



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

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BARTON L. KLINE
Senior Attorney

April 15, 2003
IDAHO PUBLIC
UTILITIES COMMISSION

HAND DELIVERED

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-03-05
Power Cost Adjustment Filing

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of the Company's Application for authority to implement the Power Cost Adjustment (PCA) rate for electric service to customers in the State of Idaho for the period May 16, 2003 through May 15, 2004. Also enclosed are nine (9) copies of the testimony and exhibits of Gregory W. Said and John R. Gale, with one copy of each designated as the Reporter's Copy. A computer disk containing Mr. Said and Mr. Gale's testimony is also enclosed.

Copies of the Company's Application, testimony and exhibits have been mailed to potentially interested parties as per the attached Certificate of Mailing.

Also enclosed are the original and three (3) copies of the tariff schedules that the Company proposes become effective on May 16, 2003. For the convenience of the Commission, I have also enclosed a copy of the proposed tariff in legislative format.

Also enclosed are a copy of the Company's press release and bill stuffer regarding the PCA filing.

I would appreciate it if you would return a stamped copy of this transmittal letter for our files.

Very truly yours,

Barton L. Kline

BLK:jb
Enclosures

BARTON L. KLINE ISB #1526
MONICA B. MOEN ISB #5734
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
Phone: (208) 388-2682
FAX: (208) 388-6936

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Idaho Power Company

Express Mail Address

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-03-05
AUTHORITY TO IMPLEMENT POWER COST)
ADJUSTMENT RATES FOR ELECTRIC)
SERVICE TO CUSTOMERS IN THE STATE) APPLICATION
OF IDAHO FOR THE PERIOD MAY 16, 2003)
THROUGH MAY 15, 2004)
_____)

Application is hereby made to the Idaho Public Utilities Commission (the "Commission") by Idaho Power Company ("Idaho Power") for approval of Tariff Schedule 55 implementing a Power Cost Adjustment ("PCA") and related tariffs incorporating PCA adjustments for the period May 16, 2003 through May 15, 2004.

In support of this Application, Idaho Power represents as follows:

I.

Idaho Power is an Idaho Corporation, whose principal place of business is 1221 West Idaho Street, Boise, Idaho 83702.

II.

Idaho Power operates a public utility supplying retail electric service in Southern Idaho and Eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission in Idaho and to the jurisdiction of the Oregon Public Utility Commission in Oregon. Idaho Power is also subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC").

III.

On March 29, 1993, by Order No. 24806 issued in Case No. IPC-E-92-25, the Commission approved the implementation of an annual Power Cost Adjustment procedure.

IV.

Attachment 1 to this Application is a copy of Idaho Power's proposed new Electric Rate Schedule, IPUC No. 26, Tariff No. 101, Schedule 55, which provides for the implementation of Power Cost Adjustment rates for the period May 16, 2003 through May 15, 2004. The monthly Power Cost Adjustment applied to the energy rate for irrigation service (Schedules 24 and 25) is 1.3163 cents per kWh; for small general service (Schedule 7) is 0.8481 cents per kWh; and large power service (Schedule 19) is 0.8221 cents per kWh. The monthly Power Cost Adjustment applied to the energy rate of all other metered schedules and special contracts is 0.6043 cents per kWh. The monthly

Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times 0.6043 cents per kWh.

V.

Attachment 2 to this Application shows in full, each proposed change in rates by striking over proposed deletions to existing IPUC No. 26, Tariff No. 101, Schedule 55, and highlighting additions.

VI.

In compliance with Commission Order No. 24806, the PCA for the period May 16, 2003 through May 15, 2004 consists of: (1) 90 percent of the difference between the Projected Power Cost and the Commission's approved Base Power Cost and (2) the True-Up of the 2002/2003 power costs. The Projected Power Cost was computed in compliance with Commission Order No. 24806, by inserting the National Weather Service Northwest River Forecast Center's projection of 3.37 million acre feet of April through July Brownlee streamflow runoff into the Commission adopted equation for projecting PCA expenses. The resulting Projected Power Cost of \$111,209,453 equates to a cost of 0.7971 cents per kWh. This 0.7971 cents per kWh is 0.2733 cents per kWh higher than the Commission's approved base of 0.5238 cents per kWh. By Commission Order No. 25880, the Company is authorized to adjust rates by 90 percent of the 0.2733 cents per kWh difference, resulting in 0.2460 cents per kWh.

VII.

The True-Up component of the PCA is 0.3533 cents per kWh reflecting increased net PCA expenses above last year's forecast.

VIII.

