

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)	
ROCKY MOUNTAIN POWER'S)	CASE NO. PAC-E-07-01
APPLICATION FOR APPROVAL OF)	
REDUCTIONS IN BONNEVILLE POWER)	
ADMINISTRATION REGIONAL)	ORDER NO. 30248
EXCHANGE CREDITS)	

On January 4, 2007, PacifiCorp dba Rocky Mountain Power (RMP or "Company") filed an Application with the Commission for approval of a revised Electric Service Schedule No. 34, which would reflect a reduction in Bonneville Power Administration (BPA) regional exchange credits. This Commission has the jurisdiction over such request pursuant to *Idaho Code* §§ 61-301, 61-307, 61-622 and 61-623.

On January 19, 2007, the Commission issued a Notice of Application and Modified Procedure, soliciting comments from interested parties. Order No. 30222. The only comments received were submitted by the Commission Staff. On February 13, 2007, the Company filed an amendment to the Application, seeking an effective date of February 16, 2007 instead of February 15, 2007.

THE APPLICATION

RMP participates in the Residential Exchange Program (REP) administered by the BPA. RMP established and maintained accounts to monitor the differences in the program credits provided to the Company's customers and the payments received from BPA. The Company states that as of October 2006, its Idaho balancing account showed a surplus of \$7.2 million; that is, RMP paid out \$7.2 million less in benefits to its Idaho residential and small farm customers than it had received from the BPA.

RMP has recently engaged in negotiations with BPA for the calculation of REP credits effective October 1, 2006 through September 30, 2011. Through these negotiations, the REP benefits passed on to RMP customers are less than benefits received under the parties' prior five-year agreement. The Company is proposing a reduction to the Schedule 34 credit amount to reflect the change in the net credit received from BPA to pass on to RMP customers. Further, RMP proposes to apply \$1 million from the existing Idaho balancing account toward the change in the 2007 BPA credit to help moderate it.

The Company proposed that certain long-term care facilities served by it be eligible to receive REP benefits. These facilities would include those where the average patient stay is longer than 30 days, but not include those care facilities that provide full medical care similar to hospitals or medical clinics.

STAFF COMMENTS

According to Staff calculations, the proposed credits will decrease from \$0.019216 to \$0.016757 per kilowatt-hour for non-irrigation customers under Schedule Nos. 1, 6A, 7A, 23A, 35A, 36, 19 with 6A, 19 with 23A, and 19 with 35A. As proposed, credits to irrigation customers under Schedule 10 would be reduced from \$0.031546 to \$0.026415 per kilowatt-hour.

Using a growth rate of 1%, Staff's analysis showed the surplus in the Idaho balancing account will likely be reduced to just over \$1 million at the expiration of the Agreement in 2011 at normalized consumption levels. Staff believes that the REP rates proposed by the Company for qualified non-irrigation and irrigation customers are reasonable. Staff anticipated that the surplus existing in the Idaho balancing account will be appropriately reduced, approaching zero, over the term of the Agreement.

Staff also reviewed the Company's proposal to include certain long-term care facilities as entities eligible for REP credits. According to BPA's Customer Load Eligibility Guidelines, the loads associated with nursing homes are eligible to receive the REP credit. Long-term care facilities such as nursing homes are eligible for REP credits when the average length of stay is 30 days or longer and the facility does not provide full medical care similar to the medical facilities, equipment and staff normally provided by hospitals, clinics, or similar institutions. The loads associated with hospitals are ineligible to receive REP credits.

Staff noted that the Company has identified 17 long-term facilities that qualify for REP credits. The overall impact of including these facilities in the allocation of REP benefits to all other customers is minimal. Staff recommended the Company include the pass-through of REP benefits to qualifying long-term facilities in accordance with BPA's Customer Load Eligibility Guidelines.

FINDINGS AND CONCLUSIONS OF LAW

The Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility pursuant to the authority and power granted under Title 61 of the Idaho Code and

the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.* We find that we have jurisdiction over this matter pursuant to *Idaho Code* §§ 61-301, -307, -622 and -623.

We find that the Company's proposal for the reduction in REP credits is reasonable. With the application of \$1 million from the existing Idaho balancing account, the reduction in the credits should be moderated. We find that an attempt to accelerate reduction in the surplus balance could actually cause balancing account deficits requiring offsetting credit reductions. Should the balance grow larger during the five-year period or fail to decline as quickly as anticipated, we may revisit this matter to consider modification of the REP to better assure that all appropriate benefits are received by customers in a timely manner. In addition, we find it reasonable for the Company to provide the Commission with annual statements showing payments made by the Company to its customers and Idaho account balances on a monthly basis in order to monitor the health of the Idaho accounts. We further find that it is reasonable to extend the REP benefits to long-term care facilities.

ORDER

IT IS HEREBY ORDERED that the Application of PacifiCorp dba Rocky Mountain Power for a modification to its Schedule 34 to reflect a reduction in credits from Bonneville Power Agency is approved. The Company is directed to file a revised Schedule 34 reflecting the change in credits. The effective date of the revised Schedule 34 is February 16, 2007.

IT IS FURTHER ORDERED that the Company shall provide the Commission with an annual statement showing payments made by the Company and Idaho account balances on a monthly basis.

IT IS FURTHER ORDERED that qualifying long-term care facilities shall be eligible to receive Residential Exchange Program benefits.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. PAC-E-07-01 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

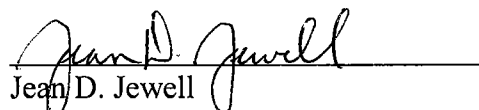
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of February 2007.


PAUL KJEELANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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