



IDAHO PUBLIC UTILITIES COMMISSION

Case No. IPC-E-03-13, Order No. 29369

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Contact: Gene Fadness (208) 334-0339

**Commission suspends Idaho Power request**

BOISE – The Idaho Public Utilities Commission today suspended Idaho Power’s request that the commission approve a 4.16 percent interim rate increase on all customer classes by Nov. 15. Idaho Power sought the interim increase while the commission considers a permanent average 17.7 percent increase to Idaho Power customers. The 4.16 percent interim increase is part of the company’s overall 17.7 percent increase, not an addition to the permanent rate.

The complexities of the case and other constraints on commission time make it impossible to resolve the interim rate increase request by Nov. 15, commissioners said. The commission suspended an effective date for either the interim or permanent rates for up to six months from Nov. 15.

Commissioners set Nov. 13 to hear oral arguments from intervening parties on the interim increase alone. The commission also set aside December 15 and 16 as further hearing dates if issues still need to be resolved after the Nov. 13 hearing. Following the Nov. 13 oral arguments on the interim rate request, the commission will conduct a pre-hearing conference to schedule procedural matters on the permanent rate increase request.

The commission may grant, deny or modify the company’s proposed revenue requirements, proposed rates and proposed rate structure. As the case progresses, the commission will schedule public workshops and hearings throughout Idaho Power’s service territory.

Persons or parties who want to intervene in the case to present evidence or cross-examine witnesses must do so by Nov. 12. Parties intervening must file legal memoranda no later than Nov. 12 at 3 p.m., addressing the legal standard that the commission should use in considering the request for interim relief and explaining why the company should or should not be granted the interim relief requested.

Those who do not want to intervene but want to submit written comments can do so at any time. Comments can be posted on the commission’s Web site at [www.puc.state.id.us](http://www.puc.state.id.us). Click on “Comments and Questions, “ and enter Case No. IPC-E-03-13. Comments can also be mailed to commission offices at P.O. Box 83720, Boise, ID, 83720-0074 or faxed to 208-334-3762.

Idaho Power says the interim rate increase, which, if granted, would raise \$20 million, is needed to: pay the costs of the construction and operation of the Danskin Power Plant in Mountain Home (\$7.7 million); pay the costs associated with the re-licensing of several hydro facilities (\$1.57 million); recover a change in depreciation expenses (\$3.8 million); and compensate for the increase in Idaho's share of net power supply costs due to reallocation between the Oregon and Idaho wholesale and retail jurisdictions (\$7 million).

The \$20 million Idaho Power requests for interim relief is part of an overall \$86 million of increased revenue that would be raised annually if Idaho Power were granted the permanent rate increase it seeks. Idaho Power claims that revenue would help the company meet expenses for a growing customer base, recover \$156 million invested in new generating facilities, \$198 million in new transmission facilities and \$366 million in new distribution facilities.

Idaho Power is requesting an overall rate of return of 8.334 percent on a rate base of \$1.55 billion and an 11.2 percent return on common equity. The company currently receives a 9.199 percent rate of return on rate base of \$1.22 billion and an 11 percent return on common equity.

If granted, rates would increase an average of 17.7 percent, but the increase would vary by customer class because the costs of serving each class vary. For residential customers, the increase would be 19.9 percent; for small commercial, 21 percent; for large commercial, 15 percent; for industrial, 13.9 percent and for irrigation, 25 percent.

Included within the average 17.7 percent increase is a proposed increase in the customer service charge for residential and small commercial customers from \$2.51 a month to \$10 per month. Customer service charges are designed to recover a portion of costs associated with providing electrical service such as meters, a portion of distribution facilities and billing. For irrigation customers the in-season monthly charge would increase from \$10.07 to \$25 and for large commercial customers from \$5.54 to \$21.

The company also proposes to implement seasonal rates for residential and small-commercial customers. Summer base rates, charged between June and August, would be 25 percent higher than current base rates. The base rate proposed for the rest of the year is slightly lower than the current base rate.

A copy of today's entire order as well as Idaho Power's application and supporting documents are available on the commission's website. Click on "File Room" and then on "Electric Cases," and scroll down to the case number cited above. Once inside, go to the right-hand side of the page and click on either "Application," or "Direct Testimony," for the particular document you want to read.

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