

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-07-08**
AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC SERVICE) **NOTICE OF APPLICATION**
TO ELECTRIC CUSTOMERS IN THE)
STATE OF IDAHO.) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 30346**
)

On June 8, 2007, Idaho Power Company filed an Application for authority to increase its rates an average of 10.35%. If approved the Company's revenues would increase by \$63.9 million. The Company requested that the proposed rate increase become effective on July 8, 2007.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power's Application states the overall rate of return and return on equity established in its last general rate case (Case No. IPC-E-05-28) are no longer reasonable given the Company's increased costs. Application at 4. Therefore, the Company asserts that additional revenue is necessary immediately if it is to maintain a stable financial condition and continue to render reliable and adequate electric service to its customers. *Id.*

YOU ARE FURTHER NOTIFIED that the Company's Application requests 2007 be used as the test year and states that the test-year data used in this filing is based on 12 months of forecasted data. Application at 5. Idaho Power 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. *Id.* This would result in an additional revenue requirement of \$63,945,258 for the Idaho jurisdiction, which requires an overall increase in revenue of 10.35%. *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes to increase rates to each of its customer classes, based primarily upon cost of service. 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%. Application at 3. The Company also proposes to cap the requested increase for small

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commercial customers, industrial customers, and traffic control lighting customers at 15%. *Id.* The Company's proposed increase for residential customers is 4.5% and for large commercial customers is 13.1%. *Id.* The chart below shows an average charge by kilowatt-hour (kWh) and the proposed increase for various customer groups.

CUSTOMER GROUP	CURRENT AVERAGE BASE RATE	PROPOSED AVERAGE BASE RATE	OVERALL PERCENTAGE OF INCREASE
Residential	5.92¢	6.19¢	4.5%
Small Commercial	7.39¢	8.50¢	15.0%
Large Commercial	4.03¢	4.56¢	13.1%
Industrial	3.07¢	3.53¢	15.0%
Irrigation	4.60¢	5.52¢	20.0%

YOU ARE FURTHER NOTIFIED that Idaho Power proposes to maintain its seasonally adjusted rate design (to dampen demand during the summer months) and to maintain the 300 kWh thresholds for residential and small commercial customers. For residential customers the Energy Charge would be 6.4012¢ per kWh during June, July, and August, and 5.6875¢ per kWh for all other months. *Id.* For small commercial customers the Energy Charge would be 8.5557¢ per kWh during summer months and 7.5973¢ per kWh for all other months. *Id.* For large commercial customers the Company proposes to increase the Service Charge, the Basic Charge, the summer Demand Charge, and the seasonal Energy Charges. *Id.* For large commercial customers taking secondary service, no changes are proposed for the non-summer Demand Charge. *Id.* For industrial customers the Company proposes to increase the Service Charge, the Basic Charge, and the seasonal and time-of-use Demand and Energy Charges. *Id.* For irrigation customers the Company proposes to increase the Service Charge and the Demand Charge, as well as the in-season and out-of-season Energy Charges. *Id.*

YOU ARE FURTHER NOTIFIED that the Company also proposes to adjust its Schedule 89 rates for energy purchases under qualifying facilities (QF) contracts. Application at 4. The Company states that a portion of the price it 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. *Id.* Idaho Power proposes to increase Schedule 89 rates from 2.012¢ per kWh to 2.727¢ per kWh. *Id.*

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, testimonies, and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon and then "Electric Cases." Interested persons may also view the Application at the Company's website, www.idahopower.com. The Company's schedule of rates and charges will be kept open for public inspection.

YOU ARE FURTHER NOTIFIED that Idaho Power's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find a revenue requirement different from that proposed by any party to be just, fair, and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges of all Idaho retail customers, both recurring and non-recurring, including those of any special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject, or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair, and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject, or modify existing or proposed relationships between and among rates and charges within, between, or among customer classes or rate groupings and may approve, reject, or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce, or create rate blocks or categories of rates and charges; abolish, create, or reduce components of rates and charges; abolish, reduce, or create customer classes or rate groupings; and abolish, reduce, or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules, regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

DEADLINE FOR INTERVENTION

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons intending to participate at hearing must file a Petition to Intervene **on or before July 12, 2007**. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail addresses to facilitate future communications in this matter.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that on June 14, 2007, the Industrial Customers of Idaho Power (ICIP) filed a Petition to Intervene in this matter. Given the lack of any objection, the Commission grants intervention to ICIP in this Order.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding. Depending on the number of interveners, the Commission may direct that pleadings and testimony be filed electronically with the other parties.

YOU ARE FURTHER NOTIFIED that after the Notice of Parties is issued the Commission anticipates that the parties will informally convene to devise a recommended schedule to process this case. Once a schedule is developed, the Commission will subsequently issue a Notice of Hearing. The Commission intends to convene public hearings in this matter.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-302, 61-307, 61-502, 61-503, 61-507, 61-622 and 61-623.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, 31.01.01.000 et seq.

SUSPENSION OF PROPOSED EFFECTIVE DATE

Due to the complexity of this case and other constraints on the Commission's time, the Commission finds that it cannot adequately review Idaho Power's requested rate increase before the proposed effective date of July 8, 2007. Pursuant to *Idaho Code* §§ 61-622, and 61-623 the Commission hereby suspends the proposed rates for a period of thirty (30) days plus five (5) months from July 8, 2007, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.


ORDER

IT IS HEREBY ORDERED that the proposed schedules of rates and charges submitted by Idaho Power in this matter are suspended for a period of thirty (30) days plus five (5) months from July 8, 2007, or until such time as the Commission enters an Order accepting, rejecting, or modifying the request in this matter.

IT IS FURTHER ORDERED that the Industrial Customers of Idaho Power's Petition to Intervene is granted.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than July 12, 2007.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of June 2007.



PAUL KJELLANDER, PRESIDENT

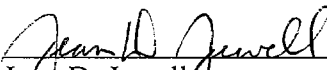


MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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