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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)
DUE TO THE INCLUSION OF THE)
BENNETT MOUNTAIN PROJECT INVEST-)
MENT IN REVENUE REQUIREMENT)

CASE NO. IPC-E-05-10

IDAHO POWER COMPANY
SUPPLEMENTAL TESTIMONY
OF
GREGORY W. SAID

March 22, 2005

1 Q. Please state your name and business address.

2 A. My name is Gregory W. Said and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. Are you the same Gregory W. Said that
5 previously submitted direct testimony and exhibits in this
6 proceeding?

7 A. Yes.

8 Q. What is the purpose of your supplemental
9 testimony?

10 A. The purpose of my supplemental testimony is
11 to support the Amended Application for increased rates filed
12 by Idaho Power on March 22, 2005. My supplemental testimony
13 provides a detailed explanation of why the Company filed the
14 Amended Application and also provides updated revenue
15 requirement information that reflects not only Commission
16 Orders Nos. 29505 and 29547, but also Order No. 29601.

17 Q. Please elaborate.

18 A. Exhibit 3, described in my original testimony
19 in this case, provided detail of the incremental Idaho
20 jurisdictional revenue requirement associated with the
21 addition of the Bennett Mountain Project measured from the
22 base revenue requirement established in Order Nos. 29505 and
23 29547. That base revenue requirement computation included
24 an historic five-year average combined federal and state
25 income tax rate of 30.9 percent, which had been approved at

1 the time of the above-mentioned orders. Subsequently, in
2 Order No. 29601, the Commission accepted a settlement
3 stipulation which readopted use of the statutory federal and
4 state income tax rates resulting in a combined rate of 39.1
5 percent. Although retail electric rates have not yet been
6 adjusted to reflect the statutory income tax rates (the
7 Company was ordered to reflect the change to the statutory
8 income tax rates in the Company's rates and charges to
9 customers concurrently with its annual PCA rate change on
10 June 1, 2005), it is appropriate to compute rate impacts
11 resulting from the addition of the Bennett Mountain project
12 utilizing the combined statutory income tax rate of 39.1
13 percent at this time.

14 Q. Are you presenting an exhibit that shows the
15 changes to your previously-filed Exhibit 3 that reflects the
16 settled income tax rate of 39.1 percent?

17 A. Yes, Exhibit 7 is the equivalent of Exhibit 3
18 with the change in the combined federal and state income tax
19 rate from the 30.9 percent rate approved in Order Nos. 29505
20 and 29547 to 39.1 percent approved in Order No. 29601.

21 Q. What is the impact to the Company's stated
22 revenue requirement deficiency of \$13,482,146 as a result of
23 updating the combined federal and state income tax rates
24 from 30.9 percent to 39.1 percent consistent with Order No.
25 29601?

1 A. The additional revenue requirement associated
2 with the Bennett Mountain project measured using the 39.1
3 percent combined income tax rate is \$9,402,996 rather than
4 the \$13,482,146 that was originally filed.

5 Q. Have you supervised the preparation of an
6 exhibit to depict the differences in revenue requirement
7 components as a result of utilizing differing income tax
8 rates in Exhibit 3 and Exhibit 7?

9 A. Yes, Exhibit 8 depicts the incremental
10 revenue requirement components associated with the addition
11 of the Bennett Mountain project based upon the 30.9 percent
12 combined income tax rate used in Exhibit 3 and the
13 subsequent incremental revenue requirement components
14 associated with the addition of the Bennett Mountain project
15 based upon the 39.1 percent combined income tax rate used in
16 Exhibit 7.

17 Q. Are you presenting an exhibit that includes
18 an updated set of proposed tariff schedules to reflect the
19 \$9,402,966 incremental change from the Company's base
20 revenue requirement as a result of the addition of the
21 Bennett Mountain project?

22 A. Yes, I requested and supervised the
23 preparation of Exhibit 9, which provides the proposed tariff
24 rates reflecting the incremental increase in the Company's
25 revenue requirement due to the addition of the Bennett

1 Mountain project reflecting the settled 39.1 percent income
2 tax rate. Pages 1 through 22 of Exhibit 9 are the proposed
3 tariffs in legislative format to show the changes in tariff
4 components from current levels. The changes in rate
5 components represent a uniform percentage adjustment to the
6 energy and demand charges.

7 Q. What percentage increase in revenue
8 requirement will each of the customer classes see as a
9 result of the incremental change in revenue requirement due
10 to the addition of the Bennett Mountain project once the
11 settled income tax rate is reflected?

12 A. Exhibit 10 was prepared under my supervision
13 to show the percentage change in the revenue requirement of
14 each class. Because of the uniform nature of the Company's
15 proposal, the revenue requirement for each customer class
16 will increase by approximately 1.84 percent due to the
17 addition of the Bennett Mountain project once the 39.1
18 percent combined income tax rate is reflected in the revenue
19 requirement computations.

20 Q. Does this conclude your supplemental
21 testimony?

22 A. Yes, it does.