive social organization.

10 Q. Line 8 of Exhibit No. 110 excludes Company  
11 expenses related to \$36,066 of charitable contributions made  
12 during the test year. Please respond to this exclusion.

13 A. The Company generally agrees with the items  
14 excluded on line 8. The transactions were incorrectly coded  
15 and inadvertently included in the Company's initial filing.  
16 It is not the Company's intent to have our customers pay for  
17 charitable contributions, only benefit from them. In  
18 reviewing Page 2 of Exhibit No. 110, it appears that Staff  
19 excluded several legitimate items; however, the dollar  
20 impact is inconsequential. Accordingly, we would accept the  
21 full exclusion.

22 Q. On Page 28 of his direct testimony, Mr.  
23 English excludes business expenses for Company management  
24 (Exhibit No. 111). Please respond to this exclusion.

25 A. While admittedly, the audit uncovered some

1 items that were inappropriately brought above the line, the  
2 bulk of these expenses are legitimate. Previously, I have  
3 discussed the inclusion of EEI membership as a bona fide  
4 business expense of the Company. EEI meetings are as well.  
5 The Company must be able to communicate with individuals  
6 (including legislators and lobbyists) concerning important  
7 matters impacting both the Company and its customers.  
8 Foremost among these is the relicensing of the Hells Canyon  
9 Complex which will affect customers.

10 Q. Mr. English also excludes legal expenses  
11 related to the California and Pacific Northwest Refund  
12 Cases. Please respond to this exclusion.

13 A. Mr. English has proposed to remove \$352,544  
14 in legal expenses from the test year. He does so on the  
15 erroneous premise that these legal fees were incurred to  
16 defend IDACORP Energy's ("IE's") actions in two proceedings  
17 before the FERC. These proceedings are commonly known as  
18 the California Refund Case and the Pacific Northwest Refund  
19 Case (collectively the "Refund Cases"). While Idaho Power  
20 and IE did incur some legal expenses defending various  
21 allegations against IE in the two Refund Cases, none of  
22 those legal expenses are included in the test year. The  
23 \$352,544 in legal expenses included in the test year were  
24 incurred solely to ensure that Idaho Power would not be  
25 precluded from receiving refunds that might ultimately be

1 ordered by the FERC.

2 Q. Please elaborate.

3 A. Mr. English is correct when he states that  
4 because IE operated under Idaho Power's FERC market rate  
5 authority for a time, Idaho Power was included as a  
6 respondent in the Refund Cases. At the time the Refund  
7 Cases were filed, Idaho Power recognized it needed to  
8 separate itself from IE to avoid the appearance of a  
9 conflict and preserve Idaho Power's ability to obtain  
10 refunds if refunds were ultimately determined to be owing.  
11 To avoid potential claims of conflict of interest, Idaho  
12 Power hired the law firm of Sidley, Austin, Brown & Wood,  
13 LLP ("Sidley, Austin") to independently represent Idaho  
14 Power in the Refund Cases. IDACORP Energy retained the law  
15 firm of LeBoeuf, Lamb, Green & MacRae, LLP ("LeBoeuf, Lamb")  
16 to defend its interests in the two Refund Cases. The  
17 \$352,544 in legal expense identified by Mr. English is  
18 attributable to the legal services provided to Idaho Power  
19 by Sidley, Austin. In short, the legal expenses Mr. English  
20 seeks to exclude were incurred by Idaho Power with the  
21 intent to benefit customers if refunds were ordered.

22 Q. Mr. English testifies that by seeking to  
23 include the above-referenced \$352,544 in test year legal  
24 expenses, Idaho Power is acting in a way that is  
25 inconsistent with the commitment the Company made to exclude

1 from its rates expenses from non-utility businesses. Is he  
2 correct?

3 A. No. Idaho Power's actions in this instance  
4 are consistent with its representations to the Commission  
5 that it would separate Idaho Power and IE expenses.  
6 Contrary to Mr. English's assertions, Idaho Power is not  
7 seeking reimbursement of any legal expenses incurred to  
8 defend IE. The legal expenses in question were incurred to  
9 preserve potential benefits for utility customers.

10 Q. Will the Company continue to incur expenses  
11 associated with the California Refund Case and the Pacific  
12 Northwest Refund Case?

13 A. It is likely that it will. Although FERC has  
14 determined in the Pacific Northwest Refund Case that no  
15 refunds are justified, that case is currently on appeal.  
16 The California Refund Case is still an ongoing proceeding.  
17 While it currently appears unlikely that refunds will be  
18 ordered, it is always difficult to predict the outcome of  
19 litigation. Of course, if the Company knows it will be  
20 unable to recover its legal expenses incurred to pursue  
21 these refunds, it would be logical for the Company to cease  
22 actively participating in the cases and thereby reduce its  
23 exposure to unrecoverable legal expenses.

24 Q. Were you also asked to review the Staff  
25 proposal presented by Mr. Leckie to remove \$19.8 million in

1 investment related to the Bridger rewind project and the  
2 Brownlee-Oxbow transmission line?

3 A. Yes.

4 Q. Did you also review the Staff proposal  
5 presented by Mr. Leckie to remove \$7.5 million of the  
6 investment in the Brownlee Woodhead Park?

7 A. Yes.

8 Q. Do you agree with Staff's proposals that  
9 these investments should be removed?

10 A. No. Mr. Leckie's removal of investment for  
11 the Bridger rewind and the Brownlee-Oxbow transmission line  
12 is founded on an erroneous interpretation of prior  
13 Commission and Supreme Court rulings concerning the addition  
14 of investment in rate base that comes on line during the  
15 test year. His position on Woodhead Park is based on the  
16 erroneous position that a return on the park can be  
17 deferred.

18 Q. Please explain.

19 A. Both the Commission and the Supreme Court  
20 have observed that the test year to be utilized in a revenue  
21 requirement proceeding and the investment (rate base) that  
22 make up that test year are, to a certain extent, subject to  
23 the Commission's discretion so long as the result that is  
24 obtained is reasonable. In that regard, there has been  
25 considerable discussion over the years in revenue

1 requirement proceedings as to whether an average rate base  
2 should be used or a year-end rate base should be used. The  
3 material part of the discussions has focused on the type of  
4 investment or rate base that is added. The question is  
5 whether the investment in plant under consideration produces  
6 revenues. In short, the Commission and the courts are both  
7 concerned with the mismatch of revenues with  
8 investment/expenses. If the plant that is added does not  
9 add additional revenue or if that additional revenue is *de*  
10 *minimis*, then there is no mismatch of revenues and expenses  
11 when the full or year-end investment of the plant item is  
12 included in rate base. In my opinion, if the full or year-  
13 end investment of the plant is not recognized in the test  
14 year when there is no additional revenue, a Commission  
15 determination to not include the investment would be  
16 unreasonable.

17 Q. What type of additional plant does not add  
18 additional revenue?

19 A. There are two classic examples of this issue  
20 in the current proceeding. The rewind of the Bridger  
21 generator and other activities at Bridger No. 3 do not  
22 increase the Company's revenues. The rewind did not add  
23 additional revenues that were not already included in the  
24 test year. The rewind of the generator is required to avoid  
25 the potential failure of the generator and was undertaken

1 for reliability purposes, not to increase plant production.  
2 Since reliability has been increased, the investment is  
3 prudent and it must be fully recognized or the Company's  
4 investors will not be compensated for their investment.  
5 Delaying a return on the full investment until a later test  
6 year is unfair when the full investment is for a project  
7 that will be used and useful throughout the period of time  
8 new rates will be in effect. This is doubly unfair when  
9 only the depreciated plant will be included in the next test  
10 year.

11 The Brownlee-Oxbow transmission line falls in the  
12 same category. That line was constructed for reliability  
13 purposes to add an additional power source to the greater  
14 Boise area and does not add additional revenue to the test  
15 year that is not already included. The full benefit of that  
16 line is realized once the transmission line is placed in  
17 service and the Company's customers are receiving the full  
18 benefit of that line. To delay a return on a portion of the  
19 investment based upon an argument that the investment has  
20 not been on line for the full year ignores the basic  
21 fundamentals of rate making.

22 Q. Mr. Leckie implies that his position requires  
23 an interpretation of Idaho Code, § 61-502A. Do you agree?

24 A. No, I do not. I am advised by Company legal  
25 counsel that Idaho Code, § 61-502A does not apply to the

1 investments in Bridger or Brownlee-Oxbow. Rather, as set  
2 forth in the legislative intent section of that legislation,  
3 Idaho Code, § 61-502A was passed specifically for the  
4 purpose of overturning the Supreme Court decision, *Utah*  
5 *Power & Light Company v. Idaho Public Utilities Commission*,  
6 105 Idaho 822, 673 P.2d 422 (December 14, 1983), which  
7 decision had required the inclusion of construction work in  
8 progress in rate base. That section has nothing to do with  
9 the inclusion of short-term work in progress in rate base.

10 Q. Is short-term work in progress referred to in  
11 the section?

12 A. Yes, but only to make it clear that short-  
13 term work in progress is not excluded, and would continue to  
14 be included in rate base as it had always been.

15 Q. Why does Idaho Code, § 61-502A not apply to  
16 the Bridger rewind project and the Brownlee-Oxbow  
17 transmission line?

