DECISION MEMORANDUM

TO:COMMISSIONER NELSON

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COMMISSIONER HANSEN

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WORKING FILE

FROM:SUSAN HAMLIN

DATE:NOVEMBER 16, 1995

RE:IDAHO POWER COMPANY’S PETITION FOR RECONSIDERATION IN CASE NO. IPC-E-95-11; ORDER GRANTING INTERVENOR FUNDING

On November 8, 1995, Idaho Power Company (Idaho Power; Company) filed a Petition for Reconsideration of Order No. 26227, which awarded intervenor funding to the Commercial Utilities Customers for the amount of $4,289.22.  The Order specified “this increase in rates for Schedule 9 shall be removed after one year, or when the total amount is recovered, whichever occurs first.”  The timeline to respond to Idaho Power’s Petition has expired, no answer was filed by any parties.

Idaho Power’s Petition for Reconsideration is based on the above quoted language. Idaho Power asserts that based on the restrictive language, “whichever occurs first,” the Company could undercollect the amount awarded, but could not overcollect the amount, which in Idaho Power’s opinion is unfair.

The Company proposes two options for reconsideration, in order of preference.  First, that it be allowed to implement the additional rate to the affected customer classes over twelve months and that everyone involved take the risk that the Company will either undercollect or overcollect the amount.  Idaho Power argues that because of the small amount of money involved and the time and expense in tracking the account throughout the year, this is the more reasonable solution.  The second alternative Idaho Power proposes is that it be directed to track the revenues received through the additional rate until the full amount of funding has been recovered.

Incidentally, the Company also notes the figures on page three of the Order granting intervenor funding is transposed.  The figure reads, “$4,298.22.”  The “9” and the “8” were reversed, it should read “$4,289.22.”

Staff Analysis

Staff has reviewed the Petition for Reconsideration and the Commission’s Order approving intervenor funding in Case No. IPC-E-95-11.  In a recently issued Order, the Commission granted intervenor funding and included language similar to Idaho Power’s first proposal.   See Case No. IPC-E-95-5, Order No. 26236, In the Matter of the Application of Idaho Power for Authority to Increase Its Rates and Charges of Electric Service to Customers in the state of Idaho by Inclusion of the Twin Falls Project Investment and the Additional Swan Falls Project Investment in Revenue Requirement.  Order No. 26236 states, “Idaho Power is directed to pay these amounts within twenty-eight (28) days from the service date of this Order and to increase the rates for Schedule 24 by adding 0.00057 cents per kWh to the energy rates of that schedule as of the date of this Order for one year” (emphasis added).  Based on the recent Order by the Commission and on the review of the Petition, Staff finds the proposed solution limiting the collection of the award to one year to be just and reasonable.

Commission Decision

Does the Commission wish to change its previous Order granting the intervenor funding award to be collected by increasing rates in Schedule 9 for one year, “or when the total amount is recovered, whichever occurs first”?   Does the Commission wish to follow its recent decision in Order No. 26236, which granted collecting the award for a one year period, which is the Company’s preferred solution?  Or does the Commission have another solution?

Susan Hamlin

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