Three customer classes have additional PCA adders as a result of Idaho Public Utilities Commission Orders allowing the one-year deferral (postponement) of certain PCA amounts from last year. Schedule 7, Small General Service Customers have a 0.2438 cents per kWh class-specific adder. Schedule 19, Industrial Customers have a 0.2178 cents per kWh class-specific adder. Schedule 24, Irrigation customers have a 0.7120 cents per kWh class-specific adder.

IX.

Ninety percent of the difference between the Projected Power Cost and the Base Power Cost (0.2460, Paragraph VI) plus the True-Up (0.3533, Paragraph VII), and the class-specific adders (Paragraph VIII), combine to produce PCA rates for the period May 16, 2003 through May 15, 2004 as set forth in Paragraph IV.

X.

The change in the PCA rate for small general service customers results in a decrease from 1.7241 cents per kWh to 0.8481 cents per kWh. The change in the PCA rate for industrial customers results in a decrease from 1.7241 cents per kWh to 0.8221 cents per kWh. The change in the PCA rate for irrigation customers results in a decrease from 1.3415 cents per kWh to 1.3163 cents per kWh. For all other customers, the change in the PCA rate is a decrease from 1.9370 cents per kWh to 0.6043 cents per kWh.

XI.

This Application is not subject to RP 122 in that, as set forth in RP 122.02, this is a change in rates related to PCA expenses causing a decrease in existing rates.

XII.

Simultaneous with the filing of this Application, Applicant has filed its direct case consisting of the testimony and exhibits of witnesses Gregory W. Said and John R. Gale. Applicant stands ready for immediate consideration of this Application, if it is the Commission's determination that a hearing should be held.

XIII.

Pursuant to RP 123 and Idaho Code § 61-307, Idaho Power requests that the tariff filing implementing the PCA rates listed in Paragraph IV become effective May 16, 2003.

XIV.

This Application has been and will be brought to the attention of Applicant's affected customers by means of press releases to news media in the area served by Applicant, by bill stuffers, by mailings of this Application to interested parties, and in some instances by means of personal contact. In addition, the proposed electric rate schedules, together with this Application and the testimony and exhibits of witnesses Gregory W. Said and John R. Gale, will be kept open for public inspection at all Applicant's offices in the State of Idaho. The above procedures are deemed by Applicant to satisfy the Rules of Practice and Procedure of this Commission. Applicant will, in the alternative, bring said Application to the attention of Applicant's affected customers through any other means directed by the Commission.

XV.

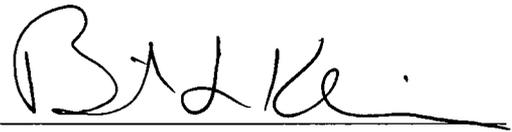
Communications with reference to this Application should be sent to the following:

Barton L. Kline
Monica B. Moen
Idaho Power Company
P.O. Box 70
Boise, ID 83707
bkline@idahopower.com
mmoen@idahopower.com

Gregory W. Said
Director, Revenue Requirement
Idaho Power Company
P.O. Box 70
Boise, ID 83707
gsaid@idahopower.com

WHEREFORE, Idaho Power Company respectfully requests that the Commission authorize the implementation of Power Cost Adjustment rates for the period May 16, 2003 through May 15, 2004. The monthly Power Cost Adjustment applied to the energy rate for irrigation service (Schedules 24 and 25) is 1.3163 cents per kWh, for small general service (Schedule 7) is 0.8481 cents per kWh and large power service (Schedule 19) is 0.8221 cents per kWh. The monthly Power Cost Adjustment applied to the energy rate of all other metered schedules and special contracts is 0.6043 cents per kWh. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times 0.6043 cents per kWh.

DATED this 15th day of April, 2003, in Boise, Idaho.



BARTON L. KLINE
Attorney for Idaho Power Company

ATTACHMENT 1

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules, to the primary portion of the FMC Special Contract, and to all other Idaho retail Special Contracts. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST

The Base Power Cost of the Company's rates is computed by dividing the Company's power cost components by firm kWh load. The power cost components are the sum of fuel expense and purchased power expense (including purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and FMC secondary load revenue. The Base Power Cost is 0.5238 cents per kWh.

PROJECTED POWER COST

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the power cost components for the forecasted time period beginning April 1 each year and ending the following March 31. The Projected Power Cost is 0.7971 cents per kWh.

TRUE-UP

The True-up is based upon the difference between the previous Projected Power Cost and the power costs actually incurred. The True-up is 0.3583 cents per kWh.

POWER COST ADJUSTMENT

The Power Cost Adjustment is 90 percent of the difference between the Projected Power Cost and the Base Power Cost plus the True-up.

