

DECISION MEMORANDUM

**TO: COMMISSIONER KEMPTON
 COMMISSIONER SMITH
 COMMISSIONER REDFORD
 COMMISSION SECRETARY
 LEGAL
 WORKING FILE**

**FROM: BRYAN LANSPERY
 TJ GOLO**

DATE: JUNE 1, 2009

**RE: APPROVAL OF ADVANCED METERING INFRASTRUCTURE TARIFF
 CASE NO. IPC-E-09-07**

On March 13, 2009, Idaho Power Company (Idaho Power, Company) filed an Application for authority to increase its rates due to the inclusion of Advanced Metering Infrastructure (AMI) investment in base rates. On May 29, 2009, the Commission issued Order No. 30829 approving recovery of \$10,497,354 in additional revenue and requiring the Company to file tariff schedules designed to recover the amount.

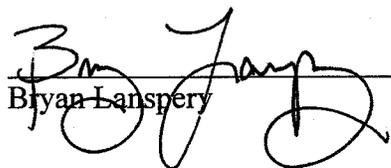
On June 1, 2009, the tariff schedules were filed with an effective date of June 1, 2009. The Staff has reviewed the filed schedules and finds that they do not comply with Order No. 30829. Specifically, the Commission ordered “that the revenue deficiency be spread over the affected classes..., leading to an average increase of 1.83% for each of the affected classes.” (emphasis added) See Order No. 30829, page 5. The Company has applied a 2.08% uniform increase to the energy rate of each affected class. Since the fixed billing components are unaffected and energy consumption varies by class, the resulting overall increase in base revenues equals the approved \$10,497,354, or 1.83%, but varying percentage increases among customer classes. For example, the Company’s method produces a 1.60% increase in base revenues for Schedule 24S (Secondary Irrigation) and a 1.96% base revenue increase for Schedule 1 (Residential) customers. In all, the Company’s proposed method of distributing the rate increase produces a range of base revenue increases from a low of 1.60% (excluding Schedule 41, Street Lighting) to a high of 2.08%.

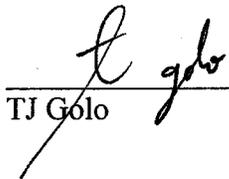
STAFF RECOMMENDATION

Staff believes that Idaho Power's proposed rates due to the inclusion of AMI investment do not comport with the Commission directives of Order No. 30829, and therefore recommends that the Commission deny approval of the revised tariff schedules as filed by the Company direct the Company to resubmit tariffs reflecting the intent of the Commission.

COMMISSION DECISION

Does the Commission approve the revised tariff schedules as filed, or direct Idaho Power to resubmit tariff schedules reflecting a 1.83% increase to each affected customer class?


Bryan Lanspery


TJ Golo

udmemos/Idaho Power AMI tariff June 1, 2009