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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ACCOUNTING ORDER AUTHORIZING THE AMORTIZATION OF CERTAIN GENERAL PLANT ACCOUNTS. | )  )  )  )  )  )  ) | CASE NO. IPC-E-97-4  COMMENTS OF THE  COMMISSION STAFF |

COMES  NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice of Comment/Protest Deadline in Case No. IPC-E-97-4 issued on April 18, 1997, submits the following comments.

Idaho Power Company (IPC) requests an accounting order authorizing

the Company to amortize certain general plant accounts.  The accounts included in the

proposed change include the following:

                   ACCOUNT                   DESCRIPTION

                         391.10             Office Furniture & Equipment

                         391.20             Computer Equipment (Excluding Mainframe Hardware)

                         393.00             Stores Equipment

                         394.00             Tools, Shop & Garage Equipment

                         395.00             Laboratory Equipment

                         397.00             Communication Equipment

                         398.00             Miscellaneous Equipment

The proposal would allow IPC to account for additions and retirements at

the vintage level for each account rather than on an individual item basis.  The items

would be recorded at the vintage level and amortized over the current life for the account.

When each vintage group in the primary account becomes fully depreciated, the original

cost of the vintage group is retired from plant in service.  No interim retirements would

be recorded.

The Company’s request is revenue neutral at this time since the accounts

will be amortized using the currently approved depreciation rates.  Embedded plant that

is fully depreciated will be removed from the books by crediting the asset account and

debiting the reserve account, leaving rate base unchanged.

The proposed accounting for general plant in service at the vintage level

is less labor intensive than tracking each item specifically.  This proposal is consistent

with the Company’s goals of reducing costs and committing employees time to those

activities that increase efficiency.  The plant items are high in volume but low in cost

for each unit.  The accounts listed above totaled $49,888,056 at December 31, 1996 or

2.0% of the $2,538,019,016 total plant in service as of that date.  There were 55,364

total units in all the accounts listed above as of  December 31, 1996, for an average

price for each unit of $901.

The Commission has earlier approved this accounting treatment for the

same accounts for Washington Water Power in Order No. 25102 regarding Case No.

WWP-E-93-9.  The Company appears to have adequate compensating internal controls

to prevent large losses to occur in the accounts in question to go undetected.

STAFF RECOMMENDATION

Staff recommends approval of the change in accounting and depreciation

for these accounts.  It is a cost and labor saving measure that is revenue neutral for rate

base and depreciation.

DATED at Boise, Idaho, this              day of May 1997.

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Scott Woodbury

Deputy Attorney General

Technical Staff:

Kent Schneider

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