

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE COMMISSION'S)
INQUIRY INTO LOAD GROWTH) CASE NO. GNR-E-10-03
ADJUSTMENTS THAT ARE PART OF)
POWER COST ADJUSTMENT) NOTICE OF WORKSHOP
MECHANISMS.)**

Power supply costs represent a significant portion of a utility's total revenue requirement and are subject to a high degree of volatility largely outside the utility's control. Power cost adjustment mechanisms allow a utility to collect from customers or credit to customers the majority of the difference between actual net power costs incurred by the utility to serve its customers and the normalized amount of power supply costs collected from customers through rates set in a general rate case.

Power cost adjustment mechanisms are now being utilized by Idaho's three major electric utilities (Avista Corporation (PCA), Idaho Power Company (PCA) and Rocky Mountain Power (ECAM)). Each of these power cost adjustment mechanisms contains an adjustment to power costs for variations between normal and actual loads. When loads grow, a portion of the power costs of serving the load is removed from the power cost adjustment mechanism. When loads decline, costs have been added to the mechanism and are passed on to customers.

In a recent case (PAC-E-10-01), the Commission observed that in periods of declining load the mechanism "appears to operate much the same as a decoupling mechanism reimbursing the company for lost revenue for reductions in customer usage (sales)." Order No. 31033. The Commission directed the Staff to hold a workshop "to discuss this phenomenon and report continued justification for use of an LGAR [load growth adjustment rate] when loads decline." *Id.* On June 9, 2010, Commission Staff met with representatives from Avista, Idaho Power and Rocky Mountain Power to identify and discuss differences in the three load growth adjustment mechanisms. By this Notice, the Idaho Public Utilities Commission initiates a case to provide a forum for the exploration of issues related to load growth adjustments.

NOTICE OF WORKSHOP

YOU ARE HEREBY NOTIFIED that the Commission shall convene a workshop on **TUESDAY, SEPTEMBER 28, 2010, AT 10:00 A.M. IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO.** Persons wishing to participate telephonically may dial toll-free **(888) 706-6468; when prompted, enter Participant**

Code 472404. The purpose of the workshop is to explore in greater detail issues related to load growth adjustment mechanisms.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
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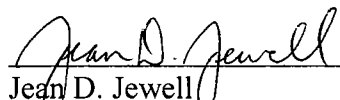
DATED at Boise, Idaho this 10th day of September 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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