

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF IDAHO POWER COMPANY TO</b>	)	<b>CASE NO. IPC-E-05-36</b>
<b>INCLUDE EXPENSES ASSOCIATED WITH</b>	)	
<b>ITS CLOUD SEEDING PROGRAM IN THE</b>	)	
<b>COMPANY'S PCA ON AN ONGOING BASIS</b>	)	<b>ORDER NO. 29936</b>
	)	

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On October 28, 2005, Idaho Power Company filed an Application requesting an Order regarding recovery of its cloud seeding program expenses. The Company requested that the Commission authorize the Company to defer its 2005-2006 cloud seeding costs for recovery in the 2006 PCA. Second, Idaho Power asked that the Commission authorize the Company to include future cloud seeding program expenses as part of its PCA rates on an ongoing basis, beginning with the 2006-2007 PCA period. On November 22, 2005, the Commission issued a Notice of Application and Notice of Modified Procedure to process the Company's Application. In response to the Commission's Notice, the Commission Staff filed written comments. No other party filed comments.

Idaho Power has operated a cloud seeding program for several years, and in December last year the Commission approved the Company's request for an Order authorizing it to defer the 2004-2005 cloud seeding expenses for recovery in the current PCA. *See* Order No. 29670. The Company's first request in its Application in this case is the same as the request the Commission approved last year. In written comments, Staff stated it supports Idaho Power's request for authorization to defer the 2005-2006 cloud seeding expenses for recovery in next year's PCA rates.

The Company's second request in its Application is "that the Commission authorize Idaho Power to include future cloud seeding program expenses in the PCA on an ongoing basis," beginning with the 2006-2007 PCA period. Idaho Power Application p. 4. It is clear from the Application and Staff's comments, however, that any determination regarding recovery of future cloud seeding expenses will be made in the Company's recently filed rate case. The Company's Application in this case states that it "will not include its capital investment in the cloud seeding program until that investment is presented for approval by the Commission in the Company's next general revenue requirement case," which is filed now as Case No. IPC-E-05-28. In its

comments in this case, Staff identified specific dollar amounts for program normalized costs, and stated support for the Company's proposal to include normalized expenses in base rates and recovery of variable costs in future PCA rates. Nonetheless, determination of those amounts will be made by the Commission in Case No. IPC-E-05-28, including whether the difference between actual costs in a given year and base costs are appropriate for recovery in future PCA rates. We will do no more in this case than to state generally that it may be appropriate to include the variable costs of the cloud seeding program in future PCA rates, if the Commission approves recovery of program base costs in permanent customer rates.

Based on the record in this case, the Commission has determined to approve Idaho Power's Application for an Order authorizing deferral of the 2005-2006 variable cloud seeding costs. As it did last year, the Company presented sufficient evidence to establish that the cloud seeding program is cost-effective; that is, the benefits produced exceed the program costs. We directed in Order No. 29670 that the Company establish appropriate accounts for cloud seeding expenses to ensure proper auditing of the expenses during the PCA review period. Subject to the normal PCA review, the Company will be allowed to recover its reasonable cloud seeding expenses for the 2005-2006 winter in next year's PCA rates. The Commission will determine the appropriate cloud seeding base costs in Case No. IPC-E-05-28.

### **ORDER**

IT IS HEREBY ORDERED that Idaho Power Company's Application for an accounting Order to allow deferral of the 2005-2006 cloud seeding costs is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

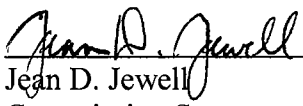
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup>  
day of December 2005.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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