

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY TO REVISE ITS)
DEPRECIATION RATES FOR PLANT IN)
SERVICE.)**

) **CASE NO. IPC-E-03-7**
) **NOTICE OF APPLICATION**
) **NOTICE OF MODIFIED**
) **PROCEDURE**
) **NOTICE OF INTERVENTION**
) **DEADLINE**
) **NOTICE OF PUBLIC**
) **WORKSHOP**
) **NOTICE OF COMMENT/**
) **PROTEST DEADLINE**
) **ORDER NO. 29253**

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power Company filed an Application on May 6, 2003, requesting authority to revise its depreciation rates for the Company's electric plant in service. Idaho Power's depreciation rates have not been significantly changed since the Commission issued Order No. 24739 in 1993. Although the Company's total annual depreciation expense would increase by nearly \$7 million under its proposal, the present Application does not request a change in electric rates.

YOU ARE FURTHER NOTIFIED that the proposed depreciation rates are based on the results of a detailed depreciation study of Idaho Power's electric plant in service as of December 31, 2001 that was conducted by Gannett Fleming, Inc. Gannett Fleming identified and measured changes as well as recommended depreciation rates. The most significant proposed rate change is in the category of General Plant, which Gannett Fleming recommends be

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increased from 5.52% to 11.24%. Gannett Fleming's study also updates net salvage percents and service life estimates for all plant assets.

YOU ARE FURTHER NOTIFIED that Idaho Power's current depreciation rates have been applied to the investment in each primary and subplant account. The proposed depreciation rates are based on the straight line, remaining life method, average service life procedure for all electric plant. A summary schedule detailing the December 31, 2001 original plant cost, depreciation accrual amount, and rate is set forth in Attachment 1 to the Application.

YOU ARE FURTHER NOTIFIED that based on \$2,900,657,420 of depreciable electric plant in service on December 31, 2001, Idaho Power's requested depreciation rate changes would increase its total annual depreciation expense by \$6,994,021. The Company's Application states that Idaho Power believes the proposed depreciation changes using the average service life procedure are reasonable and appropriate. Although Gannett Fleming recommended the equal life procedure (ELG) be used, Idaho Power requested that Gannett Fleming prepare an alternative (average service life) procedure due to the large impact ELG would have on the Company's revenue requirement. While the Company notes that it agrees with Gannett Fleming that ELG best matches the recovery rate of capital investment with the asset service value, Idaho Power proposes that average service life procedure be used in this proceeding.

YOU ARE FURTHER NOTIFIED that Idaho Power Company requests that its Application be processed pursuant to the Commission's Rules of Procedure, i.e., by written submission rather than by hearing. Commission Rules of Procedure, IDAPA 31.01.01.201-204. The Company asks that the Commission issue an Order approving the proposed depreciation rates effective December 1, 2003.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's Application. The Commission has preliminarily found that the public interest regarding the Company's proposal to revise its depreciation rates for plant in service may not require a hearing to consider the issues presented and that the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA

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31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comment have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings will be conducted pursuant to the Rules of Procedure adopted by the Idaho Public Utilities Commission. IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies (excluding exhibits) are also available on the Commission's Website at www.puc.state.id.us under the "File Room" icon.

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter for the purpose of presenting evidence or cross-examining witnesses **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the workshop and participate in potential settlement negotiations should also file a Petition to Intervene **on or before June 18, 2003**. Persons desiring to present their views without parties' rights of participation and cross-

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examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

NOTICE OF PUBLIC WORKSHOP

YOU ARE HEREBY NOTIFIED that the Commission has scheduled a **public workshop** in this matter on **Tuesday, July 8, 2003 at 9 a.m. in Auditorium West of the Idaho Power Company office located at 1220 W. Idaho Street, Boise**. The public workshop will offer interested parties an opportunity to meet with the Company and Commission Staff to ask questions, receive information, and possibly resolve issues in dispute.

YOU ARE FURTHER NOTIFIED that the parties participating in the workshop may offer to settle some or all of the issues to be discussed at the workshop.

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)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.state.id.us

NOTICE OF COMMENT DEADLINE

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. IPC-E-03-7 is **Friday, August 8, 2003**. Persons desiring a hearing must specifically request a hearing in their written protests or comments. If possible, the Commission encourages the parties to resolve the issues in dispute and submit a stipulated settlement prior to this date.

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YOU ARE FURTHER NOTIFIED that the deadline for Idaho Power Company to file written reply comments with respect to this case is **Tuesday, August 19, 2003.**

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Idaho Public Utilities Commission and Idaho Power Company at the following addresses:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:
472 W WASHINGTON ST
BOISE, ID 83702-5983

BARTON L. KLINE
MONICA B. MOEN
JOHN R. GALE
IDAHO POWER COMPANY
P.O. BOX 70
BOISE, ID 83707
Email: bkline@idahopower.com
mmoen@idahopower.com
rgale@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

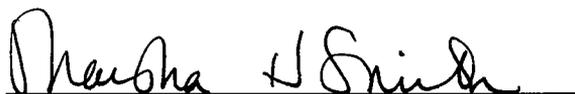
ORDER

IT IS HEREBY ORDERED that the foregoing scheduling be adopted.

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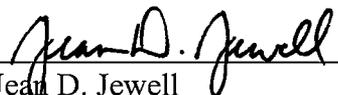
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd
day of June 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPCE0307_in

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