BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ACCOUNTING ORDER TO DEFER AND AMORTIZE EXTRAORDINARY COSTS OF CORPORATE REORGANIZATION AND APPROVAL TO MODIFY AMORTIZATION METHODS FOR ACCUMULATED DEFERRED INVESTMENT TAX CREDITS                                                                  | ))))))))) | CASE NO. IPC-E-95-11ORDER NO. 26227 |

INTRODUCTION

On October 10, 1995, the Commercial Utility Customers (CUC) petitioned the Idaho Public Utilities Commission (Commission) for intervenor funding pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission’s Rules of Procedure, IDAPA 31.01.01, for the amount of $4,289.22.  Idaho Power Company’s response, filed on October 17, 1995, did not object to CUC’s Application for intervenor funding.  Idaho Power did, however, ask to have Schedule 9 temporarily modified to amortize the amount of the award over a one-year period.  By this Order, we grant the total amount claimed by CUC for intervenor funding pursuant to the Idaho Code and the Commission’s Rules of Procedure and grant temporary modification of Schedule 9.

STATUTORY  STANDARDS

Idaho Code § 61-617A and Rules 161-165 of the Commission’s Rules of Procedure provide the framework for awards of intervenor funding.  Section 61-617A provides that the Commission shall rely upon the following considerations in awarding funding to a given intervenor:  (1) whether the intervenor materially contributed to the decision rendered by the Commission; (2) whether the alleged costs of intervention are reasonable in amount and would be a significant financial hardship for the intervenor to incur; (3) whether the recommendation made by the intervenor differed materially from the testimony and exhibits of the Commission Staff; and (4) whether the testimony and participation of the intervenor addressed issues of concern to the general body of users or consumers.

Subsection 5 of this statute provides that intervenors who are in direct competition with the public utility involved in proceedings before the Commission shall not be granted funding.  The statute also provides that the total award for all intervening parties combined shall not exceed $25,000.00 in any proceeding.

Rule 162 of the Commission’s Rules of Procedure provides the procedural requirements with which an application for intervenor funding must comply.  The application must contain:  (1) an itemized list of expenses broken down into categories; (2) a statement of the intervenor’s proposed finding or recommendation; (3) a statement showing that the costs the intervenor wishes to recover are reasonable; (4) a statement explaining why the costs constitute a significant financial hardship for the intervenor; (5) a statement showing how the intervenor’s proposed finding or recommendation differed materially from the testimony and exhibits of the Commission Staff; (6) a statement showing how the intervenor’s recommendation or position addressed issues of concern to the general body of utility users or customers; and (7) a statement showing the class of customer on whose behalf the intervenor appeared.  Finally, Rule 165 provides that the Commission must find that the intervenor’s presentation materially contributed to the Commission’s decision.

There were no motions filed in opposition to CUC’s Application for intervenor funding within the 14-day time period provided for in Rule 164.

CUC’s APPLICATION

CUC’s Application alleges that the following fees and costs were incurred in this proceeding:

Legal fees$4,255.00

Ronald L. Williams

37 hours @$115/hr

Costs$34.22

phone, mail, photocopying & telecopy

TOTAL$4, 289.22

CUC participated in settlement negotiations and signed the Stipulated Settlement Agreement as a party and intervenor.  CUC also offered the testimony of Tim Brennan, Executive Director of the Idaho Retailers Association and the Idaho Automobile Dealers Association.   Mr. Brennan discussed the importance of the rate base moratorium for retail customers of Idaho Power, but emphasized that the rate base moratorium does not preclude rate adjustments as between customer classes and movement of certain classes towards more cost based rates.

FINDINGS

We find that CUC has met the procedural requirements for intervenor funding according to Idaho Code § 61-617A and Rule 162.  CUC made a sufficient showing of financial hardship, took a position that differed materially from the Commission Staff, and raised concerns of the general body of ratepayers.  The costs incurred by CUC are reasonable given the scope of the information presented.

CUC materially contributed to the Stipulated Settlement in this case.  Specifically, CUC’s involvement contributed to Paragraph F of  the Settlement Stipulation and the emphasis on cost based rates for Idaho Power.

CUC is made up of a variety of Idaho Power customers who receive electric service  pursuant to Rate Schedule 9.  According to the Settlement Stipulation, Idaho Power will not be filing another rate case until the year 2000.   In its response to CUC’s Application, Idaho Power notes that if it is not allowed to recover the requested funding from Schedule 9 customers in this proceeding, it will have to wait until after January 1, 2000, when it files a general rate case, to recover this amount.  The Company notes that even though this proceeding was not a general rate case, it did involve rates and the duration of those rates.  Therefore, Idaho Power requests that if the award is granted, it be allowed to recover the requested funding and to modify Schedule 9 rates to amortize the cost of the award for intervenor funding over a one-year period.    This proceeding is unique in that while rates will not change, the proceedings directly involved rates and the duration of those rates.  According to Rule 165.03, recovery of an award for intervenor funding, chargeable to the class of customers represented by the intervenor, will be an allowable business expense in the pending rate case or, if the proceeding is not a rate case, in the utility’s next rate case.   Because this proceeding involved rates and the duration of those rates, we find that it is reasonable to allow Idaho Power to recover the funding award over the next year and to modify Schedule 9 rates for amortization of that award as follows:

The award amount, divided by the test years energy, ($4,289.22/2068, 197.543 kWh) would equal 0.00021 cents per kWh.

The 0.00021 cents would be added to the existing energy rates for Schedule 9 for a one-year period.

The increase in the energy rate of Schedule 9 to reimburse the Company for the intervenor funding award shall be removed after being in effect for one year, or when the total amount of the award is recovered, whichever occurs first.

ORDER

IT IS THEREFORE ORDERED that the Application for intervenor funding of CUC is hereby granted in the amount of $4,298.22.  Idaho Power is directed to pay this amount within twenty-eight days of the date of this Order.  Idaho Power is allowed to modify Schedule 9 rates to recover the amount of the intervenor funding award, as enumerated above and incorporated herein by reference.  This increase in rates for Schedule 9 shall be removed after one year, or when the total amount is recovered, whichever occurs first.

THIS IS A FINAL ORDER.  Any person interested in this Order (or issues finally decided in this Order) or in interlocutory Orders previously issued in this case, may petition for reconsideration within twenty-one (21) days from the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  November 1995.

                                                             RALPH NELSON, PRESIDENT

                  MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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