

IDAHO PUBLIC UTILITIES COMMISSION

Case No. PAC-E-05-1, Order No. 29703

February 3, 2005

Contact: Gene Fadness (208) 334-0339

Website: www.puc.idaho.gov

IPUC begins examination of PacifiCorp rate case

Boise – Feb. 23 is the deadline for parties who want to formally intervene in PacifiCorp’s rate case before the Idaho Public Utilities Commission.

On Jan. 15, PacifiCorp, which does business as Utah Power in southeastern Idaho, applied to the commission for an average 12.5 percent rate increase to be effective by Sept. 16. Because surcharges expire on that same date, the net effect is an average increase of 9.2 percent, according to the company.

Intervenors are parties representing PacifiCorp customers who want to participate in the case by presenting and receiving evidence, cross-examining witnesses, participating in settlement and negotiation conferences and making and arguing motions. The Irrigation Pumpers Association and Monsanto have already filed for intervention status.

The commission will also provide a number of opportunities for participation by the general public through workshops, hearings and written comment periods. Dates for those events as well as deadlines for written comments will be announced shortly.

The commission’s staff of attorneys, auditors and engineers has already begun a thorough examination of the company’s proposal, a process that can take six months or more. The commission is free to accept, reject or modify the company’s proposal.

If approved, the rate hike would increase annual revenues by \$15.1 million. The company claims the additional revenue is needed to meet expenses caused by inflation; employee pensions and health care; and investments in new generation. The company is asking to earn a return on equity of up to 11.125 percent. It is currently earning an ROE of 5.8 percent. The company has not had an adjustment to its ROE or existing base rate structure since 1986.

Not accounting for the expiration of the surcharge, the average increase, if approved, for residential customers would be 14.9 percent. For residential customers who use time-of-day metering, the average increase would be 10.9 percent. The proposed increase for small commercial customers is 13.5 percent and for irrigation customers, 13.6 percent.

The company’s application can be viewed on the commission’s Web page at www.puc.idaho.gov. Click on “PacifiCorp rate case” under “Hot Items” on the top right-hand corner of the page. Copies of the application are also available at commission headquarters at 472 W. Washington St. in Boise and at company offices in Rexburg, Preston, Shelley and Montpelier.