DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:April 6, 1998

RE:CASE NO. WWP-E-98-4

PETITION FOR ORDER TERMINATING POWER COST ADJUSTMENT (PCA)

On April 1, 1998 the Washington Water Power Company (Water Power; Company) filed a Petition in Case No. WWP-E-98-4 for an order terminating its Power Cost Adjustment (PCA) mechanism.

The Company sites two reasons for termination:

1.  The PCA mechanism overvalues surplus hydro generation during high stream flow periods.

2.  The PCA is only approved in the state of Idaho, representing only 31.40% of the Company’s total electric power cost.

Water Power is proposing to terminate the PCA by ceasing PCA deferral entries and reversing the deferred rebate balance in the balancing account at the time the PCA is terminated.  At March 31, 1998, the deferred rebate balance in the balancing account amounted to $4,797,000.  Water Power is proposing to continue the two existing rebates until they expire on May 31, 1998 and August 31, 1998 respectively.  No true-up would be made for any over-rebated or under-rebated amounts.

Water Power requests that the Commission issue its order terminating the PCA within sixty days from the filing of its petition and that the Commission process its filing pursuant to Modified Procedure i.e. by written submission rather than by hearing.  Reference Commission Rules of Procedure IDAPA 31.01.01.201-204.

Commission Decision:

How does the Commission wish to process the Company’s Petition?

Scott Woodbury

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