

because Utah Power has entered into an exchange agreement with the Bonneville Power Administration (BPA) pursuant to the Pacific Northwest Electric Power Planning and Conservation Act under which qualifying residential and farm customers receive a credit on their bill representing the difference between the rate that this Commission has fixed for those customers and the benefits Congress has provided for those customers under the Act. Thus, even though Utah Power proposed to reduce the billing components for these customers by uniform percentage decrease, nevertheless some of these qualifying customers would face slight increases in the bills they pay because their credits under the Act will be reduced by more than the amount of reduction in Utah Power's rates.

For reasons to be more fully explained in a subsequent order, we accept Utah Power's proposal as filed, except we find that Nu-West should also fully share in the decrease. Accordingly, the revenue base for the one percent decrease resulting from the merger should be increased by Nu-West's annualized revenues of \$3,577,174 to reflect a one percent reduction in Nu-West's revenue as well. See Ex. 10.

In particular, we find:

1. The annual decrease in rates of \$2,551,043 proposed by Utah Power should be increased by \$35,772 (one percent of Nu-West's annualized revenues) to \$2,586,815 to recognize Nu-West's participation in the decrease.

2. It is fair, just and reasonable to allow the remaining portion of the so-called "Simonelli" reduction to be returned to customers by a one-time credit and to rescind the current "Simonelli" refund credit. Nu-West never participated in this revenue reduction, its rates were not affected by it, and its rates will not be increased as a result of the expiration of the "Simonelli" refund.

3. It is fair, just and reasonable to reduce the billing components of all of Utah Power's tariff customers and firm Monsanto service by the uniform percentage decrease as a means of implementing the \$2,586,815 annual refund. These uniform reductions will not be further altered for the purpose of offsetting the effects of changes in the BPA credit for the residential or irrigation classes.

4. It is fair, just and reasonable that Nu-West's current rates and its "target" rate set in Case No. UPL-E-89-7 be reduced by the same uniform percentage that applies to tariff customers and Monsanto firm service. Orders in Case No. UPL-E-89-7 are hereby modified by the terms of this paragraph. Further, we anticipate that the proceedings in the permanent phase of this case will finally set the Nu-West rates in proper relationship to Utah Power's other rates.

ORDER

IT IS THEREFORE ORDERED that the Application of Utah Power & Light Company, a division of PacifiCorp, to decrease its rates and charges on an interim basis effective May 10, 1990, be granted, as modified by this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this *8th* day of May 1990.



DEAN J. MILLER, PRESIDENT



PERRY SWISHER, COMMISSIONER



RALPH NELSON, COMMISSIONER

ATTEST:


MYRNA J. WALTERS, SECRETARY

MG:nh/O-995

ORDER NO. 23117