

liability), and similar items involving relatively small amounts as of the date of this application."

Since then, on October 15, 1962, a formal complaint was filed with this Commission against the Idaho Power Company by the Attorney General of Oregon. Specifically, that complaint asks that Idaho Power Company be required "to pay to the State of Oregon the sum of \$2,300,000 to compensate" it for the salmon loss caused by the collapse and destruction of the fishway utilized by Idaho Power below its Oxbow dam on the Snake River. Subsequent press accounts quote the Attorney General of Oregon as saying that if the States of Washington and Idaho set comparable values on the fish loss they also suffered through company's alleged negligence, Idaho Power will have to pay out some \$6,900,000 in damages—provided, of course, that negligence or illegal procedure is found and the claims are allowed against the company by this Commission or by the courts.

On November 7, Idaho Power filed a motion with us to dismiss that complaint. In that motion, it states that company's "fish trap structure was undermined by the waters of the Snake River * * * that the same required the making of repairs, and that such repairs were made with all possible speed and dispatch. Continuing, however, while it admits that "an unknown number of fish were lost," it explains that "said loss was * * * due to an unknown and unforeseeable condition of nature, namely, fish behavior, * * * and that the loss of fish was not due to any negligence on the part of the Company or its contractor, but was a loss that was completely unforeseeable and unavoidable * * *"

Whatever the final findings may be—and their determination cannot long be postponed—it is clear that as a minimum, we should determine whether company is insured against liability in this matter; and, if it is not, whether the scope of its possible liability will alter the costs and advisability of the additional financial burden that company here asks us to permit it to assume.

IV

The financial statements filed in support of this application demonstrate that the company persists in following a 5% present-worth method of depreciation for its Brownlee and Oxbow projects, and not the regular straight-line method contemplated by our Uniform System of Accounts for Public Utilities and Licensees.

The effect of this irregular practice, which defers current depreciation costs to the future, is to increase the currently reported earnings of the company. The purpose, apparently, is to minimize the visible effect of the low interstate wholesale rates at which the company is disposing of its surplus energy from Brownlee and Oxbow.

This, of course, poses a question that should be investigated by the Commission under Section 302 of the Act. The extent to which this deviant practice may or may not affect the costs and advisability of the financing here proposed represents one more of the questionable areas into which we should probe before approving that issue under Section 204 of the Act.

* * * * *

Accordingly, and for the foregoing reasons, I am unable to "find" that the issue or assumption here proposed—

"(a) is * * * compatible with the public interest, * * * necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and * * * will not impair its ability to perform that service, and (b) is reasonably necessary or appropriate for such purposes."

I therefore dissent. My dissent is limited and directed solely to that portion of the security issue designed and intended for expenditures in connection with Project No. 1971.

HOWARD MORGAN, *Commissioner*.

The CHAIRMAN. We will have to suspend these hearings. There are other—there are questions by other members of the committee, so I am going to ask you to come back tomorrow afternoon at 2 o'clock. The committee has an executive session that it must go into now for another purpose.

(Whereupon, at 11:50 a.m., the subcommittee went into executive session.)