



**Case No. PAC-E-02-1**

**IDAHO PUBLIC UTILITIES COMMISSION**

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**PacifiCorp-Utah Power proposing significant changes to its rate schedules**

BOISE – PacifiCorp-Utah Power is proposing significant changes in its rate schedules to customers in a case pending before the Idaho Public Utilities Commission.

The company’s proposed rate adjustments may not be noticed by residential and small-farm customers because of the sizeable Bonneville Power Administration credits that became effective earlier this month.

In an application filed earlier this year, PacifiCorp is seeking to recover, over the next two years, \$38 million in excess power costs the company incurred during the last two years. Also included in the application is a rate mitigation adjustment that seeks to ensure that no customer classes will see rate increases during the two-year cost recovery period.

The application also proposes to adjust rates by customer class – such as residential, irrigation and commercial – to bring them within 5 percent of the cost of serving the class. Part of that redesign would mean a change in status for large special-contract customers, like Monsanto, based in Soda Springs. Under the redesign, the allocation of costs to serve large special-contract customers would remain in the company’s Idaho jurisdiction and not be spread throughout PacifiCorp’s entire six-state system. PacifiCorp maintains that the redesign will not result in a revenue increase for itself.

The commission has identified the issues in PacifiCorp’s filing and set preliminary hearing schedules.

The parties in the case, which include commission staff, PacifiCorp, Monsanto and the Idaho Irrigation Pumpers Association, are involved in settlement negotiations. The commission set a deadline of April 17 for the parties to submit a settlement agreement. If an agreement is submitted, an evidentiary hearing will be at a location to be announced later.

If the parties are not successful in resolving all the issues or the commission does not accept t settlement, hearings will be scheduled on July 10 and 11 at locations to be announced later.

These are some of the items the commission identified as “at issue” in this case:

- The cost of service study and adjustments that may result.
- The revenue ramifications for the company.

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- The rate mitigation adjustment.
- Whether the company's attempted recovery of excess power costs incurred during 2000 through 2002, violates a condition of the 1999 merger between ScottishPower and PacifiCorp. That condition, ordered by the commission, said there would be rate moratorium in place until Jan. 1, 2002.
- Whether it was appropriate for PacifiCorp to interrupt power rather than buy high-cost power to meet its load.
- The presence of interruptible load and the company's treatment of it.
- The treatment of irrigators that have been non-firm customers (or interruptible) and the company's proposal to make them non-interruptible or firm customers.
- A review of the company's sales contracts in 2000 and 2001.
- The timing of the loss of the company's Hunter (Utah) coal generation plant and its causes.
- The treatment of contract customers who's cost of service would be allocated only to Idaho and not throughout PacifiCorp's system.