18 A. Neither the Bridger rewind project nor the  
19 Brownlee-Oxbow transmission line are projects that began and  
20 were completed in twelve months. The two investments are  
21 not construction work in progress, since they are now on-  
22 line, and for the same reason, they are not plant held for  
23 future use. As a result, Idaho Code, § 61-502A is not  
24 applicable.

25 Q. Can you also comment on Staff's proposal to

1 disallow a return on the Brownlee Woodhead Park?

2           A.       I am not aware of any precedent for the  
3 Staff's recommendation. The plant is currently used and  
4 useful, the park is a part of a hydroelectric facility. The  
5 license for Hells Canyon is subject to the jurisdiction of  
6 the Federal Energy Regulatory Commission, and FERC has  
7 approved the improvements to the park. The only basis  
8 advanced by Staff for removing the investment is that it  
9 will also be used for relicensing purposes at a later date.  
10 Staff has not contended that the improvements to the  
11 Woodhead Park are imprudent. The Company's investors are  
12 entitled to a return on the investment of the Brownlee  
13 Woodhead Park, as that investment meets the criteria of all  
14 rate-making principles. It is used and useful, it is a  
15 prudent investment, and it is currently authorized under the  
16 Federal Energy Regulatory Commission license for the Hells  
17 Canyon Project. That the park will be a factor in the  
18 relicensing process should not disqualify the facility from  
19 being currently included in rate base.

20           Q.       Does Staff's recommendation that the  
21 depreciation expense of the Woodhead Park investment be  
22 allowed further demonstrate the unreasonableness of Staff's  
23 position?

24           A.       Yes. To contend that the Company can only  
25 recover its depreciation expenses, (i.e. recover its

1 investment, which will cause a reduction in investment) is,  
2 in essence, to allow for the recovery of the investment  
3 without any return on that investment. I am legally advised  
4 that this position is one of obvious confiscation. The  
5 utility has made an investment for which Staff recommends it  
6 receive no return, even though the investment is being  
7 reduced through depreciation.

8 Q. On Page 33 of his testimony, Mr. Holm  
9 discusses three items related to outside consulting  
10 assistance used by Idaho Power in three different  
11 proceedings during 2003. He proposes to amortize these  
12 amounts over five years. What is your response to his  
13 proposal?

14 A. Idaho Power retains expert outside services  
15 every year. These three instances are indicative of the  
16 usual level of expense, not a one-time phenomena and should  
17 be recovered fully in the test year.

18 Q. Mr. Holm also addresses two intervenor  
19 funding amounts and proposes a similar one-fifth recovery  
20 per year. In the alternative, Mr. Holm also lists the PCA  
21 as a means for their recovery. What is your response?

22 A. Because the PCA is an annual adjustment, it  
23 is the perfect tool to recover intervenor funding amounts.

24 Irrigation Subsidy

25 Q. Witnesses Mr. Higgins (Kroger), Dr. Peseau

1 (Micron), and Dr. Power (AARP) both suggest systematic  
2 approaches to eliminate the irrigation subsidy demonstrated  
3 by the Company's Class Cost of Service Study, Exhibit No.  
4 39. Please respond to their recommendations.

5           A.           These witnesses seek to pursue a systematic  
6 approach to removing the irrigation subsidy. Mr. Higgins  
7 and Dr. Power recommend periodic rate adjustments to all  
8 customer groups such that the irrigation revenues are  
9 increased over time with corresponding decreases to the  
10 other customer groups. Dr. Peseau sets all customer groups'  
11 revenue requirements, except for irrigation service, to cost  
12 of service now and then periodically increases the  
13 irrigation rates until they have reached cost of service.  
14 The revenue shortfall experienced by Idaho Power is deferred  
15 and collected in the future from the irrigation class.

16           In my mind, if the Commission were to accept any of  
17 these recommendations, three conditions would have to be  
18 present - (1) cost of service would be the sole basis for  
19 determining the revenue requirement of each customer class,  
20 (2) the results from the current-cost-of service analysis  
21 would be expected to continue into the future, and (3) the  
22 time period between general rate filings would be expected  
23 to be significant. I do not believe that any of these  
24 conditions exist at this time.

25           Regarding the first condition, the Idaho Commission

1 has historically taken more than just the pure cost of  
2 service result into account when establishing class revenue  
3 allocations, with rate shock being one of those  
4 considerations. Addressing the second condition, the costs  
5 of service results do change over time for a number of  
6 economic and technological reasons. Changes in load and  
7 usage patterns within customer classes as well as changes to  
8 the Company's marginal costs all affect the cost-of-service  
9 results. In addition, pricing impacts, consumer  
10 information, new peak clipping programs, and the selection  
11 of new resources will continue to change the Company's costs  
12 going forward. Finally, with regard to the third condition,  
13 it is my expectation that the Company will be filing  
14 successive general rate adjustments in the coming years that  
15 will provide opportunities to timely reevaluate the  
16 irrigation subsidy. I make this statement knowing that the  
17 Bennett Mountain Plant is under construction, the Company's  
18 capital budgets are dramatically increasing in the next  
19 several years in all areas, and that the Hells Canyon  
20 Relicensing is scheduled for completion in 2008.

21 Q. Should the Commission decide to institute a  
22 systematic approach at this time, does the Company have a  
23 preference between the recommendations?

24 A. The Company views the recommendations of Mr.  
25 Higgins and Dr. Power as the only workable approach. Idaho

1 Power has no appetite to establish a deferral for  
2 uncollected irrigation revenue. Postponing a rate increase  
3 to match a deferral of costs is inappropriate when rates can  
4 easily be approved to match current cost levels. Deferral  
5 accounting will only add another level of complexity to an  
6 already complicated issue. In addition, aggressively  
7 ramping up irrigation rates without an evaluation at each  
8 step could have a severe impact to the irrigation customer  
9 class. The Company, or those irrigation customers remaining  
10 in business at the end of Dr. Peseau's process could easily  
11 be left holding the bag. Given the importance of  
12 electricity to the quality of life for all people, the  
13 Company believes that great care must be taken with any  
14 systematic approach to the elimination of the irrigation  
15 subsidy.

16 Monthly Service Charge

17 Q. Witnesses Mr. Hirsh, Ms. Ottens, Mr. Schunke,  
18 and Dr. Power have addressed the Company's proposed monthly  
19 service charge. What is your understanding of the positions  
20 that these witnesses have taken with respect to the  
21 Company's recommendation?

22 A. My understanding of the positions taken by  
23 these witnesses are as follows:

24 Ms. Hirsh states in her testimony that the only  
25 costs that can appropriately be included in the fixed

1 monthly service charge for the residential class are those  
2 that are customer-specific and that do not vary with the  
3 number of customers served or with demand or energy usage.  
4 Ms. Hirsh states these costs are meters, line drops, meter  
5 reading and billing; but in order to incent customers to  
6 increase energy efficiency and conserve energy, the monthly  
7 service charge should be considerably lower even than the  
8 sum of these costs. That is, that some portion of these  
9 customer-related costs, as defined by Ms. Hirsh, should be  
10 transferred into other rate elements within the residential  
11 class to increase the portion of the bill over which  
12 customers have control.

13 Ms. Ottens states that the Company's proposed  
14 monthly service charge does not take into account the  
15 situation of low-income customers and the impact of their  
16 monthly electric bills on limited financial resources. She  
17 states that the Company's proposal results in low-income  
18 households paying for fixed costs beyond their control and  
19 that low-income customers will be unable to compensate or  
20 utilize energy conservation methods in order to keep their  
21 bills low. Ms. Ottens recommends that Idaho Power's  
22 residential monthly service charge remain at its current  
23 level.

24 Mr. Shunke's position regarding the monthly service  
25 charge varies from class to class. In general, Mr. Shunke's

1 position is that, at least with respect to the residential  
2 class, (Schedule 1), the small general service class  
3 (Schedule 7), and the large general service class -  
4 secondary (Schedule 9- secondary) the monthly service charge  
5 should include only the direct costs of meter reading and  
6 billing and should not include any fixed plant cost. In  
7 addition, he states that the Company's proposed monthly  
8 service charge for the residential class will have a  
9 disproportionate effect on low-income customers and sends  
10 the incorrect signal that largest users should receive a  
11 small rate increase while customers with the lowest usage  
12 should receive the highest increase. He recommends an  
13 increase in the customer charge for the residential and  
14 small general service classes but not to the level justified  
15 by cost of service because of the low overall staff-  
16 recommended rate increase for these customers.

17 Dr. Power asserts that the appropriate definition of  
18 customer costs are those meter reading and billing costs  
19 that vary with the number of customers and that this  
20 variable portion represents about 70 percent of total  
21 billing and meter reading costs for the residential class.  
22 Dr. Power objects to the Company's method of designating  
23 distribution costs as customer or demand related and to the  
24 principle of aligning fixed and variable costs with fixed  
25 and variable prices, respectively. He proposes a small

1 increase in the existing monthly service charge, only, to  
2 account for some of the effects of inflation.

3 Q. Please respond to the collective criticisms.

4 A. Idaho Power seeks to better align costs and  
5 prices. As is expressed in my direct testimony on the  
6 irrigation subsidy, sometimes this alignment has  
7 constraining circumstances that calls for a less than cost  
8 of service result to be implemented. The Company realizes  
9 that within a customer group there can be billing impacts of  
10 a rate design change that are too dramatic for the moment.  
11 Idaho Power believes that ultimately the Monthly Service  
12 Charge should actually be much higher than the current  
13 proposal, potentially in the \$25 to \$30 range. Because of  
14 the intra-class billing impacts, the Company proposed a  
15 partial yet material step to \$10. However, similar to our  
16 position on the irrigation subsidy, the Company believes  
17 some progress needs to be made in reducing the disparity.

