DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

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DAVID SCOTT

WORKING FILE

FROM:BRAD PURDY

DATE:APRIL 15, 1998

RE:CASE NO. IPC-E-98-3; APPLICATION OF IDAHO POWER COMPANY FOR AUTHORIZATION TO UPDATE ITS GENERAL RULES AND REGULATIONS RELATING TO THE PRAIRIE SERVICE AREA

On March 3, 1998, the Commission issued a Notice of Modified Procedure soliciting comments in response to the Application of Idaho Power to update its general rules and regulations pertaining to the Company’s Prairie service area.  Idaho Power acquired the assets of the Prairie Cooperative, Inc. in 1992.  The Commission approved the Company’s proposed accounting for the purchase as well as the tariffs setting forth rates and conditions for service to customers in the Prairie service area on June 30, 1992, in Order No. 24398 (Case No. IPC-E-92-11).

The Company’s Prairie service area tariffs were patterned after Idaho Power’s general rules and regulations pertaining to its general service territory in the state of Idaho.  The Prairie service tariff setting forth the rates for electric service, however, were unique and, under Commission authorization, were allowed to remain in existence for ten years.  Consequently, when Idaho Power filed for general rate relief on June 30, 1994, in Case No. IPC-E-94-5, the Company’s Prairie service area was omitted and its tariffs were not revised.

Moreover, when the tariff provisions relating to new service attachments and distribution line installments or alterations for the Company’s general service territory were revised, the separate Prairie service area tariffs were not changed.  Consequently, the Company’s line extension tariffs in the Prairie service area, although originally duplicating the Company’s general line extension provisions, were not updated and still reflect the pre-February 6, 1997, tariffs.

Through its Application, Idaho Power proposes to adopt the same general rules and regulations currently applicable to its general service territory for the Prairie service area.  The Company does not propose to change the tariff rates for electric service for the Prairie area.  Assuming approval by the Commission of the Company’s Application in this case, Idaho Power states that it will include the Prairie service area in any future applications to change the Company’s general rules and regulations.

The only party to file comments in response to Commission’s Notice of Modified Procedure is the Commission Staff.  Staff supports the Company’s Application noting that although the Company does not proposed to alter rates for electric service, adoption of the proposed tariff will add several new charges to the Prairie service tariff as well as significantly change the currently applicable distribution line installment policy.  Staff believes, nonetheless, that the changes in the Company’s line extension policy will have relatively little impact on developers operating in the area who are familiar with Idaho Power’s line extension policies throughout the rest of the Company’s service area.

Staff recommends that in the event the Commission ultimately approves Idaho Power’s Application in this case, the Company provide a more detailed notice to its customers disclosing the new account initiation fee, field collection charge and reconnection fee.  The Notice should also explain that the charges associated with new service attachment and distribution line installation have also changed.  Finally, a toll-free number should be provided so that customers can contact the Company for more information.  Staff notes that Idaho Power has informally agreed to provide the foregoing proposed information to its Prairie service customers.

Commission Decision

Does the Commission wish to approve Idaho Power’s Application subject to the Notice  requirements proposed by the Commission Staff?

Brad Purdy

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