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IDAHO PUBLIC  
UTILITIES COMMISSION

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May 13, 2002

JOHN M. ERIKSSON  
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Scott Woodbury  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, Idaho 83720-0074

**Re: Case No. PAC-E-02-1; Notice to Customers**

Dear Scott:

This letter is a follow-up to a conversation you had with Jim Fell last week regarding notice to PacifiCorp's customers regarding its filing in Case No. PAC-E-01-1. The statutory notice requirement for changes in rates is set forth in Idaho Code § 61-307, which provides for filing with the Commission and keeping open for public inspection the proposed changes to schedules and stating the proposed effective date. On January 16, 2002, the Commission issued a Notice of Application, which, among other things, gave notice that the Application, together with the related cost-of-service study and Company testimony, were available for public inspection during regular business hours at the offices of the Commission. Further, the Company's filing was also made available for public inspection at the Company's offices in Rexburg, Preston, Shelley and Lava Hot Springs, Idaho. Thus, the statutory notice requirement in this case was satisfied.

Rule 102 of the Commission's Utility Customers Information Rules (IDAPA 31.21.02) provides for customer notices (through bill stuffers or an additional comment page with the customer's bill) announcing a utility's application for a general or tracker rate change. Significantly, Rule 102.05 provides that Subsections 102.01 through 102.04 of Rule 102 "create no individual procedural rights in any customer for notice that would give rise to a due process or other procedural claim," but are instead intended to encourage wide dissemination to customers of information concerning proposed rate changes.

*cc: JL  
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The Company's communications department records do not indicate that a bill message or bill insert was sent to customers at the time of the Company's Application, although it is looking into it further. A press release was issued on the date of the Application, a copy of which is enclosed.

Please contact me if you have additional questions.

Very truly yours,

John M. Eriksson

JME:sm

Enclosure

For information, contact:

Media Hotline 800-775-7950  
David Eskelsen 801-220-2447

FOR RELEASE Jan. 7, 2002

## Utah Power files power cost; BPA case

SALT LAKE CITY—Utah Power filed a request with the Idaho Public Utilities Commission January 7 to adjust customer rates and implement a new credit to pass through benefits from the federal hydroelectric system. The request does not ask for a permanent rate increase. In fact, if the company's overall proposal is approved, many customers will see net decreases in their bills.

The company's request includes four parts:

- Implement an increased credit that is the result of a settlement Utah Power negotiated last year with the Bonneville Power Administration on behalf of its residential and small farm customers.
- Recover extraordinary power costs amounting to \$38 million through a temporary 24-month surcharge on customer bills. The Idaho PUC previously allowed Utah Power to defer accounting of these costs for later regulatory treatment.
- Adjust individual rate classes to more nearly reflect the actual cost of service.
- Utah Power is also proposing a rate mitigation policy to ensure that no customer class will receive a rate increase during the period in which the power cost surcharge is in effect.

While these elements would normally cause the rates of individual customers to change up or down, the rate mitigation policy would assure that, when summed together, individual rate classes would not increase during the two-year surcharge period after PUC approval. In fact, those customers who qualify for the BPA credit would see an average decrease of 8 percent in their overall bill.

"We believe this proposal has significant benefits for Idaho customers," said Doug Larson, vice president of Regulation. "The BPA credit is a large factor in the overall effect on customers, and the Idaho PUC deserves a great deal of credit for ensuring that Idaho citizens received a fair share of BPA benefits."

The request would not result in increased general revenues for Utah Power, which has not asked for a general rate increase since 1988. The proposed temporary surcharge is specifically to recover a portion of extraordinarily high wholesale power purchases the company made to serve Idaho customers in the past year.

Utah Power is a division of PacifiCorp, which serves 55,000 customers in southeastern Idaho. The company serves 1.5 million customers in Utah, Oregon, Wyoming, Washington, Idaho and California.