18 In an ideal situation, the capacity costs for  
19 Residential and Small General Service customers would be  
20 recovered through some type of demand charge. The metering  
21 for these two customer classes do not presently provide that  
22 option, leaving only two charges from which to collect the  
23 capacity costs - the monthly service charge and the energy  
24 charge. Since energy costs to serve small customers are not  
25 dramatically more than serving large customers, Idaho Power

1 seeks to remove or at least partially remove the capacity  
2 costs from the energy charge and move these costs onto the  
3 monthly service charge. The monthly service charge would  
4 eventually become an access charge.

5           Deregulation would ultimately separate the energy  
6 component from the access component. The access component  
7 is the collection of facilities and expenses (unrelated to  
8 energy) required to serve a customer from the grid.

9 Although Idaho Power does not believe deregulation to be on  
10 the immediate horizon in Idaho, we do know how quickly the  
11 issue emerged before. We also have a reasonable idea of how  
12 much unbundling and rebundling needs to be done to our  
13 pricing structure before deregulation could take place.

14           Finally, an access and usage approach is working in  
15 many service industries and has a logical application for  
16 electric service as well.

17           Q.       Please respond to the suggestion that the  
18 energy rate needs to be high in order to provide a  
19 conservation signal.

20           A.       I would ask what is the economic basis for  
21 setting the high energy rate and why should it only apply to  
22 the small customer? It makes no sense to me to apply an  
23 arbitrary conservation price signal to only the smallest  
24 customers. Fixed cost recovery through variable rates can  
25 itself be a barrier to the introduction of demand-side

1 activities because the utility is resistant to reducing  
2 sales and not covering all of its fixed costs. Ultimately,  
3 customers can lower their bills by using less, no matter  
4 what the energy rate, since every kilowatt-hour is billed.

5 Q. Ms. Ottens, in her testimony (page 10 line  
6 12), expresses concern that the Company's proposed increase  
7 to the minimum monthly service charge will hit the low  
8 income customers hardest because the charge is not directly  
9 correlated to the level of actual energy usage and because  
10 low income customers cannot compensate by turning the lights  
11 off and the heat down. Please address these concerns.

12 A. The Company disagrees with Ms. Ottens  
13 assertion. It is Idaho Power's position that because  
14 residential service includes two rate components, the  
15 monthly service charge and the energy charge, every customer  
16 whether low income or not can affect the amount of their  
17 energy bill by improving control over household energy use.  
18 Customers can compensate not just by turning the lights off  
19 and the heat down but by changing filters regularly, moving  
20 furniture away from registers, cleaning light fixtures  
21 regularly, and caulking doors and windows.

22 It is also significant to note that because  
23 Residential Service includes only two rate components an  
24 increase in the amount of revenue recovered through the  
25 service charge results in a decrease in the necessary amount

1 of revenue to be recovered through the energy charge. With  
2 a higher service charge, the energy charge can be set lower  
3 than it otherwise would be.

4 Mr. Robinette states in his testimony (page 8, line  
5 3) that "due to the very nature, low income households  
6 reside in older housing stock that are the most energy  
7 inefficient". He suggests that these inefficiencies lead to  
8 high usage and utility bills that "start building up and  
9 become unmanageable." The Company's data for low-income  
10 customers confirms that the majority of low-income customers  
11 have usage greater than 700 kWh in both the summer and non-  
12 summer months. (Please see Exhibit No.79, Idaho Power's  
13 Response to 3<sup>rd</sup> Production Request of Staff No. 40). The  
14 Company analysis also confirms that for both the summer and  
15 non-summer months, but particularly during the heating  
16 season, the lower energy charge resulting from the increase  
17 in the service charge to \$10.00 is actually beneficial to a  
18 majority of our low-income customers.

19 Fixed Cost True-Up Mechanism

20 Q. In Mr. Cavanagh's direct testimony, he states  
21 that there are significant financial disincentives to  
22 sustained investments in cost-effective energy efficiency and  
23 small-scale "distributed" generating resources by Idaho Power  
24 Company. Mr. Cavanagh proposes a solution to this problem,

1 and starts off by stating that one of the Company's most  
2 important responsibilities involves the process of integrated  
3 resource planning. Do you agree?

4           A.           Yes, I do agree that one of the Company's  
5 important responsibilities is integrated resource planning.  
6 In fact, the Company is currently preparing its 2004  
7 Integrated Resource Plan. As part of this biennial process,  
8 the Company has solicited public input throughout the  
9 planning process, and has implemented an Integrated Resource  
10 Planning Advisory Council which meets regularly with the  
11 Company. This Advisory Council reviews material prepared by  
12 the Company as well as makes suggestions and presentations to  
13 the group for alternative resources to meet the Company's  
14 resource needs. Mr. Cavanagh is a member of this advisory  
15 council and has participated throughout the process.

16           Q.           Mr. Cavanagh proposes a possible solution for  
17 these perceived financial disincentives by recommending that  
18 the Commission adopt a simple system of periodic true-ups in  
19 electric rates, designed to correct for disparities between  
20 the Company's actual fixed cost recoveries and the revenue  
21 requirement approved by the Commission in this proceeding.  
22 Mr. Cavanagh states that these true-ups would either restore

1 to the Company or give back to the customers the dollars that  
2 were under- or over-recovered as a result of annual  
3 throughput fluctuations. Does the Company agree with this  
4 solution?

5           A.       Mr. Cavanagh recognizes the dilemma that the  
6 Company faces when fixed costs are not recovered fully  
7 through retail sales because sales volumes are lower than  
8 projected. The Company has begun an extensive review of this  
9 problem and is looking objectively at several possible  
10 solutions. However, such a system of periodic true-ups may  
11 not ultimately be as "simple" as Mr. Cavanagh suggests. The  
12 Company has retained an independent consultant, Mr. Eric  
13 Hirst, to assist it in performing a survey and analysis of  
14 various true-up mechanisms, sometimes referred to as  
15 decoupling. Mr. Hirst is well known in the industry and has  
16 much experience with alternative methodologies for recovering  
17 utility fixed costs. A system of periodic true-ups may be  
18 something the Company and its customers may desire in the  
19 future, but the Company is not prepared to recommend one at  
20 this time.

21           At this point, the Company remains fully objective  
22 on the decoupling issue, but is keenly interested in how the

1 revenues are eventually recoupled as well. As Idaho Power  
2 has discovered in its Power Cost Adjustment, sometimes there  
3 are unanticipated and unintended consequences.

4 The Company's preference would be to complete an  
5 issue analysis paper with the help of Mr. Hirst, and  
6 distribute a draft for comment to interested parties before  
7 coming to a decision point on how best to proceed. This  
8 issue lends itself to the workshop and settlement process.

9 Rebuttal Summary

10 Q. Have you prepared an exhibit that summarizes  
11 Idaho Power's positions on rebuttal?

12 A. Yes. Exhibit No. 80 provides that summary in  
13 a format that shows Idaho Power's initially filed positions,  
14 the Staff's initial position, and our rebuttal position.  
15 Each element of the revenue requirement equation is  
16 segmented in Exhibit No. 80. Under the overall Rate of  
17 Return section, Idaho Power -- through witnesses Mr. Avera  
18 and Mr. Gribble -- continues to support 11.2 percent as the  
19 appropriate rate. The Company can accept Staff witness Ms.  
20 Carlock's 2004 bond pricing adjustment to the debt component  
21 with the caveat that Idaho Power's 2004 adjustments remain  
22 in place. Mr. Gribble's Exhibit No. 63 provides the updated  
23 capital structure without accepting the bond repricing.  
24 When Ms. Carlock's recommendation is considered, the debt  
25 component rate changes to 5.859 percent and the new overall

1 Rate of Return remaining at 8.334 percent.

2 As outlined in the rebuttal testimony of Messrs.  
3 Obenchain, Prescott, and Fowler, the Company does not  
4 believe any of the Staff rate base reductions are  
5 appropriate. The same overall rate of return applied to the  
6 Company's originally requested rate base amount results in  
7 no change to the return on rate base.

8 Idaho Power has accepted several of the expense  
9 adjustments as proposed by Staff as reasonable in the light  
10 of changed circumstances. Obviously, the Company agrees  
11 with the reduction of depreciation expense of \$4,411,292.  
12 This amount is reflective of the settlement depreciation  
13 case, IPC-E-03-07. The Commission approved the settlement in  
14 its Order No. 29363 issued on October 22, 2003, a date that  
15 came after the filing of the general rate case on October  
16 16, 2003.

17 The Company also agrees that certain adjustments  
18 related to the year-end payroll expenses should be reduced  
19 to take into consideration that the Company did not reach  
20 the employment level in December that was expected when the  
21 case was filed. This impacts three items: the year-end  
22 annualizing payroll adjustment, the Structural Salary  
23 Adjustment ("SSA"), and the incentive on pay-at-risk  
24 adjustment. We agree with Mr. Holm's reduction to the year-  
25 end payroll annualizing adjustment of \$2,052,264 and Mr.

