

## **IDAHO PUBLIC UTILITIES COMMISSION**

**Case No. IPC-E-04-24, Order No. 29622**

**November 4, 2004**

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**Website: [www.puc.state.id.us](http://www.puc.state.id.us)**

### **Idaho Power seeks recovery of cloud-seeding program costs**

Boise – Idaho Power Co. is asking state regulators to create a deferred account for expenses associated with a cloud seeding program for possible later recovery from customers. The company anticipates it will spend about \$950,000 on the program this winter.

The company had sought to include cloud seeding expenses in its rate case earlier this year, but the Idaho Public Utilities Commission said there was not enough data yet available to demonstrate the benefits of the program. The company's recent cloud-seeding efforts began in 2001 during the Western energy crisis caused by drought and record-high wholesale market prices.

The company claims previous cloud seeding programs have improved precipitation. The utility claims to have measured a 16 percent increase in precipitation from Feb. 1 to April 15, 2003. That is equal to 2.2 inches of more water in the Payette River Basin, or 110,000 acre-feet spread over the basin's 938 square miles.

Part of the criteria the commission will use in determining if the expenses should be included in rates is if any extra precipitation created is a financial benefit to ratepayers. A successful cloud seeding program would create additional snow pack that subsequently reaches the rivers and flows through the company's hydroelectric dams. The company saves money when it can use its own hydroelectric power rather than generating power from higher-cost resources like natural gas plants or buying it on the wholesale market.

Allowing costs of the program to be recovered from ratepayers does not have an immediate effect on rates. If the commission approves Idaho Power's application, 90 percent of the costs of the program would be included in the company's power adjustment process next spring. At that time, Idaho Power will submit all its extraordinary power supply expenses to the commission. Of those expenses the commission deems necessary and prudent, 90 percent are allowed to be recovered from customers. The remaining 10 percent is borne by shareholders.

The commission is accepting written comments on Idaho Power's proposal through Nov. 24. The commission will proceed under a modified procedure that allows the case to be handled through written public comments rather than by public hearing. However, comments may request a public hearing. Comments are accepted via e-mail by accessing the commission's homepage at [www.puc.state.id.us](http://www.puc.state.id.us) and clicking on "Comments & Questions." Fill in the case number (IPC-E-04-24) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762. Comments should be copied to Barton Kline, Idaho Power Company, PO Box 70, Boise, ID, 83703, or emailed to [bkline@idahopower.com](mailto:bkline@idahopower.com).

A full text of the commission's order, along with other documents related to this case, are available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to Case No. IPC-E-04-24.