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August 14, 2007

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket UM 1129

RECEIVED

AUG 15 2007

Public Utility Commission of Oregon
Administrative Hearing Division

Enclosed for filing in the above-referenced proceeding is Idaho Power Company's Motion for Clarification. A copy of this filing has been served on all parties to this proceeding.

Very truly yours,

Lisa F. Rackner

Enclosures

cc: Service List

RECEIVED

AUG 15 2007

Public Utility Commission of Oregon
Administrative Hearing Division

1 BEFORE THE PUBLIC UTILITY COMMISSION
2 OF OREGON

3 UM 1129

4 In the Matter of PUBLIC UTILITY
5 COMMISSION OF OREGON Staff
6 Investigation Relating to Electric Utility
7 Purchases From Qualifying Facilities.

8 IDAHO POWER COMPANY'S MOTION
9 FOR CLARIFICATION

10 Idaho Power hereby files this motion for clarification, requesting that the Commission
11 issue an order clarifying the timing of its required avoided cost rate filing.

12 **BACKGROUND**

13 The Commission's rules governing the filing of avoided cost studies are set out in
14 OAR 860-029-0080. Pursuant to that rule:

15 "Each public utility shall file with the Commission draft avoided
16 cost information with its least cost plan pursuant to Order
17 No. 89-507 and file final avoided-cost information within
18 30 days of Commission acknowledgement of the least-cost
19 plan to be effective 30 days after filing."¹

20 Accordingly, Idaho Power included information with the Integrated Resource Plan
21 ("Plan") filed in LC 41 that will be used to determine avoided costs in Oregon, and plans to
22 file final avoided cost information when its Plan is approved. The Commission is currently
23 scheduled to consider the Company's Plan at a Public Meeting on August 29, 2007.

24 In its Reply to Sherman/Simplot's Motion to Commence Proceeding to Review
25 Avoided Cost Rates ("Staff's Reply")², Staff noted that there was some uncertainty as to
26 when Idaho Power's final avoided cost filing was due. Staff noted that under OAR 860-029-
0080(3), the filing is due 30 days from the Commission's acknowledgement of its IRP. See
Staff's Reply at 2 n. 2. However, Staff also pointed out that in Order No. 05-584, entered on

¹ OAR 860-029-0080(3).

² See Staff's Reply to Petitioner's Motion to Commence Supplementary Proceeding to
Review Avoided Cost Rates, filed in this docket on May 16, 2007.

1 May 13, 2005, the Commission continued a two-year filing cycle for avoided cost filings, and
2 pursuant to that Order, the Company's final avoided cost filing would have been due in July.
3 Staff's Reply at 2 n. 2; see *also* Commission Order No. 05-584 at 32 ("We affirm the
4 continued use of a two-year filing cycle for avoided cost rates."). Therefore, Staff stated that
5 the Company should file a petition with the Commission to clarify when its avoided cost filing
6 is due. See Staff's Reply at 2 n. 2 ("Idaho Power should file a petition with the Commission,
7 separate and apart from the present matter, to clarify when its avoided cost filing is due.").

8 DISCUSSION

9 Idaho Power believes that the timing for filing final avoided cost rates provided for in
10 the Commission's rules will allow for the most efficient and accurate avoided cost filing.
11 Acknowledgement of its IRP provides the Company with information essential to calculation
12 of avoided cost rates. Order No. 05-584, on page 27, authorizes the Company to utilize the
13 SAR methodology adopted in Idaho to calculate avoided costs in Oregon. The SAR
14 methodology uses the costs of building and operating a combined cycle combustion turbine
15 (CCCT) to establish avoided costs. The Company's forecasts of the cost of building and
16 operating a CCCT are set out in the Company's Plan. If the Commission were to require
17 Idaho Power to file on a strict two-year cycle, in years such as this one, where the
18 Commission has not yet acknowledged Idaho Power's Plan, the avoided cost information
19 used by the Company to set avoided cost rates might become obsolete just a few months
20 later when a Plan is finally acknowledged.

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1 For these reasons Idaho Power requests that the Commission clarify that Idaho
2 Power's final avoided cost rates will be due within thirty days of acknowledgement of its IRP,
3 as provided for in OAR 860-029-0080(3).

4 DATED: August 14, 2007.

5 McDOWELL & RACKNER PC

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1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I served a true and correct copy of the foregoing document in
3 Docket UM 1129 on the following named person(s) on the date indicated below by email
4 and first-class mail addressed to said person(s) at his or her last-known address(es)
5 indicated below.

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