1 Holm's reduction to the SSA of \$116,675.

2           The Company does not agree with the Staff's complete  
3 removal of the pay-at-risk incentive portion of the employee  
4 total compensation as discussed by Mr. Minor in his rebuttal  
5 testimony. We do believe its appropriate to reduce this  
6 amount to reflect year-end employment levels also.  
7 Accordingly, the pay-at-risk/incentive adjustment has been  
8 decreased by \$277,463.

9           After considering the direct testimony of Staff  
10 witness Mr. English on pension expense and conferring with  
11 the Company's actuary, Mr. Brad Fowler, we have decided to  
12 not ask for Service Cost treatment for pension expense and  
13 have accepted the more traditional FAS 87 approach. As a  
14 result, we no longer request an adjustment to expense of  
15 \$2,170,160 and our requested expenses drop by that same  
16 amount. Mr. Fowler's rebuttal testimony supports this  
17 decision.

18           Finally, there are some expenses uncovered by Staff  
19 in their review that should not have been included in the  
20 Company's expenses. These include political and charitable  
21 contributions and other expenses that were recorded  
22 incorrectly. We do continue to argue for the legitimacy of  
23 other business expense related to EEI, service club, and  
24 Chamber memberships, and legal expenses related to Idaho  
25 Power's interest in the western refund proceedings.

1           In conclusion, the Company's rebuttal testimony has  
2 been directed at our position on the issues, not fixing the  
3 Staff's position. We cannot do both in the time frame  
4 allowed. Ultimately, if Staff prevails on some of their  
5 disallowances, there will be secondary effects that must be  
6 addressed at that time.

7           In total, Idaho Power Company acknowledges a  
8 \$9,066,310 decrease to our originally proposed expense  
9 adjustments. The corresponding tax gross up impact is  
10 \$5,820,571. The Company's requested revenue increase drops  
11 to \$70,675,029 from the original \$85,561,910.

12           Q.       Does this conclude your direct rebuttal  
13 testimony?

14           A.       Yes, it does.

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-03-13

IDAHO POWER COMPANY

EXHIBIT NO. 79

J. GALE

IPCo Resonse to 3<sup>rd</sup> Production  
Request of Commission Staff  
Request 40

### 2003 Outage Call Performance

Call Volume	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
IVR	4,318	5,332	5,867	5,889	9,145	16,033	20,522	10,346	8,596	6,800			92,848
Agent	3,467	3,819	4,364	4,210	5,538	7,295	8,367	6,469	4,765	4,478			52,772
<b>Service Level</b>													
IVR	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			100%
Agent	94.3%	90.9%	90.7%	61.6%	91.3%	93.0%	94.0%	97.2%	91.9%	95.5%			90.9%

The response to this request was prepared by Sue Fullen, General Manager of Customer Services and Metering, Idaho Power Company, in consultation with Barton L. Kline, Senior Attorney, Idaho Power Company.

**REQUEST NO. 40:** Please provide studies or other evidence to support Maggie Brilz's testimony stating that the increase in the customer charge from \$2.51 to \$10.00 per month will not be detrimental to low income customers. (Reference page 36, line 18, Direct Testimony).

**RESPONSE TO REQUEST NO. 40:** The increase in the service charge from \$2.51 to \$10.00 under the proposal filed by the Company and detailed on page 2 of Exhibit No. 22, results in approximately 16% of the total residential class revenue requirement of \$255,076,295 being recovered through the fixed charge. If the service charge were to remain at \$2.51, the amount of revenue requirement recovered through the fixed charge would be less than 4%. Because Schedule 1, Residential Service, includes only two rate components, the service charge and the energy charge, an increase in the amount of revenue recovered through the service charge results in a decrease in the amount of revenue recovered through the energy charge. With a higher service charge, the energy charge can be set lower than it otherwise would be in order to recover the revenue requirement. If the service charge were to remain at \$2.51

rather than increase to \$10.00 as proposed by the Company, the energy charge would need to be increased by 14% over that included in the Company's filing in order for the revenue requirement to be recovered. Page 1 of the attachment to this response details this computation.

As is shown on page 1 of Exhibit No. 44, the percent increase for various monthly usage levels declines as more energy is consumed. Customers consuming more than 700 kWh during the non-summer months experience an increase less than the 19% average requested for the class as a whole (line 8, column 5, page 1 of Exhibit No. 44). This decline in the percentage impact as more energy is consumed is a direct effect of increasing the fixed charge and including in the energy charge less non-energy related costs.

Pages 2 through 7 of the attachment to this response detail the bill frequency data for low-income customers (based on those customers who received LIHEAP funds during the winter of 2002-2003) during the non-summer months of September through May, the typically high heating months of November through March, and the summer months of June through August. The Company's data for low-income customers indicates that the average monthly usage during the non-summer months for low-income customers is greater than 700 kWh for approximately 70% of the customers. The data also indicates that during the heating months of November through March approximately 86% of low-income customers have average monthly usage greater than 700 kWh while approximately 62% of the customers have usage equal to or greater than 1200 kWh per month. Although the average usage per low-income customer is less during the summer months than during the non-summer

Exhibit No. 79  
Case No. IPC-E-03-13  
J. Gale, IPCo  
Page 2 of 13

months, approximately 55% of the low-income customers have average monthly usage greater than 700 kWh during the summer. For both the summer and non-summer months, but particularly during the heating season, the lower energy charge resulting from the increase in the service charge to \$10.00 is beneficial to a large percentage of low-income customers.

Pages 8 and 9 of the attachment to this response detail the number of customers receiving LIHEAP funds by city, the percentage distribution of customers who receive LIHEAP funds by city, the number of housing units in each city based on U. S. Census data, and the percentage of households receiving LIHEAP funds by city. As can be seen from pages 8 and 9, the areas with the largest percentage of households receiving LIHEAP funds tend to be the more rural areas of the Company's service territory where alternative fuel sources for space heating are less likely to be available.

The response to this request was prepared by Maggie Brilz, Pricing Director, Idaho Power Company, in consultation with Barton L. Kline, Senior Attorney, Idaho Power Company.

**REQUEST NO. 41:** Company witness Fullen stated in her testimony that Idaho Power gave an additional \$100,000 to Project Share during recent high energy cost years. On what date(s) was the additional money given to Project Share? Were there any conditions or restrictions for its use? If so, please explain.

**RESPONSE TO REQUEST NO. 41:** The requested material is attached. Idaho Power placed no restrictions on the monies. The funds are managed through the Salvation Army.

Exhibit No. 79  
Case No. IPC-E-03-13  
J. Gale, IPCo  
Page 3 of 13

**IDAHO POWER COMPANY**

**CASE NO. IPC-E-03-13**

**THIRD PRODUCTION REQUEST  
OF COMMISSION STAFF**

**ATTACHMENT TO  
RESPONSE TO  
REQUEST NO. 40**

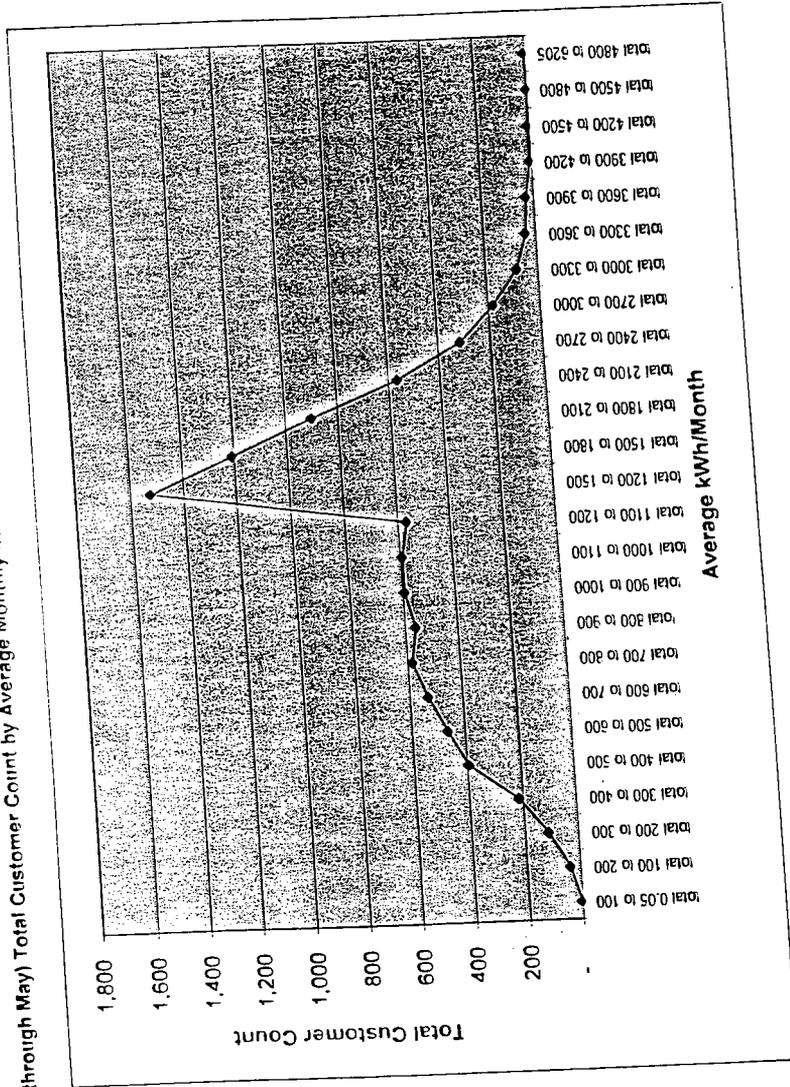
Idaho Power Company  
State of Idaho  
Normalized 12-Months ending December 31, 2003  
Impact on Energy Charge of \$2.51 Service Charge

