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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-09-1
POWER FOR AUTHORITY TO REVISE ITS)	
EXISTING SCHEDULE NO. 72A IRRIGATION)	COMMENTS OF THE
LOAD CONTROL CREDIT RIDER DISPATCH)	COMMISSION STAFF
<u>PROGRAM.</u>)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kristine A. Sasser, Deputy Attorney General, submits the following comments in response to the Notice of Modified Procedure issued on March 16, 2009. Order No. 30747.

BACKGROUND

On February 11, 2009, PacifiCorp dba Rocky Mountain Power ("Company") filed an Application with the Commission seeking authority to revise its Schedule 72A Irrigation Load Control Credit Rider Dispatch Program ("Program"). More specifically, the Company requested changes to tariff Sheet Nos. 72A.1, 72A.2, 72A.3 and 72A.4. The Company filed the Application as a Tariff Advice with a proposed effective date of March 13, 2009. The proposed modifications included:

1. Tariff Sheet No. 72A.1 addresses the purpose of Schedule 72A. The proposed change provides the Company's rationale for preseason Internet access.
2. Tariff Sheet No. 72A.2 addresses load control service credit.
 - a. The Company's proposed modifications would allow the Company to issue a credit in lieu of a check for the Load Control Service Credit ("LCSC"), at its discretion, at the end of the season.
 - b. Additional language was added to clarify how average demand is calculated when two years of usage history is unavailable.
 - c. Language was also added to indicate that the tiered credit was designed to promote program participation.
 - d. A revision was included to correct the notification date for participation from February 15 to April 15.
3. The proposed changes to tariff Sheet Nos. 72A.3 and 72A.4 add language to clarify the Company's notification procedures for a dispatch event and revise language to the liquidated damages section from actual prices paid by the Company for replacement power to the day ahead on-peak price at Four Corners as quoted at the Intercontinental Exchange (ICE).

Staff reviewed the tariff advice filing and found that the majority of the modifications were minor and provided additional clarity to the rate schedule. The one exception was Sheet 72A.2. In a Decision Memo dated March 6, 2009, Staff recommended suspension of the effective date and, further, that the case be processed by Modified Procedure. Staff reasoned that the 72A.2 modifications marked a significant departure from current Company practices and lacked any guidelines as to when the Company would issue a credit to a program participant's account in lieu of a check. The Commission granted Staff's request.

STAFF ANALYSIS

Staff has worked with the Company and the Idaho Irrigation Pumpers Association ("IIPA") to come up with a viable solution to the modification in payment of the LCSC. Specifically, the parties discussed if there was an appropriate level of arrearage that would warrant an account credit over a check. A conference call was held on April 3, 2009 to determine whether the parties could reach agreement. The Company contends that it had internal conflict

between its collections and DSM departments as to whether crafting more definitive language was appropriate. From the Collections standpoint, at the end of the 2008 Program season the Company paid nearly \$5.9 million in LCSC while having nearly \$3.3 million in past due accounts for the irrigation class. The main concern of the DSM staff was negative customer perception that might impact participation in the Program. The originally proposed language allowed the Company to address the issuance of the LCSC on a case by case basis.

Staff believes the Company underestimates the value placed on the certainty of its practices. Staff is concerned that the Company's proposal could lead to discordant application of the LCSC payment, thus aggravating participants more so than if an explicit standard were included in the tariff. During the April 4 conference call, IIPA stated that the organization is generally supportive of the modification in payment protocol if guidelines are provided in the tariff. IIPA assured the Company that the matter had been discussed in a recent board meeting, and the board did not believe Program participation would be affected should a reasonable timeframe be adopted. IIPA also recognized that reducing uncollectables and delinquent accounts have benefits to the class as a whole.

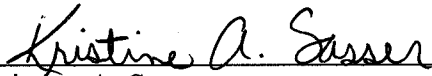
Staff suggested that a proper limit for arrearage, and thus credit issuance, be between 30 and 60 days from the end of the Program season. Following the conference call and input by both Staff and IIPA, the Company submitted revised language to address the concerns in Sheet 72A.2. The Company now recommends that accounts more than 30 days past due, two weeks prior to LCSC issuance, receive a credit toward the past due amount. The newly proposed language is as follows:

The LCSC for a participating site shall be calculated and issued to the participating customer in the form of a check, or as a credit against the participating site account if an outstanding account balance exists that is 30 days or more past due two weeks before the credit issuance. The LCSC will be issued no later than October 31 following each irrigation season.

STAFF RECOMMENDATION

Staff finds the Company's newly submitted language to be a reasonable accommodation in terms of the LCSC and account arrearage, and recommends the Commission adopt this revised proposal for Sheet 72A.2. Should the LCSC exceed the account balance, the Company would issue a check to the participant for the difference. Further, Staff recommends that the additional revisions as submitted in PacifiCorp Tariff Advice 09-01, which are not in dispute, be adopted.

Respectfully submitted this 15TH day of April 2009.



Kristine A. Sasser
Deputy Attorney General

Technical Staff: Bryan Lanspery

i:umisc:comments/pace09.1ksbl comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15TH DAY OF APRIL 2009, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-09-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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