

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF IDAHO POWER COMPANY FOR AN )** **CASE NO. IPC-E-06-20**  
**ACCOUNTING ORDER FOR TREATMENT )**  
**OF THE DEMAND SIDE MANAGEMENT )** **NOTICE OF APPLICATION**  
**PROGRAMS )**  
**)**  
**)** **NOTICE OF**  
**)** **MODIFIED PROCEDURE**  
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**)** **NOTICE OF**  
**)** **COMMENT/PROTEST DEADLINE**

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YOU ARE HEREBY NOTIFIED that on September 11, 2006, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for an accounting order authorizing the Company to track its transactions for demand side management (DSM) programs. As reflected in the Company's Application, since the 2002 approval of the Energy Efficiency Rider (Rider) by the Commission in Order No. 29026, DSM programs have been an integral part of the Company's operations. On May 13, 2005, in Order No. 29784, the Commission approved an increase in the funding and program expenditures associated with the Rider by authorizing the collection of 1.5% of customers' base revenues.

According to Generally Accepted Accounting Principles (GAAP), Statement of Financial Accounting Concept (SFAC) No. 6, ¶¶ 70, 78-81, 215, money collected and expended as part of a company's standard business needs to be reflected on the company's income statement.

Presently Idaho Power utilizes the following accounting entries to track rider funds:

1. As funding is received from customers, the following transaction is made to record cash received and set up the obligation to spend the money in the future on specific programs funded through the Energy Efficiency Rider:

Dr. Account 131000 – Cash  
Cr. Account 254201 – Regulatory Liability

2. As DSM program expenditures are made, the following transaction is made to record cash paid and reduce the liability account:

Dr. Account 254201 – Regulatory Liability  
Cr. Account 131000 – Cash

These accounting entries, the Company contends, accurately track DSM-related regulatory liabilities by recording all transaction activity exclusively through the Company's balance sheet accounts.

The Company in this Application, however, in addition to continuing the above mentioned balance sheet accounting entries, to be consistent with GAAP standards, proposes to implement an automatic "monthly voucher" to parallel the balance sheet activity in the Company's income statement. At the end of each month, the Company would make a set of accounting entries to recognize the expenditures made in serving the regulatory obligation along with an equal, offsetting entry to recognize the proceeds from Energy Efficiency Rider funds. To accomplish this objective, the proposed accounting entries are:

Dr. Account 908.xxx – Customer Service Operating Expense  
Cr. Account 456.xxx – Other Operating Revenue

Because the incoming and outgoing dollars recognized in the income statement subaccounts will be of equal amounts, the net result of the Company's net income will be zero. Idaho Power contends therefore that there are no current economic tax liability changes or any other net financial effects from the inclusion of these income statement accounting entries. However, for external reporting purposes, the accounting trail of specific DSM related funding and expenditures will be much easier to track through income statement detail rather than relying solely on cumulative balance sheet activity.

In summary, the Company states that it is not proposing to change its current balance sheet accounting procedures regarding Energy Efficiency Rider funding. The Company seeks only to make parallel accounting entries to the income statement in an attempt to more closely comply with GAAP standards and auditing efficiencies. If the Company's proposed accounting entries are approved, it states that there will be no effect on the Company's net income. Nor, it states, are there any ratemaking implications associated with its proposal.

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YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-06-20. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in Case No. IPC-E-06-20 is **Wednesday, November 1, 2006**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-06-20 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5983

Lisa D. Nordstrom  
Barton L. Kline  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070

E-mail: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on

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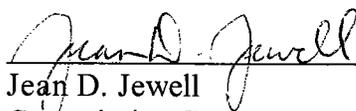
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the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-06-20 may be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 W. Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this 28<sup>th</sup> day of September 2006.

  
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Jean D. Jewell  
Commission Secretary

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