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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF PACIFICORP DBA , UTAH POWER & LIGHT COMPANY, FOR APPROVAL OF A TEMPORARY SURCREDIT FOR QUALIFYING SCHEDULE 10 CUSTOMERS.                                                                                         | )))))) | CASE NO. UPL-E-97-2COMMENTS OF THECOMMISSION STAFF |

COMES NOW  the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Brad Purdy, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Interlocutory Order No. 26904 issued on April 25, 1997, submits the following comments.

On April 22, 1997, Pacificorp, doing business as Utah Power & Light Company (UP&L;

Company) filed an application for approval effective May 1, 1997 of the Company’s proposed Schedule 99 implementing a temporary surcredit for irrigation customers who qualify for the Bonneville Power Administration (BPA) residential exchange program.  The surcredit would reduce by approximately one-half the cumulative increase experienced by these customers as a result of BPA’s last rate case.  Rates would be reduced by 8%, or a total of approximately $1,674,000 between May 1 and termination of Schedule 99 on October 31, 1997.

The proposed surcredit is made possible by an agreement between UP&L and BPA fixing at $47.7 million the amount that BPA will pay UP&L under the current Residential Purchase and Sale Agreement and allowing UP&L the flexibility to shape the distribution of exchange benefits.  The proposed surcredit will not alter the total benefits to be received by irrigators over the period October 1, 1996 through June 30, 2001.  It will, therefore, reduce the period over which benefits will be available for irrigators.  No change in benefits is proposed for residential customers.

UP&L states that the proposed surcredit resulted from discussions with Idaho legislators and a representative of the Idaho Irrigation Pumpers Association.  The Pumpers Association has filed comments in support of the application.

Given the support of customers affected by the proposal, the Staff recommends approval.  The Staff is concerned, however, that irrigation customers not be made better off at the expense of residential customers.  The proposal made by UP&L does not address the allocation between residential and irrigation customers of the $47.7 million to be received from BPA.  Staff’s support of the proposed acceleration of exchange credits for irrigation customers in no way indicates support for any shifting of benefits from residential to irrigation customers.  Staff recommends that the issue of allocation of benefits be resolved as soon as possible after execution of the settlement agreement between BPA and UP&L and certainly no later than October 31, 1997.

DATED  at Boise, Idaho, this            day of May 1997.

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Brad Purdy

Deputy Attorney General

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Stephanie Miller

Administrator, Utilities Division

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