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**Comments of the Snake River Alliance
On Application of Idaho Power Company For An Accounting Order to Amortize
Additional Accumulated Deferral Income Tax Rates
And An Order Approving a Rate Case Moratorium**

**Submitted by
Ken Miler, Clean Energy Program Director, Snake River Alliance**

December 22, 2009

The Snake River Alliance appreciates the opportunity to comment on IPC-E-09-30 and Idaho Power Company's application for an accounting order to amortize additional accumulated deferral income tax credits and an order approving a rate case moratorium. The Snake River Alliance submits these comments on behalf of its members, many of whom are customers of Idaho Power Co. and most of whom are customers of Idaho's investor-owned utilities.

The Alliance believes the application for a moratorium in general rate case increases through January 2012, as well as the proposed sharing of certain percentages of the anticipated 2010 power cost adjustment, among other things, is appropriate and would serve the best interests of the company and its Idaho customers. In our view, the result of the settlement between Idaho Power and various stakeholder groups is creative and should lead to outcomes that are preferable to what might have resulted from a contested general rate case. Our concern about this application is the process from which it arose.

The Alliance and its members believe a docket of this significance might have been better handled through a more transparent process rather than being limited to meetings between the company and select customer groups. We appreciate that settlements in general rate cases are generally preferable to protracted and expensive formal proceedings. However, we find it somewhat awkward that a settlement was reached in the absence of a filing and without the benefit of input from any interested party choosing to provide it. As the Alliance expands utility education and outreach efforts for our members and constituents, a growing number of them desire to participate at some level in regulatory matters in which they have an interest. We realize the general public has an opportunity to comment on this docket and we have encouraged them to do so. Nonetheless, we agree with the observation by intervenor Community Action Partnership Association of Idaho in its application for intervenor status on Page 2: "This case has followed a somewhat unusual procedural path." We also agree with CAPAI's observation that some participants in the settlement discussions opted against executing the settlement, but in the Alliance's case that decision was based not on the result of the settlement but the process-related concerns expressed above. We commend Idaho Power for its willingness to initiate the settlement discussions and to seek alternatives to filing a general rate case.

Given the sticker shock that has beset customers of Idaho Power and other regulated utilities in Idaho over the past few years, we agree that a general rate case moratorium, brief as this one might be as compared to that in IPC-E-95-11, is appropriate. We realize

that customers may still be presented with rate increases through other mechanisms specifically excluded from this settlement. But we do not anticipate filing of another energy efficiency tariff rider adjustment within this period and the next fuel cost adjustment (FCA) filing will likely be minor. So the possible impacts of increases outside the scope of this agreement will likely not be significant. We would expect that, while the company was considering filing a 20 percent rate increase in lieu of this settlement, the passing of two years between possible general rate cases will not result in a crippling rate increase in 2012.

Regarding the proposed sharing of what will be a substantial favorable power cost adjustment in June 2010, the Alliance has long supported treating annual PCAs separate from rate cases for obvious reasons. The melding of the 2010 PCA for purposes of this rate case moratorium seems reasonable, however, given the expected extraordinary size of the coming PCA. It seems that customers will receive welcome relief through the PCA, while at the same time providing helpful base rate recovery for Idaho Power.

The proposed acceleration in amortizing accumulated deferred investment tax credits (ADITC) is likewise acceptable in light of the limits agreed to in the settlement: A maximum of \$15 million this year and a ceiling of \$45 million from 2009-2011, providing Idaho Power's return on equity falls below 9.5 percent, as well as the amount of accumulated credits currently on Idaho Power's books as represented by Company Witness John R. Gale's direct testimony at Page 9, lines 7-11. Unlike the 1995 settlement that contained a similar provision that was not triggered, we expect this element of the settlement may come into play in this case.

Ultimately, the Alliance believes the revenue sharing, PCA sharing, and rate case moratorium components of the settlement in this case serve the company and its customers as well as possible in our current economic times.

Finally, the Alliance takes no position on Idaho Power's request that this application be processed by Modified Procedure.

Respectfully submitted,



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