

ATL-E-0802

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NOTICE TO CUSTOMERS

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Atlanta Power Company, who provides electric service to customers in the community of Atlanta, Elmore County, Idaho, filed an Application with the Idaho Public Utilities Commission on May 1, 2008 seeking an increase in basic electric revenues of \$41,460.62 or 60.62% to be effective on June 1, 2008.

IDAHO PUBLIC UTILITIES COMMISSION

In addition, the Company has requested authorization to implement an emergency surcharge of 54.20% on current rates to be effective on June 1, 2008. All changes in the Company's rates and charges must first be approved by the Commission. If the Commission approves the Company's increase in basic rates, the surcharge would drop to 33.74 % on the new rates. The surcharge is necessary to repay loans for money borrowed when the Company's hydroelectric turbine failed in 2007. The surcharge would produce \$3,089 of revenue monthly, equal to the Company's loan payments. After 12 months, when one of the Company's loans is satisfied, the surcharge will drop to 38.71% on current rates or 24.1% of the proposed base rates. The surcharges will remain effect for a period of 7 years.

Atlanta Power Company has not increased its rates since 1993, nearly 15 years ago. The Company is proposing numerous changes in the way it bills customers for their electric consumption. The Company proposes to eliminate its seasonal customer rate schedule. Customers under this rate would be moved to the applicable residential or commercial rate schedule. The current seasonal residential base rate would change from \$35 per month to \$83 per month (137%) and the commodity rate would decrease by 52% from 21 cents per KWh to 10 cents per KWh. Seasonal commercial base rates would increase from \$65 per month to \$165 per month (154%) and their commodity rates would decrease by 5% from 21 cents per KWh to 20 cents per KWh.

The Company has proposed that the Schedule 1 Residential base rate be increased from \$81 per month to \$83 per month (an increase of 2.5%), the 500 KWh free allowance be eliminated and all consumption be billed at 10 cents per KWh, an increase of 100% from the current 5 cent per KWh rate.

The Company has proposed that the Schedule 2 commercial base rate be increase from \$144 per month to \$165 per month (14.6% increase), the 500 KWh free allowance be eliminated and all consumption be billed at 20 cents per KWh, an increase of 11.1% from the current 18 cent per KWh rate.

A copy of the Company's Application is on file with the Idaho Public Utilities Commission and may be viewed on-line at [www.puc.idaho.gov](http://www.puc.idaho.gov) or at the Commissions offices located at 472 W. Washington Street Boise, Idaho. The Application may be viewed in Atlanta, Idaho by phoning (208) 834-2137 to make arrangements.