

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-05-28

IDAHO POWER COMPANY

EXHIBIT NO. 17

LORI SMITH

KNOWN AND MEASURABLE CHANGES  
TO OPERATING EXPENSES AND RATEBASE

**Idaho Power Company**  
**Summary of Known & Measurable Adjustments to 2005**  
**Operating Expenses During 2006**

<u>Line No.</u>		<u>Amount</u>
	<b>Known &amp; Measurable Adjustments</b>	
1	Incentive	(\$ 1,186,593)
2	2006 Salary Structure Adjustment	<u>2,545,556</u>
3	<b>Total Known &amp; Measurable Adjustments</b>	<b><u><u>\$1,358,964</u></u></b>

**Idaho Power Company  
Known & Measurable Adjustments to 2005  
Operating Expenses**

Line No.		Amount
	1) Incentive Expense (Various accts)	
1	2005 Adjusted Straight-time Payroll	\$ 116,687,923
2	Plus 2005 Overtime Budget	4,642,529
3	Less Estimated Officer Payroll	2,962,326
4	Total Payroll Excl Officers	118,368,126
5	Normalized Incentive Rate	3.50%
6	Normalized Incentive	4,142,884
7	Payroll Tax on Normalized Incentive @ 8.00%	331,431
8	Normalized Incentive Including Payroll Tax	4,474,315
9	Less 2005 Estimated Incentive Incl PR Tax	5,717,413
10	Gross Adjustment	(1,243,098)
11	Times incentive operating percent	95.45%
12	Normalized Adjustment to Operating Expense for Incentive	\$ (1,186,593)
	2) 2006 Operating Payroll SSA (Various accts)	
13	2005 Annualized Gross Payroll	\$ 116,687,923
14	Estimated SSA	3.00%
15	Increase	3,500,638
16	Plus Payroll Tax @ 8.00%	280,051
17	Annualized Increase Including Payroll Tax	3,780,689
18	Operating percent	67.33%
19	Adjustment to Operating Expense	\$ 2,545,556

**Idaho Power Company  
Major Plant Additions Known to Occur in 2006**

Line No.	(1) In Service Date	(2) 2006 Plant Closings	(3) Average Annual Composite Accrual Rate	(4) Annual Depreciation Expense	(5) Annual Depreciation Reserve	(6) Annual Composite Property Tax Rate	(7) Annual Composite Property Tax	(8) Annual Insurance Rate Per \$100	(9) Annual Insurance Expense
Transmission:									
Station:									
2	May,2006	\$ 1,263,000							
3	Happy Valley	1,859,000							
4	Adelaide	3,300,000							
5	May,2006								
6	Nampa	6,422,000	2.013%	\$ 129,275	\$ 64,637	0.540%	\$ 34,679	\$ 0.050	\$ 3,211
	Subtotal								
Line :									
7	May,2006	109,000							
8	Cartwright	1,251,000							
9	Happy Valley	1,360,000	2.316%	31,498	15,749	0.540%	7,344	-	-
10	May,2006								
	Subtotal								
Distribution:									
Station:									
11	May,2006	1,657,000							
12	Cartwright	4,345,000							
13	Starkey	6,002,000	1.695%	101,734	50,867	0.540%	32,411	\$ 0.050	3,001
14	May,2006								
15	Subtotal								
Line:									
16	May,2006	563,000							
17	Cartwright	1,074,000							
18	Happy Valley	1,637,000	2.751%	45,034	22,517	0.540%	8,840	-	-
19	May,2006								
	Subtotal								
20	Total	\$ 15,421,000		\$ 307,540	\$ 153,770		\$ 83,273		\$ 6,212

(1) Excludes AFUDC