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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) IDAHO POWER COMPANY FOR) AUTHORITY TO INCREASE ITS RATES) AND CHARGES FOR ELECTRIC SERVICE) TO ELECTRIC CUSTOMERS IN THE) STATE OF IDAHO.)	APPLICATION CASE NO. IPC-E-05-28
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COMES NOW Idaho Power Company (hereinafter referred to as "Idaho Power" or "Company"), and hereby applies to the Idaho Public Utilities Commission ("Commission") for an Order approving revisions to Idaho Power's schedules of rates and charges for electric service in the State of Idaho to become effective with service provided on and after November 28, 2005. 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 is a public utility providing electric service in Southern Idaho and Eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission, the Oregon Public Utility Commission ("OPUC") and the Federal Energy Regulatory Commission ("FERC"). In conducting its utility business, Idaho Power operates an interconnected and integrated system. Idaho Power, in addition to supplying general retail electric service to the public, also supplies retail electricity to certain special contract customers in Idaho and wholesale requirements services to FERC jurisdictional customers in Idaho.

III

Attachment 1, included herewith and made a part hereof, is a copy of Idaho Power's IPUC No. 27, Tariff No. 101, containing the present Electric Rate Schedules and Electric Service Regulations under which electric service is currently rendered and charges made to Idaho Power's customers in the State of Idaho.

IV

Attachment 2, included herewith and made a part hereof, is a copy of Idaho Power's proposed new Electric Rate Schedules and Electric Service Regulations, IPUC No. 28, Tariff No. 101, covering the rendering of electric service and charges to be made to Idaho Power's customers in the State of Idaho after November 28, 2005.

Attachment 3, included herewith and made a part hereof, shows a comparison of revenues from the various rate schedules in Idaho Power 's current IPUC No. 27, Tariff No. 101, and special contract rates (Attachment 1) adjusted to recognize the expiration of the one-year temporary increase in base rates approved in Commission Order No. 29789 (Income Tax Settlement) with the corresponding proposed new rate schedules and proposed special contract rates (Attachment 2).

As shown in Attachment 3, Idaho Power proposes to increase the revenue requirement for each rate schedule (except Dusk-to-Dawn Lighting and Unmetered Service) and special contract by a uniform percentage increase of 7.84%. For residential customers, Idaho Power proposes to increase the Service Charge to \$6.00 per month and to increase the Energy Charges to 5.4942¢ per kWh for the first 300 kWh and to 6.1836¢ for all other kWh used during the summer months of June, July and August. For all kWh used during the non-summer months of September through May, Idaho Power proposes to increase the residential Energy Charge to 5.4942¢ per kWh.

For small commercial customers, Idaho Power proposes to increase the Energy Charges to 6.5566¢ for the first 300 kWh and 7.3837¢ for all other kWh used during the summer months of June, July and August and to 6.5566¢ for all kWh used during the non-summer months.

For large commercial customers taking Secondary service, Idaho Power is proposing a declining-block two-tiered Energy Charge, and blocked Demand and Basic Charges with no charge for the first 20 kW of Billing Demand and Basic Load Capacity.

For the industrial customers, Idaho Power proposes to increase the Service Charge, Basic Charge, and the seasonal time-of-use Demand Charges and Energy Charges.

For irrigation customers, Idaho Power proposes to eliminate the out-of-season Demand Charge and reinstate the differentiated in-season and out-of-season Energy Charges.

Idaho Power proposes to increase the rates of its three special contract customers – J. R. Simplot Company, The Department of Energy (INL), and Micron Technology, Inc. – by the uniform percentage of 7.84%.

A portion of the price Idaho Power pays for energy purchased under several long-term QF contracts is based on changes in fuel and other costs at the Company's Valmy Plant. These changes are reflected in Schedule 89. Idaho Power proposes to increase Schedule 89 rates from 1.719¢ per kWh to 2.012¢ per kWh.

VI

This Application, including Attachments 1, 2 and 3, is filed with this Commission to be kept open for public inspection as required by law, and the same fully states the changes to be made in the schedules, regulations and contract rates now in force. The new Electric Rate Schedules and Electric Service Regulations in Attachment 2 will become effective as Applicant's IPUC No. 28, Tariff No. 101, for service rendered on and after November 28, 2005, unless otherwise ordered by this Commission, and when effective, will supersede and cancel the Electric Rate Schedules in Attachment 1 now in effect.

VII

The overall rate of return and return on equity heretofore allowed Idaho Power are no longer reasonable and adequate and Idaho Power has and will continue to experience increased costs, all of which now require immediate adjustment by way of increased revenues if Idaho Power is to maintain a stable financial condition and continue to render reliable and adequate electric service to its customers.

VIII

In this Application Idaho Power requests that 2005 be used as the test year. As a result, the test-year data used in this filing includes six months actual data and six months estimated data. Idaho Power also requests that the Commission grant it a return on rate base of 8.42 % (utilizing a 11.25% return on common equity) on a \$1,654,255,987 net rate base. This would result in an additional revenue requirement of \$43,948,189 for the Idaho jurisdiction for an overall increase in revenue of 7.82%.

IX

Simultaneously with the filing of this Application, Idaho Power has filed its direct case consisting of the testimony of witnesses LaMont Keen, William Avera, Gene Marchioro, Peter Pengilly, Timothy E. Tatum, Dennis Gribble, Lori Smith, Celeste Schwendiman, Gregory W. Said, Maggie Brilz, Jim Baggs, Luci McDonald and John R. Gale, and Exhibits 1 through 56 which more fully describe the relief requested by the Company.

X

It is in the public interest that this Commission allow Idaho Power to increase its revenues by approving the rates set out in Attachment 2 and that said rates

be allowed to go into effect as filed for electric service rendered on and after November 28, 2005, and that the effective date of said rates not be suspended.

XI

This Application has been and will be brought to the attention of Idaho Power's affected customers by means of news releases to various media outlets, including the newspapers of general circulation in the area served by Idaho Power, by bill stuffers and in some instances, by means of personal contact with some customers. In addition, the current Electric Rate Schedules, Electric Service Regulations, including rate schedules for the special contracts, together with the proposed Electric Rate Schedules, Electric Service Regulations, including rate schedules for the special contract customers, will be kept open for public inspection at Idaho Power's offices in the State of Idaho. The above-described procedures are deemed by Idaho Power to satisfy the Rules of Practice and Procedure of this Commission, but Idaho Power will, in the alternative, bring this Application to the attention of Idaho Power's affected customers through any other means directed by this Commission.

XII

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

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WHEREFORE, Idaho Power respectfully requests that the Commission issue its Order (1) determining a fair and reasonable return for Idaho Power, (2) confirming the accuracy of Idaho Power's increased costs and revenue requirements, (3) approving the new Electric Rate Schedules, Electric Service Regulations and special contract rates set out in Attachment 2 to become effective for electric service rendered on and after November 28, 2005, and that (4) the effective date for Idaho Power's proposed rates not be suspended.

DATED at Boise, Idaho, this 28th day of October, 2006.

A handwritten signature in black ink, appearing to read 'B. Kline', written over a horizontal line.

BARTON L. KLINE
MONICA B. MOEN
Attorney for Idaho Power Company

APPLICANT'S STATEMENT OF READINESS FOR HEARING

BARTON L. KLINE, one of the attorneys of record for Idaho Power, hereby states that the Idaho Power is prepared to immediately present its case in support of the relief requested in the Application.

A handwritten signature in cursive script, appearing to read "B L Kline", written over a horizontal line.

BARTON L. KLINE