



Case No. PAC-E-02-1

Order No. 28946

IDAHO PUBLIC UTILITIES COMMISSION

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BPA credit will result in average 44 percent reduction for Utah Power customers

BOISE – Residential customers of PacifiCorp-Utah Power will see an average reduction in their power bills of 44 percent as the result of an agreement between the Bonneville Power Company and Utah Power that was approved by the Idaho Public Utilities Commission today.

The BPA credit, which goes into effect Feb. 1, also benefits small-farm customers of PacificCorp, who will see their bills go down by an average of 63 percent.

“This reduction to residential customers will be a huge benefit in southeast Idaho where there are a lot of total electric homes,” said Commissioner Dennis Hansen. “It will also be a tremendous relief for farmers.”

The BPA credit comes as a result of extensive negotiations between BPA and state commissions from Idaho, Montana, Oregon and Washington.

The 1980 Northwest Power Act required that residential and small-farm customers in the Northwest share in the benefits of the federal hydroelectric projects located in the region.

PacifiCorp’s previous exchange agreement with BPA expired in 2001, but a new settlement negotiated by the state commissions and BPA is substantially higher than historical levels.

“There were multiple negotiation sessions,” said Paul Kjellander, president of the Idaho commission. “We are grateful that these benefits could come at a time that offsets some of the increases we’ve seen,” Kjellander said.

The commission expressed its appreciation to BPA “for its acknowledgement that the benefits of the federal Columbia River power system should be spread to all residents of the Pacific Northwest.”

Utah Power has also filed an application with the commission to recover \$38 million in power supply costs the company incurred during the last two years. The company requests to recover the amount over two years, \$27 million in the first year and \$11 million during the second. That, along with a proposal to adjust customer rates to bring them closer to the actual cost of serving each customer class, is still under review by the commission. Hearings will be conducted on those matters.

If the commission were to grant Utah Power recovery of the full requested amount, bills would still

average 8 percent lower than current amounts, according to the company.