Residential Service  
Schedule 1

1	Revenue w/ \$10.00 Service Charge	\$40,189,993
2	Minimum Service Charge	<u>107,836</u>
3	TOTAL	\$40,297,829
4	Revenue w/ \$2.51 Service Charge	10,087,688
5	Minimum Service Charge	<u>26,959</u>
6	TOTAL	10,114,647
7	Revenue Difference (Line 3 - Line 6)	\$30,183,182
8	Proposed Revenue from Energy Charge	214,786,819
9	Plus: Service Charge Revenue Difference	<u>30,183,182</u>
10	TOTAL	244,970,001
11	Required Increase in Energy Charge	14%

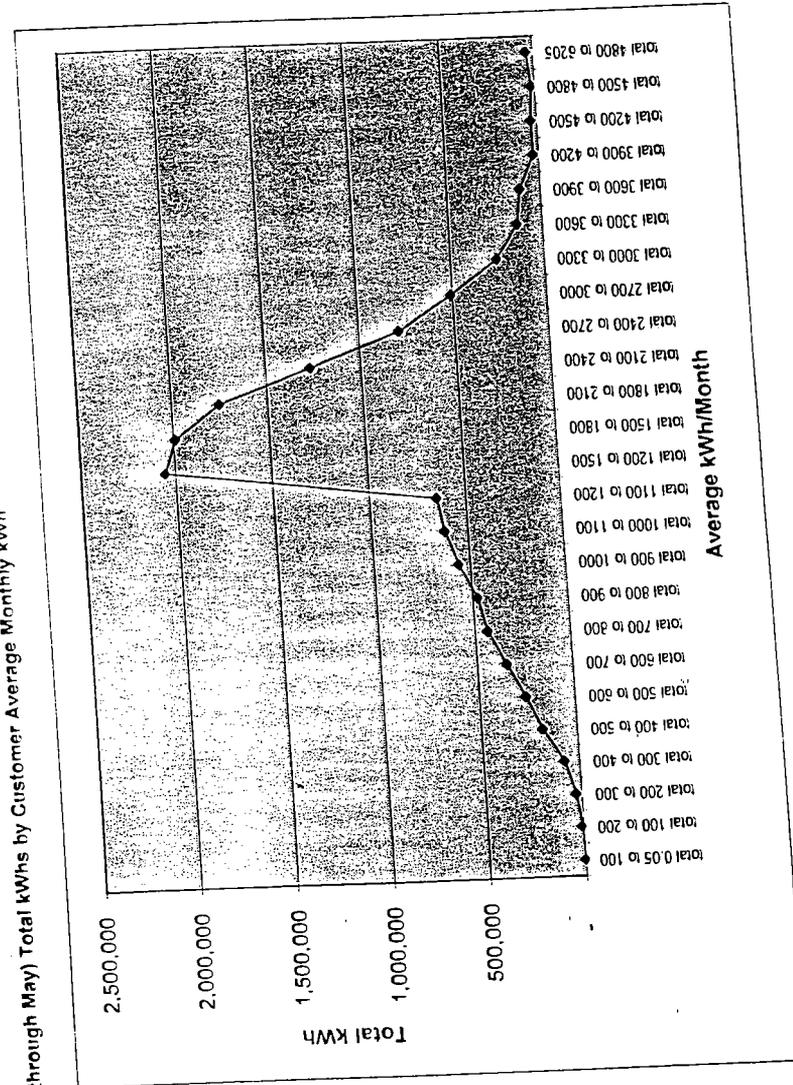
Non Summer Months (September through May) Total Customer Count by Average Monthly kWh

Average kWh/Month	Total Customer Count	Percentage	Accumulated Percentage
total 0.05 to 100	1	0.01%	0.41%
total 100 to 200	38	0.40%	1.58%
total 200 to 300	111	1.17%	3.83%
total 300 to 400	214	2.25%	7.98%
total 400 to 500	394	4.15%	12.85%
total 500 to 600	463	4.87%	18.42%
total 600 to 700	529	5.57%	24.53%
total 700 to 800	581	6.12%	30.42%
total 800 to 900	559	5.88%	36.65%
total 900 to 1000	592	6.22%	42.87%
total 1000 to 1100	566	5.96%	48.83%
total 1100 to 1200	1,526	16.06%	64.89%
total 1200 to 1500	1,208	12.71%	77.60%
total 1500 to 1800	898	9.45%	87.05%
total 1800 to 2100	564	5.94%	92.99%
total 2100 to 2400	313	3.29%	96.28%
total 2400 to 2700	180	1.89%	98.18%
total 2700 to 3000	81	0.85%	99.03%
total 3000 to 3300	39	0.41%	99.44%
total 3300 to 3600	29	0.31%	99.75%
total 3600 to 3900	7	0.07%	99.82%
total 3900 to 4200	7	0.07%	99.89%
total 4200 to 4500	4	0.04%	99.94%
total 4500 to 4800	6	0.06%	100.00%
total 4800 to 6205	9,501	100.00%	



Non Summer Months (September through May) Total kWhs by Customer Average Monthly kWh

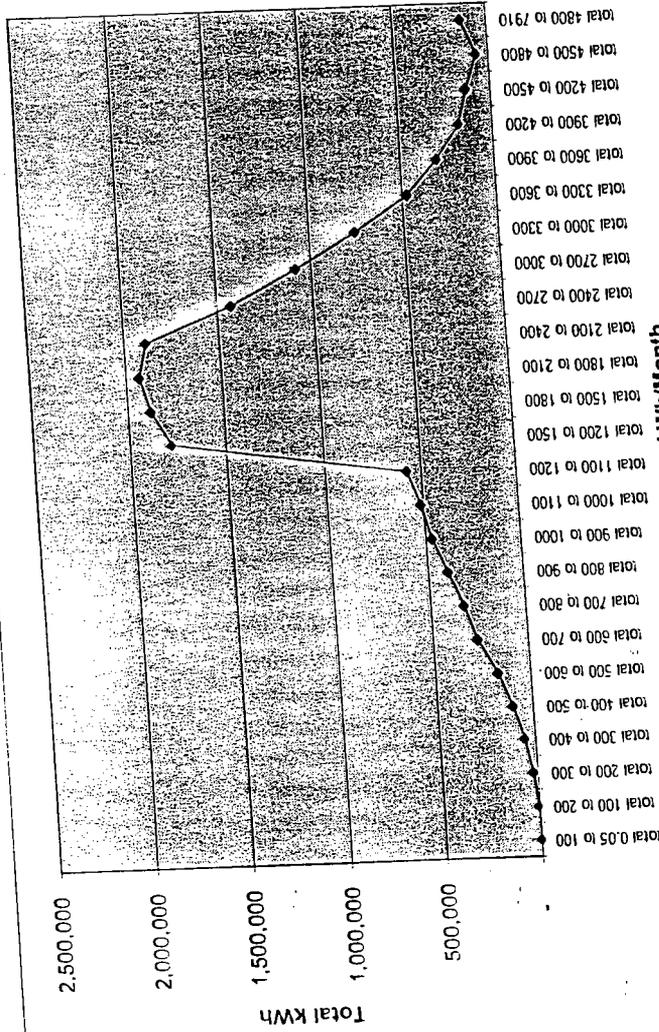
Average kWh/Month	Total kWh	Percentage	Accumulated Percentage
total 0.05 to 100	44	0.00%	0.05%
total 100 to 200	6,428	0.05%	0.28%
total 200 to 300	28,369	0.23%	0.88%
total 300 to 400	75,876	0.60%	2.29%
total 400 to 500	177,775	1.41%	4.32%
total 500 to 600	255,787	2.03%	7.06%
total 600 to 700	344,800	2.74%	10.51%
total 700 to 800	434,758	3.45%	14.29%
total 800 to 900	475,759	3.78%	18.76%
total 900 to 1000	562,000	4.46%	23.69%
total 1000 to 1100	620,570	4.93%	28.86%
total 1100 to 1200	651,137	5.17%	34.16%
total 1200 to 1500	2,052,329	16.30%	60.96%
total 1500 to 1800	1,989,076	15.80%	74.81%
total 1800 to 2100	1,743,642	13.85%	84.82%
total 2100 to 2400	1,260,642	10.01%	91.12%
total 2400 to 2700	793,298	6.30%	95.17%
total 2700 to 3000	510,220	4.05%	97.19%
total 3000 to 3300	253,975	2.02%	98.25%
total 3300 to 3600	133,876	1.06%	99.12%
total 3600 to 3900	109,109	0.87%	99.35%
total 3900 to 4200	28,622	0.23%	99.59%
total 4200 to 4500	30,255	0.24%	99.73%
total 4500 to 4800	18,400	0.15%	99.73%
total 4800 to 6205	33,412	0.27%	100.00%
<b>total</b>	<b>12,590,158</b>	<b>100.00%</b>	



Winter Months (November through March) Total kWhs by Customer Average Monthly kWh

