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IDAHO PUBLIC UTILITIES COMMISSION

BARTON L. KLINE
Senior Attorney

June 8, 2007

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-07-8
General Rate Case Filing

Dear Ms. Jewell:

Please find enclosed for filing an original and nine (9) copies of the Company's Application for authority to increase its rates and charges for electric service to electric customers in the State of Idaho, effective July 8, 2007.

Enclosed are nine (9) copies of the testimony and exhibits of LaMont Keen, William Avera, Steven R. Keen, Lori Smith, Celeste Schwendiman, Gregory W. Said, Timothy Tatum, Maggie Brilz and John R. Gale that are submitted in support of the General Rate Filing, with one copy of each designated as the "Reporter's Copy." A compact disk containing the direct testimony and exhibits of the above-named Idaho Power Company witnesses is also enclosed.

Also enclosed are the original and three (3) copies of the tariff schedules for the General Rate Application in Case No. IPC-E-07-8 that the Company proposes become effective on July 8, 2007. For the convenience of the Commission, I have also enclosed a copy of the proposed tariff schedules in legislative format.

Three (3) copies of the Company's workpapers regarding the General Rate Filing are also enclosed, along with copies of the Company's press release and bill stuffer.

Jean D. Jewell
June 1, 2007
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MELINDA SCHMIDT

The Company will send a copy of this filing to all parties in the Company's last general rate case, Case No. IPC-E-05-28.

I would appreciate it if you would return a stamped copy of this letter for my file in the enclosed stamped, self-addressed envelope.

Very truly yours,



Barton L. Kline

BLK:sh
Enclosures

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PUBLIC UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) APPLICATION
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC) CASE NO. IPC-E-07-8
SERVICE TO ELECTRIC CUSTOMERS)
IN THE STATE OF IDAHO)
_____)

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 July 8, 2007. 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.

III

Attachment 1, included herewith and made a part hereof, is a copy of Idaho Power's IPUC No. 28, 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. 29, Tariff No. 101, covering the rendering of electric service and charges to be made to Idaho Power's customers in the State of Idaho on and after July 8, 2007.

V

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. 28, Tariff No. 101, and special contract rates (Attachment 1) with the corresponding proposed new rate schedules and proposed special contract rates (Attachment 2).

Applicant proposes to increase the rates of each of its customer classes, including its three special contract customers, by the respective overall percentage

increases shown on Attachment 3. As can be seen from Attachment 3, Idaho Power proposes to cap the requested increase for irrigation customers and its three special contract customers – J. R. Simplot Company, The Department of Energy (INL), and Micron Technology, Inc. – at 20 percent. Idaho Power also proposes to cap the requested increase for small commercial customers, industrial customers, and traffic control lighting customers, at 15 percent. Idaho Power proposes to increase the rates for residential customers by 4.5 percent and for large commercial customers by 13.1 percent.

For residential customers during the summer months of June, July, and August, Idaho Power proposes an Energy Charge of 6.4012¢ per kilowatt-hour. For all other months, Idaho Power proposes an Energy Charge of 5.6875¢ per kilowatt-hour.

For small commercial customers, Idaho Power proposes an Energy Charge of 8.5557¢ per kilowatt-hour during the summer months and 7.5973¢ per kilowatt-hour for all other months.

For large commercial customers, Idaho Power proposes to increase the Service Charge, the Basic Charge, the summer Demand Charge, and the seasonal Energy Charges. For large commercial customers taking Secondary service, no changes are proposed for the non-summer Demand Charge.

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

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

Idaho Power proposes to increase the component rates of its three special contract customers by the overall 20 percent increase requested for each customer.

Attachment 3 sets out the above-described proposed rate changes in greater detail.

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 2.012¢ per kWh to 2.727¢ 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. 29, Tariff No. 101, for service rendered on and after July 8, 2007, 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 2007 be used as the test year. The test-year data used in this filing is based on twelve months of forecasted data. Idaho Power also requests that the Commission grant it a return on rate base of 8.561 % (utilizing a 11.50% return on common equity) on a \$1,882,670,920 net rate base. This would result in an additional revenue requirement of \$63,945,258 for the Idaho jurisdiction which require an overall increase in revenue of 10.35%.

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, Steven Keen, Lori Smith, Celeste Schwendiman, Gregory W. Said, Timothy E. Tatum, Maggie Brilz and John R. Gale, and Exhibits 1 through 62 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 July 8, 2007, 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. A copy of

the press release is enclosed herewith. 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

Subject to execution of appropriate confidentiality agreements, documentation for computer models used to prepare this filing can be made available upon request.

XIII

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

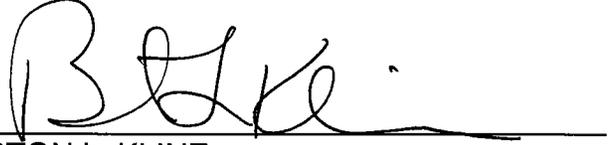
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John R. Gale
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Boise, Idaho 83707
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WHEREFORE, Idaho Power respectfully requests that the Commission issue its Order (1) determining a fair and reasonable return for Idaho Power, (2) confirming the reasonableness of Idaho Power's forecast of its increased costs and revenue

requirement, (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 July 8, 2007, and that (4) the effective date for Idaho Power's proposed rates not be suspended.

DATED at Boise, Idaho, this 8th day of June, 2007.

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

BARTON L. KLINE
Attorney for Idaho Power Company

LISA D. NORDSTROM
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.



BARTON L. KLINE

IPC-E-07-08

**THE ATTACHMENTS
TO THE APPLICATION
WERE SCANNED
SEPARATELY**