

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN

DATE: NOVEMBER 15, 2005

SUBJECT: APPLICATION BY IDAHO POWER COMPANY TO INCLUDE
EXPENSES OF CLOUD SEEDING PROGRAM IN THE COMPANY'S
PCA; CASE NO. IPC-E-05-36

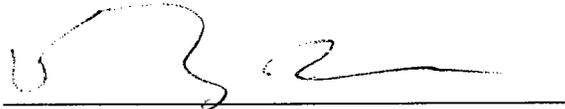
On October 28, 2005, Idaho Power Company filed an Application for an Order to include its ongoing cloud seeding expenses in its annual Power Cost Adjustment (PCA). IPC has operated a cloud seeding program for several years, and in December 2004, the Commission approved the Company's request for an Order authorizing it to defer the variable cloud seeding costs incurred during the 2004-2005 winter. Idaho Power asserts that the data collected during the past three years demonstrates the effectiveness of the cloud seeding program. The Company values the additional streamflows produced by the program and associated benefits at 1.7 times the program costs.

Idaho Power's Application states that it is requesting two things from the Commission: (1) that the Commission allow the Company to defer the expenses it will incur to continue the cloud seeding program during the winter of 2005-2006, (2) that the Commission authorize the Company to include the future cloud seeding program expenses as a part of its PCA rates on an ongoing basis beginning with the 2006-2007 PCA period. The Company is not requesting recovery of its capital investment in the cloud seeding program but will include that request in its general rate case. The Company requests that its Application be processed by Modified Procedure.

Staff recommends that the Application of Idaho Power for an Order regarding recovery of its cloud seeding program in the PCA be processed by Modified Procedure.

COMMISSION DECISION

Should the Application of Idaho Power Company be processed by Modified Procedure?



Weldon Stutzman

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