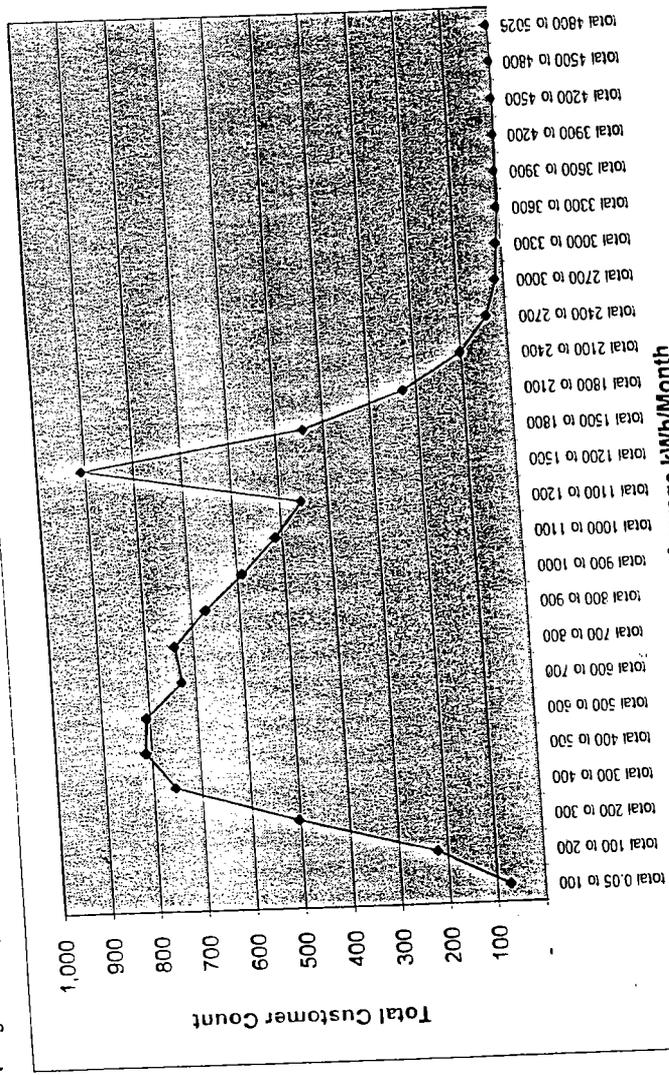
Average kWh/Month	Total Customer Count	Percentage	Accumulated Percentage
total 0.05 to 100	3	0.03%	0.39%
total 100 to 200	34	0.36%	1.39%
total 200 to 300	94	1.00%	3.04%
total 300 to 400	156	1.65%	5.52%
total 400 to 500	234	2.48%	8.82%
total 500 to 600	311	3.30%	13.17%
total 600 to 700	410	4.35%	17.73%
total 700 to 800	430	4.56%	22.65%
total 800 to 900	465	4.93%	27.89%
total 900 to 1000	494	5.24%	33.09%
total 1000 to 1100	490	5.19%	38.38%
total 1100 to 1200	499	5.29%	43.67%
total 1200 to 1300	1,324	14.04%	57.71%
total 1300 to 1400	1,141	12.10%	69.81%
total 1400 to 1500	993	10.53%	80.34%
total 1500 to 1600	840	8.90%	89.24%
total 1600 to 1700	840	8.90%	98.14%
total 1700 to 1800	560	5.94%	104.08%
total 1800 to 1900	380	4.03%	108.11%
total 1900 to 2000	241	2.55%	110.66%
total 2000 to 2100	139	1.47%	112.13%
total 2100 to 2200	82	0.87%	113.00%
total 2200 to 2300	44	0.47%	113.47%
total 2300 to 2400	30	0.32%	113.79%
total 2400 to 2500	14	0.15%	113.94%
total 2500 to 2600	25	0.27%	114.21%
total 2600 to 2700			
total 2700 to 2800			
total 2800 to 2900			
total 2900 to 3000			
total 3000 to 3100			
total 3100 to 3200			
total 3200 to 3300			
total 3300 to 3400			
total 3400 to 3500			
total 3500 to 3600			
total 3600 to 3700			
total 3700 to 3800			
total 3800 to 3900			
total 3900 to 4000			
total 4000 to 4100			
total 4100 to 4200			
total 4200 to 4300			
total 4300 to 4400			
total 4400 to 4500			
total 4500 to 4600			
total 4600 to 4700			
total 4700 to 4800			
total 4800 to 4900			
total 4900 to 5000			
total 5000 to 5100			
total 5100 to 5200			
total 5200 to 5300			
total 5300 to 5400			
total 5400 to 5500			
total 5500 to 5600			
total 5600 to 5700			
total 5700 to 5800			
total 5800 to 5900			
total 5900 to 6000			
total 6000 to 6100			
total 6100 to 6200			
total 6200 to 6300			
total 6300 to 6400			
total 6400 to 6500			
total 6500 to 6600			
total 6600 to 6700			
total 6700 to 6800			
total 6800 to 6900			
total 6900 to 7000			
total 7000 to 7100			
total 7100 to 7200			
total 7200 to 7300			
total 7300 to 7400			
total 7400 to 7500			
total 7500 to 7600			
total 7600 to 7700			
total 7700 to 7800			
total 7800 to 7900			
total 7900 to 8000			
total 8000 to 8100			
total 8100 to 8200			
total 8200 to 8300			
total 8300 to 8400			
total 8400 to 8500			
total 8500 to 8600			
total 8600 to 8700			
total 8700 to 8800			
total 8800 to 8900			
total 8900 to 9000			
total 9000 to 9100			
total 9100 to 9200			
total 9200 to 9300			
total 9300 to 9400			
total 9400 to 9500			
total 9500 to 9600			
total 9600 to 9700			
total 9700 to 9800			
total 9800 to 9900			
total 9900 to 10000			
total 10000 to 10100			
total 10100 to 10200			
total 10200 to 10300			
total 10300 to 10400			
total 10400 to 10500			
total 10500 to 10600			
total 10600 to 10700			
total 10700 to 10800			
total 10800 to 10900			
total 10900 to 11000			
total 11000 to 11100			
total 11100 to 11200			
total 11200 to 11300			
total 11300 to 11400			
total 11400 to 11500			
total 11500 to 11600			
total 11600 to 11700			
total 11700 to 11800			
total 11800 to 11900			
total 11900 to 12000			
total 12000 to 12100			
total 12100 to 12200			
total 12200 to 12300			
total 12300 to 12400			
total 12400 to 12500			
total 12500 to 12600			
total 12600 to 12700			
total 12700 to 12800			
total 12800 to 12900			
total 12900 to 13000			
total 13000 to 13100			
total 13100 to 13200			
total 13200 to 13300			
total 13300 to 13400			
total 13400 to 13500			
total 13500 to 13600			
total 13600 to 13700			
total 13700 to 13800			
total 13800 to 13900			
total 13900 to 14000			
total 14000 to 14100			
total 14100 to 14200			
total 14200 to 14300			
total 14300 to 14400			
total 14400 to 14500			
total 14500 to 14600			
total 14600 to 14700			
total 14700 to 14800			
total 14800 to 14900			
total 14900 to 15000			
total 15000 to 15100			
total 15100 to 15200			
total 15200 to 15300			
total 15300 to 15400			
total 15400 to 15500			
total 15500 to 15600			
total 15600 to 15700			
total 15700 to 15800			
total 15800 to 15900			
total 15900 to 16000			
total 16000 to 16100			
total 16100 to 16200			
total 16200 to 16300			
total 16300 to 16400			
total 16400 to 16500			
total 16500 to 16600			
total 16600 to 16700			
total 16700 to 16800			
total 16800 to 16900			
total 16900 to 17000			
total 17000 to 17100			
total 17100 to 17200			
total 17200 to 17300			
total 17300 to 17400			
total 17400 to 17500			
total 17500 to 17600			
total 17600 to 17700			
total 17700 to 17800			
total 17800 to 17900			
total 17900 to 18000			
total 18000 to 18100			
total 18100 to 18200			
total 18200 to 18300			
total 18300 to 18400			
total 18400 to 18500			
total 18500 to 18600			
total 18600 to 18700			
total 18700 to 18800			
total 18800 to 18900			
total 18900 to 19000			
total 19000 to 19100			
total 19100 to 19200			
total 19200 to 19300			
total 19300 to 19400			
total 19400 to 19500			
total 19500 to 19600			
total 19600 to 19700			
total 19700 to 19800			
total 19800 to 19900			
total 19900 to 20000			
total 20000 to 20100			
total 20100 to 20200			
total 20200 to 20300			
total 20300 to 20400			
total 20400 to 20500			
total 20500 to 20600			
total 20600 to 20700			
total 20700 to 20800			
total 20800 to 20900			
total 20900 to 21000			
total 21000 to 21100			
total 21100 to 21200			
total 21200 to 21300			
total 21300 to 21400			
total 21400 to 21500			
total 21500 to 21600			
total 21600 to 21700			
total 21700 to 21800			
total 21800 to 21900			
total 21900 to 22000			
total 22000 to 22100			
total 22100 to 22200			
total 22200 to 22300			
total 22300 to 22400			
total 22400 to 22500			
total 22500 to 22600			
total 22600 to 22700			
total 22700 to 22800			
total 22800 to 22900			
total 22900 to 23000			
total 23000 to 23100			
total 23100 to 23200			
total 23200 to 23300			
total 23300 to 23400			
total 23400 to 23500			
total 23500 to 23600			
total 23600 to 23700			
total 23700 to 23800			
total 23800 to 23900			
total 23900 to 24000			
total 24000 to 24100			
total 24100 to 24200			
total 24200 to 24300			
total 24300 to 24400			
total 24400 to 24500			
total 24500 to 24600			
total 24600 to 24700			
total 24700 to 24800			
total 24800 to 24900			
total 24900 to 25000			
total 25000 to 25100			
total 25100 to 25200			
total 25200 to 25300			
total 25300 to 25400			
total 25400 to 25500			
total 25500 to 25600			
total 25600 to 25700			
total 25700 to 25800			
total 25800 to 25900			
total 25900 to 26000			
total 26000 to 26100			
total 26100 to 26200			
total 26200 to 26300			
total 26300 to 26400			
total 26400 to 26500			
total 26500 to 26600			
total 26600 to 26700			
total 26700 to 26800			
total 26800 to 26900			
total 26900 to 27000			
total 27000 to 27100			
total 27100 to 27200			
total 27200 to 27300			
total 27300 to 27400			
total 27400 to 27500			
total 27500 to 27600			
total 27600 to 27700			
total 27700 to 27800			
total 27800 to 27900			
total 27900 to 28000			
total 28000 to 28100			
total 28100 to 28200			
total 28200 to 28300			
total 28300 to 28400			
total 28400 to 28500			
total 28500 to 28600			
total 28600 to 28700			
total 28700 to 28800			
total 28800 to 28900			
total 28900 to 29000			
total 29000 to 29100			
total 29100 to 29200			
total 29200 to 29300			
total 29300 to 29400			
total 29400 to 29500			
total 29500 to 29600			
total 29600 to 29700			
total 29700 to 29800			
total 29800 to 29900			
total 29900 to 30000			
total 30000 to 30100			
total 30100 to 30200			
total 30200 to 30300			
total 30300 to 30400			
total 30400 to 30500			
total 30500 to 30600			
total 30600 to 30700			
total 30700 to 30800			
total 30800 to 30900			
total 30900 to 31000			
total 31000 to 31100			
total 31100 to 31200			
total 31200 to 31300			
total 31300 to 31400			
total 31400 to 31500			
total 31500 to 31600			
total 31600 to 31700			
total 31700 to 31800			
total 31800 to 31900			
total 31900 to 32000			
total 32000 to 32100			
total 32100 to 32200			
total 32200 to 32300			
total 32300 to 32400			
total 32400 to 32500			
total 32500 to 32600			
total 32600 to 32700			
total 32700 to 32800			
total 32800 to 32900			
total 32900 to 33000			
total 33000 to 33100			
total 33100 to 33200			
total 33200 to 33300			
total 33300 to 33400			
total 33400 to 33500			
total 33			