The monthly Power Cost Adjustment applied to the Energy rate for Irrigation Service (Schedules 24 and 25) is 1.3163 cents per kWh, for Small General Service (Schedule 7) is 0.8481 cents per kWh and Large Power Service (Schedule 19) is 0.8221 cents per kWh. The monthly Power Cost Adjustment applied to the Energy rate of all other metered schedules and Special Contracts is 0.6043 cents per kWh. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times 0.6043 cents per kWh.

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 15, 2004.

ATTACHMENT 2

SCHEDULE 55
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules, to the primary portion of the FMC Special Contract, and to all other Idaho retail Special Contracts. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST

The Base Power Cost of the Company's rates is computed by dividing the Company's power cost components by firm kWh load. The power cost components are the sum of fuel expense and purchased power expense (including purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue and FMC secondary load revenue. The Base Power Cost is 0.5238 cents per kWh.

PROJECTED POWER COST

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the power cost components for the forecasted time period beginning April 1 each year and ending the following March 31. The Projected Power Cost is 0.76340.7971 cents per kWh.

TRUE-UP

The True-up is based upon the difference between the previous Projected Power Cost and the power costs actually incurred. The True-up is 1.72140.3583 cents per kWh.

POWER COST ADJUSTMENT

The Power Cost Adjustment is 90 percent of the difference between the Projected Power Cost and the Base Power Cost plus the True-up.

The monthly Power Cost Adjustment applied to the Energy rate for Irrigation Service (Schedules 24 and 25) is 1.34151.3163 cents per kWh, ~~and~~ for Small General Service (Schedule 7) is 1.72410.8481 cents per kWh and Large Power Service (Schedule 19) is 0.8221 cents per kWh. The monthly Power Cost Adjustment applied to the Energy rate of all other metered schedules and Special Contracts is 1.93700.6043 cents per kWh. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times 1.93700.6043 cents per kWh.

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 15, 20043.

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 15th day of April, 2003, I mailed true and correct copies of Idaho Power Company's Application and Direct Testimony and Exhibits of Gregory W. Said and John R. Gale to the following:

| | | |
|----------------------|-------------------------------------|----------------|
| R. Scott Pasley | <input type="checkbox"/> | Hand Delivered |
| David H. Hawk | <input checked="" type="checkbox"/> | U.S. Mail |
| J.R. Simplot Company | <input type="checkbox"/> | Overnight Mail |
| P.O. Box 27 | <input type="checkbox"/> | FAX |
| Boise, Idaho 83707 | | |

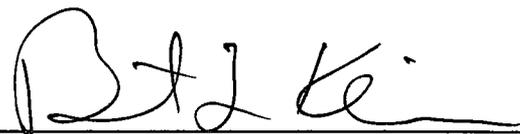
| | | |
|----------------------------|-------------------------------------|----------------|
| Peter J. Richardson | <input type="checkbox"/> | Hand Delivered |
| Richardson & O'Leary, PLLC | <input checked="" type="checkbox"/> | U.S. Mail |
| P.O. Box 1849 | <input type="checkbox"/> | Overnight Mail |
| Eagle, Idaho 83616 | <input type="checkbox"/> | FAX |

| | | |
|-------------------------|-------------------------------------|----------------|
| Rod W. Lewis | <input type="checkbox"/> | Hand Delivered |
| Corporate Counsel | <input checked="" type="checkbox"/> | U.S. Mail |
| Micron Technology, Inc. | <input type="checkbox"/> | Overnight Mail |
| Mail Stop 507 | <input type="checkbox"/> | FAX |
| P.O. Box 6 | | |
| Boise, Idaho 83707-0006 | | |

| | | |
|------------------------------------|-------------------------------------|----------------|
| Randall C. Budge | <input type="checkbox"/> | Hand Delivered |
| Racine, Olson, Nye, Budge & Bailey | <input checked="" type="checkbox"/> | U.S. Mail |
| P.O. Box 1391 | <input type="checkbox"/> | Overnight Mail |
| Pocatello, Idaho 83204-1391 | <input type="checkbox"/> | FAX |

| | | |
|-------------------------------|-------------------------------------|----------------|
| Contracting Officer | <input type="checkbox"/> | Hand Delivered |
| U. S. Department of Energy | <input checked="" type="checkbox"/> | U.S. Mail |
| Idaho Operations Office | <input type="checkbox"/> | Overnight Mail |
| 850 Energy Drive, MS 1221 | <input type="checkbox"/> | FAX |
| Idaho Falls, Idaho 83401-1563 | | |

| | | |
|-------------------------|-------------------------------------|----------------|
| Anthony Yankel | <input type="checkbox"/> | Hand Delivered |
| 29814 Lake Road | <input checked="" type="checkbox"/> | U.S. Mail |
| Bay Village, Ohio 44140 | <input type="checkbox"/> | Overnight Mail |
| | <input type="checkbox"/> | FAX |



BARTON L. KLINE