



IDAHO POWER COMPANY  
P.O. BOX 70  
BOISE, IDAHO 83707

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**BARTON L. KLINE**  
Counsel for Idaho Power

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IDAHO PUBLIC UTILITIES COMMISSION  
February 20, 1997

*A. Walters*

Mrs. Myrna J. Walters  
Secretary  
Idaho Public Utilities Commission  
P. O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-95-15  
Answer of Idaho Power Company To  
Petition For Reconsideration of Aurora  
Power & Design

Dear Mrs. Walters:

Enclosed for filing with the Commission are the original and seven (7) copies of the Idaho Power Company's Answer to the Petition for Reconsideration of Aurora Power & Design regarding the above-entitled case.

Very truly yours,

Barton L. Kline

BLK:jb  
Enclosures

BARTON L. KLINE  
Idaho Power Company  
P. O. Box 70  
Boise, Idaho 83707  
(208) 388-2682

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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street  
Boise, Idaho 83702

FAX Telephone No.: (208) 388-6936

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR AN	)	CASE NO. IPC-E-95-15
ORDER REVISING THE RATES, TERMS	)	
AND CONDITIONS UNDER WHICH	)	ANSWER OF IDAHO POWER
IDAHO POWER PURCHASES NON-FIRM	)	COMPANY TO PETITION FOR
ENERGY FROM QUALIFYING FACILITIES.	)	RECONSIDERATION OF
_____	)	AURORA POWER & DESIGN

In accordance with RP 331.05., Idaho Power Company ("Idaho Power" or the "Company") hereby answers the Petition for Reconsideration filed by Aurora Power & Design ("Aurora" or "Aurora Power").

Aurora's Petition for Reconsideration consists primarily of statements of opinion. The Petition does not identify errors in the facts the Commission relied upon in rendering its decision. It does not identify any legal conclusions made by the Commission that it claims are incorrect. Idaho Power does not intend to respond to Aurora's characterizations of the Company's motives in this case. However, there are several points

that do merit some additional discussion in order to correct apparent misunderstandings on the part of Aurora.

1. Qualifying Facilities are not entitled to be paid more than avoided costs.

Much of Aurora's displeasure with Order No. 26750 appears to arise from Aurora's assumption that "alternative energy technologies" are entitled to be paid at retail rates which are currently in excess of the Company's avoided costs. Aurora objects to the fact that "alternative energy technologies" will only be paid the Company's avoided costs. As this Commission is well aware, PURPA specifically prohibits the Commission from requiring electric utilities to purchase energy from qualifying facilities ("QF's") at rates that exceed avoided costs. Therefore, the Commission's decision to allow smaller alternative energy producers to be paid full avoided costs without paying the costs associated with dual metering and interconnection protection equipment that other QF developers are required to provide, constitutes a reasonable level of incentive to alternative energy technologies.

2. Idaho Power's solar photovoltaic service under Schedule 60 did not compete with the applications of solar photovoltaic generation at issue in this proceeding.

New service under Idaho Power's solar photovoltaic service Schedule 60 was suspended in November of 1996. Prior to suspension, Idaho Power's Schedule 60 solar photovoltaic service was only available to off-grid locations. Because Schedule 86 is applicable only to on-grid applications, Order No. 26750 will have no impact

on Aurora's ability to compete with any entity to develop off-grid solar photovoltaic applications.

3. The monthly charge in Schedule 86 allows for recovery of non-generation related customer costs and is readily integrated into the Company's retail billing system.

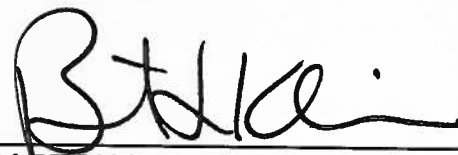
Aurora argues that the computation of the monthly charge is "absurd, subjective, and in conflict with maintaining simplicity." Aurora goes on to characterize the monthly charge as a ". . . calculation that appears to be impossible to incorporate into any billing system." (Page 2, Aurora's Petition) Aurora offers no objective support for its assertions, nor does it provide any evidence that the underlying assumptions used in the methodology to compute the monthly charge are unreasonable or that the methodology produces inaccurate results. In direct contrast to Aurora's rhetoric, the Commission Staff has reviewed and accepted the monthly charge methodology.

While the monthly charge computation is presented in Schedule 86 as an algorithm, and as such is somewhat intimidating on the surface, in fact, once the data regarding the customer's generating equipment is obtained from the customer or the customer's photovoltaic equipment vendor, computation of the monthly charge is not difficult. Once the monthly charge is computed, the Company can use its existing retail billing computer program to add the monthly charge to the customer's retail electric bill as a separate charge. Aurora is simply wrong in its assertion that the monthly charge is overly complex and is not capable of being readily integrated into the Company's existing billing system.

4. Alternative generating technologies must be interconnected safely.

Idaho Power is concerned about the statements Aurora makes in the last paragraph of its Petition on Page 3. When a customer installs electric generating equipment that has the capability to energize Idaho Power's distribution lines, it is imperative that Idaho Power know about the installation and have the ability to protect its employees and system from injury or damage. Idaho Power will continue to insist that disconnection and protection equipment be well designed and constructed with quality materials. Idaho Power does not believe that having qualified personnel be responsible for reviewing and approving such protection is "laughable." If, as Aurora indicates, Idaho Power's customers are installing electric generation without providing Idaho Power with notice of the installation, Idaho Power is hopeful that companies such as Aurora will be responsible and work cooperatively with Idaho Power to avoid the possibility of injury, death or damage that can come from inadequate interconnection and protection equipment.

Respectfully submitted this 20th day of February, 1997.



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BARTON L. KLINE

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 20th day of February, 1997, I served a true and correct copy of the within and foregoing ANSWER OF IDAHO POWER COMPANY TO PETITION FOR RECONSIDERATION OF AURORA POWER & DESIGN upon the following parties of record by the method indicated below, and addressed to the following:

Brad Purdy  
Deputy Attorney General  
Idaho Public Utilities Commission  
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Hand Deliver  
 U.S. Mail  
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 Facsimile

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Hand Deliver  
 U.S. Mail  
 Overnight Mail  
 Facsimile

  
BARTON L. KLINE