Winter Months (November through March) Total kWhs by Customer Average Monthly kWh



Average kWh/Month	Total kWh	Percentage	Accumulated Percentage
total 0.05 to 100	152	0.00%	0.04%
total 100 to 200	5,725	0.04%	0.20%
total 200 to 300	23,843	0.16%	0.57%
total 300 to 400	55,033	0.37%	1.28%
total 400 to 500	106,285	0.71%	2.43%
total 500 to 600	171,609	1.15%	4.21%
total 600 to 700	255,851	1.78%	6.37%
total 700 to 800	322,954	2.16%	9.02%
total 800 to 900	395,251	2.65%	12.15%
total 900 to 1000	468,018	3.13%	15.59%
total 1000 to 1100	513,216	3.44%	19.43%
total 1100 to 1200	573,657	3.84%	31.35%
total 1200 to 1500	1,780,942	11.92%	43.94%
total 1500 to 1800	1,881,277	12.59%	56.87%
total 1800 to 2100	1,931,059	12.93%	69.50%
total 2100 to 2400	1,885,555	12.62%	79.05%
total 2400 to 2700	1,426,905	9.55%	86.27%
total 2700 to 3000	1,078,966	7.22%	91.34%
total 3000 to 3300	757,083	5.07%	94.53%
total 3300 to 3600	476,592	3.19%	96.59%
total 3600 to 3900	307,237	2.06%	97.78%
total 3900 to 4200	178,233	1.19%	98.55%
total 4200 to 4500	129,989	0.87%	99.08%
total 4500 to 4800	64,553	0.43%	100.00%
total 4800 to 7910	136,857	0.92%	100.00%
<b>Total</b>	<b>14,936,841</b>	<b>100.00%</b>	

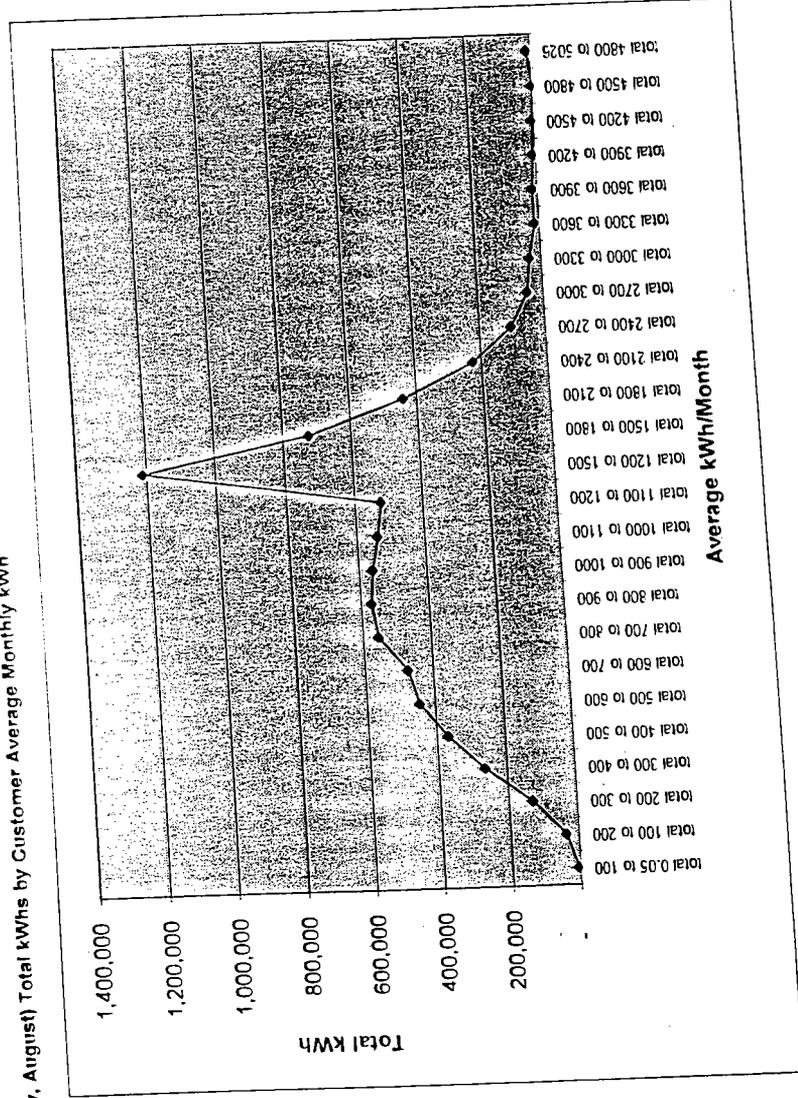
Summer Months (June, July, August) Total Customer Count by Average Monthly kWh



Average kWh/Month	Total Customer Count	Percentage	Accumulated Percentage
total 0.05 to 100	72	0.84%	3.39%
total 100 to 200	220	2.55%	9.22%
total 200 to 300	503	5.83%	17.97%
total 300 to 400	754	8.75%	27.40%
total 400 to 500	813	9.36%	36.75%
total 500 to 600	807	8.44%	45.20%
total 600 to 700	728	8.57%	53.77%
total 700 to 800	739	7.76%	61.53%
total 800 to 900	669	6.83%	68.36%
total 900 to 1000	589	5.96%	74.32%
total 1000 to 1100	514	5.28%	79.60%
total 1100 to 1200	455	10.52%	90.12%
total 1200 to 1500	907	5.13%	95.24%
total 1500 to 1800	442	2.63%	97.88%
total 1800 to 2100	227	1.17%	99.05%
total 2100 to 2400	101	0.48%	99.52%
total 2400 to 2700	41	0.20%	99.72%
total 2700 to 3000	17	0.13%	99.85%
total 3000 to 3300	11	0.05%	99.90%
total 3300 to 3600	4	0.05%	99.94%
total 3600 to 3900	4	0.02%	99.97%
total 3900 to 4200	2	0.01%	99.98%
total 4200 to 4500	1	0.00%	99.98%
total 4500 to 4800	2	0.02%	100.00%
total 4800 to 5026	8,622	100.00%	

Summer Months (June, July, August) Total kWhs by Customer Average Monthly kWh

Average kWh/Month	Total kWh	Percentage	Accumulated Percentage
total 0.05 to 100	4,262	0.06%	0.06%
total 100 to 200	34,799	0.48%	0.54%
total 200 to 300	128,494	1.76%	2.30%
total 300 to 400	264,399	3.62%	5.92%
total 400 to 500	366,827	5.03%	10.95%
total 500 to 600	444,868	6.10%	17.05%
total 600 to 700	472,468	6.48%	23.52%
total 700 to 800	554,288	7.60%	31.12%
total 800 to 900	568,169	7.79%	38.91%
total 900 to 1000	558,811	7.39%	46.57%
total 1000 to 1100	538,992	7.17%	53.95%
total 1100 to 1200	522,866	7.17%	61.12%
total 1200 to 1500	1,210,371	16.59%	77.71%
total 1500 to 1800	723,794	9.92%	87.63%
total 1800 to 2100	439,466	6.02%	93.66%
total 2100 to 2400	225,385	3.09%	96.75%
total 2400 to 2700	103,513	1.42%	98.16%
total 2700 to 3000	48,178	0.66%	98.82%
total 3000 to 3300	34,286	0.47%	99.29%
total 3300 to 3600	14,011	0.19%	99.49%
total 3600 to 3900	15,057	0.21%	99.69%
total 3900 to 4200	8,027	0.11%	99.80%
total 4200 to 4500	4,478	0.06%	99.86%
total 4500 to 4800		0.00%	99.86%
total 4800 to 5026	9,889	0.14%	100.00%
<b>Total</b>	<b>7,295,696</b>		<b>100.00%</b>



LIHEAP City Study  
Non-Summer Months Segment  
(September 2002 - May 2003)

City	Customers Receiving LIHEAP Funds	Percent of Total LIHEAP Recipients	Number of Housing Units (US Census)	Percent of Housing Units	Percent of Households Receiving LIHEAP Funds
Aberdeen	52	0.55%	887	0%	5.86%
American Falls	124	1.31%	1,557	1%	7.96%
Arbon	1	0.01%	n/a	n/a	n/a
Banks	2	0.02%	n/a	n/a	n/a
Bellevue	6	0.06%	724	0%	0.83%
Blackfoot	441	4.64%	3,929	2%	11.22%
Bliss	14	0.15%	147	0%	9.52%
Boise	2,308	24.29%	77,850	35%	2.96%
Bruneau	5	0.05%	n/a	n/a	n/a
Buhl	110	1.16%	1,689	1%	6.51%
Burely	4	0.04%	3,633	2%	0.11%
Caldwell	1,048	11.03%	9,603	4%	10.91%
Cambridge	22	0.23%	173	0%	12.72%
Carey	2	0.02%	187	0%	1.07%
Carmen	6	0.06%	n/a	n/a	n/a
Cascade	67	0.71%	562	0%	11.92%
Castleford	3	0.03%	105	0%	2.86%
Chubbuck	124	1.31%	3,377	2%	3.67%
Council	52	0.55%	425	0%	12.24%
Dietrich	3	0.03%	62	0%	4.84%
Donnelly	15	0.16%	72	0%	20.83%
Eagle	77	0.81%	4,048	2%	1.90%
Eden	13	0.14%	165	0%	7.88%
Emmett	237	2.49%	2,834	1%	8.36%
Fairfield	14	0.15%	211	0%	6.64%
Filer	39	0.41%	676	0%	5.77%
Fort Hall	34	0.36%	n/a	n/a	n/a
Fruitland	113	1.19%	1,518	1%	7.44%
Garden Valley	9	0.09%	n/a	n/a	n/a
Glenns Ferry	47	0.49%	707	0%	6.65%
Gooding	68	0.72%	1,397	1%	4.87%
Grand View	22	0.23%	228	0%	9.65%
Greenleaf	29	0.31%	284	0%	10.21%
Hagerman	28	0.29%	324	0%	8.64%
Hailey	45	0.47%	2,557	1%	1.76%
Hammett	4	0.04%	n/a	n/a	n/a
Hansen	27	0.28%	378	0%	7.14%
Hazelton	36	0.38%	270	0%	13.33%
Homedale	197	2.07%	933	0%	21.11%
Horseshoe Bend	22	0.23%	290	0%	7.59%
Idaho City	25	0.26%	257	0%	9.73%
Indian Valley	2	0.02%	n/a	n/a	n/a
Inkom	12	0.13%	263	0%	4.56%
Jerome	187	1.97%	2,966	1%	6.30%
Ketchum	3	0.03%	2,920	1%	0.10%
Kimberly	47	0.49%	965	0%	4.87%

LIHEAP City Study  
Non-Summer Months Segment  
(September 2002 - May 2003)

City	Customers Receiving LIHEAP Funds	Percent of Total LIHEAP Recipients	Number of Housing Units (US Census)	Percent of Housing Units	Percent of Households Receiving LIHEAP Funds
King Hill	3	0.03%	n/a	n/a	n/a
Kuna	63	0.66%	1,793	1%	3.51%
Leadore	5	0.05%	66	0%	7.58%
Letha	11	0.12%	n/a	n/a	n/a
Lowman	5	0.05%	n/a	n/a	n/a
Marsing	86	0.91%	366	0%	23.50%
McCall	77	0.81%	2,247	1%	3.43%
Melba	36	0.38%	164	0%	21.95%
Meridian	219	2.31%	12,293	6%	1.78%
Mesa	1	0.01%	n/a	n/a	n/a
Middleton	94	0.99%	1,066	0%	8.82%
Midvale	8	0.08%	83	0%	9.64%
Mountain Home	226	2.38%	4,738	2%	4.77%
Murphy	1	0.01%	n/a	n/a	n/a
Murtaugh	11	0.12%	51	0%	21.57%
Nampa	702	7.39%	19,379	9%	3.62%
New Meadows	17	0.18%	262	0%	6.49%
New Plymouth	59	0.62%	566	0%	10.42%
North Fork	2	0.02%	n/a	n/a	n/a
Notus	14	0.15%	156	0%	8.97%
Oakley	13	0.14%	257	0%	5.06%
Ontario	2	0.02%	n/a	n/a	n/a
Parma	106	1.12%	676	0%	15.68%
Paul	5	0.05%	430	0%	1.16%
Payette	238	2.50%	2,264	1%	10.51%
Pineid	1	0.01%	n/a	n/a	n/a
Pingree	13	0.14%	n/a	n/a	n/a
Placerville	3	0.03%	77	0%	3.90%
Pocatello	789	8.30%	20,627	9%	3.83%
Pollock	3	0.03%	n/a	n/a	n/a
Richfield	10	0.11%	180	0%	5.56%
Riggins	32	0.34%	253	0%	12.65%
Rockland	13	0.14%	117	0%	11.11%
Rupert	2	0.02%	2,204	1%	0.09%
Salmon	202	2.13%	1,576	1%	12.82%
Shoshone	18	0.19%	615	0%	2.93%
Springfield	2	0.02%	n/a	n/a	n/a
Star	20	0.21%	681	0%	2.94%
Sterling	5	0.05%	n/a	n/a	n/a
Sun Valley	1	0.01%	2,339	1%	0.04%
Sweet	5	0.05%	n/a	n/a	n/a
Twin Falls	443	4.66%	14,162	6%	3.13%
Weiser	23	0.24%	2,207	1%	1.04%
Wendell	53	0.56%	654	0%	8.10%
Wilder	113	1.19%	421	0%	26.84%
	9,501	100.00%	222,143	100%	

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-03-13

IDAHO POWER COMPANY

EXHIBIT NO. 80

J. GALE

Summary of Idaho Power Company's Revenue Requirement  
Position on Rebuttal

Summary of Idaho Power Company's Revenue Requirement Position on Rebuttal  
 Before the Idaho Public Utilities Commission  
 Case No. IPC-E-03-13

Return	Issue	IPC Direct	Staff Case	IPC Rebuttal	IPC Change
Return on Common Equity		11.200%	10.000%	11.200%	0.000%
Long Term Debt		5.983%	5.630%	5.859%	-0.124%
OROR		8.334%	7.650%	8.334%	0.000%
Rate Base		1,547,443,530	1,481,824,492	1,547,443,530	0
Change to Return on Rate Base		128,963,944	113,359,574	128,963,944	0
Expense Adjustments					
Pension Expense		9,188,160	0	7,018,000	-2,170,160
Memberships & Contributions		322,177	0	284,111	-38,066
Management Expenses		55,899	0	55,899	0
Legal Expenses -- Refund Cases		352,544	0	352,544	0
Yearend Payroll Adjustment		2,913,244	860,590	860,590	-2,052,654
SSA Payroll Adjustment		2,241,595	2,124,920	2,124,920	-116,675
PAR/Incentive Adjustment		5,114,821	0	4,837,358	-277,463
Depreciation Settlement Adjustment		0	-4,411,292	-4,411,292	-4,411,292
Capitalized Incentive Depreciation Exp		230,594	0	230,594	0
Insurance Adjustments		748,600	0	748,600	0
Expense associate w/annualizing RB		873,129	0	873,129	0
Other Items		99,720	19,944	99,720	0
Changes to Expense Adjustments					<span style="border: 1px solid black;">-9,066,310</span>
Tax					
Gross up factor		0.642	0.446	0.642	
Tax on Staff Deficiency		6,569,569	4,563,907	6,569,569	
Tax on Company Deficiency		33,453,560	23,240,324	33,453,560	
Tax on Rebuttal Deficiency					<span style="border: 1px solid black;">-5,820,571</span>
Total Change to Rate Request					<span style="border: 1px solid black;">-14,886,881</span>
Requested Idaho Jurisdictional Increase on Rebuttal					<span style="border: 1px solid black;">\$ 70,675,029</span>