

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)
TO ELECTRIC CUSTOMERS IN THE) **ORDER NO. 30508**
STATE OF IDAHO.)

The Commission by this Order approves a Stipulation filed in Case No. IPC-E-07-08 providing for an overall increase of 5.2% in Idaho Power Company's electric service rates. On June 8, 2007, Idaho Power filed an Application requesting authority to increase its rates by 10.35% to recover an additional \$63,945,258 in annual revenue. Prior to the commencement of the technical hearing, the parties reached and filed a Stipulation providing for a 5.2% increase in the Company's rates. The parties to the Stipulation are Idaho Power Company; the Commission Staff; Idaho Irrigation Pumpers Association, Inc.; Industrial Customers of Idaho Power; Micron Technology, Inc.; and the U.S. Department of Energy. The only other party in the case, Kroger Company, did not sign the Stipulation but testified at the hearing that the company generally supports the Stipulation.

The Commission approves the Stipulation and finds its terms to be fair, just and reasonable and in the public interest. We approve new rates for Idaho Power, effective March 1, 2008, to increase the Company's annual revenue by \$32,126,654 or 5.2%. The base rates for residential customers will increase by 4.7%, and the base rates for the other classes of customers will increase by 5.65%.

Idaho Power's Application

The Company in its Application requested an overall rate increase of 10.35%, but proposed widely varying increases for different customer classes. Idaho Power proposed a 20% rate increase for three special contract customers – J.R. Simplot Company, the Department of Energy, and Micron Technology, Inc. Large commercial customers would receive a 13.1% rate increase and most other non-residential customers would receive a 15% rate increase under the Company's proposal as filed. Idaho Power proposed to increase residential customer rates by 4.5%. The Company's rate design and rate-spread proposals were based on a cost-of-service study filed with the Company's Application.

Idaho Power used a 2007 test year to establish its requested rate increase, and included in its test year 12 months of forecasted data rather than historical data. The Company requested that the Commission approve a return on rate base of 8.561% utilizing an 11.5% return on common equity to achieve its proposed additional revenue requirement of \$63.9 million.

Parties of Record

On June 25, 2007, the Commission issued a Notice of Application and Order suspending the proposed effective date for the new rates requested by Idaho Power. Petitions to Intervene were filed by the Idaho Irrigation Pumpers Association, Inc. (Irrigators); the Industrial Customers of Idaho Power (Industrial Customers); Micron Technology, Inc. (Micron); the U.S. Department of Energy (DOE); and the Kroger Company dba Fred Meyer and Smith's (Kroger). The Commission approved each of the Petitions to Intervene. *See* Order Nos. 30346 and 30378. Idaho Power and the Commission Staff are the other parties in the case.

Procedural Schedule

On August 8, 2007, the Commission issued a Notice of Scheduling and Notice of Hearing establishing deadlines for the filing of discovery and prepared testimony and a technical hearing date to commence on December 11, 2007. The Commission Staff held public workshops in Pocatello on October 1, 2007, in Twin Falls on October 2, 2007, and in Boise on October 3, 2007.

On October 19, 2007, the Commission issued Order No. 30456 granting a Joint Motion to Extend the Procedural Schedule filed by Idaho Power and the Commission Staff. The Order rescheduled the technical hearing from December 11, 2007 to January 22, 2008. The Commission also scheduled public hearings in Chubbuck, Twin Falls and Boise. The public hearing in Twin Falls was cancelled, however, when severe winter storm conditions prevented safe travel to the hearing in Twin Falls. Finally, at the request of the parties, the technical hearing was postponed one day to allow additional time for the parties to finalize the Stipulation to resolve the issues presented in the case. The technical hearing convened on January 23, 2008 in the Commission's Hearing Room in Boise. All parties except DOE appeared and were represented at the hearing.

Settlement Stipulation

The Stipulation, which was signed by all parties except Kroger, was filed shortly before the technical hearing began. Kroger's witness testified at the hearing that the company "is

generally supportive of the settlement agreement,” but believes “it is deficient in a single detail.” Tr. p. 20. The Stipulation does not address Kroger’s recommendation for optional time-of-use rates for Schedule 9, Large General Service, customers. Kroger asked the Commission to address its request for these rates in its final Order. *Id.*

The Stipulation addresses substantive issues in this case in four sections numbered 6 through 9. Section 6 addresses the revenue requirement for Idaho Power, specifying an increase in the Company’s annual revenues in the amount of \$32,126,654. Paragraphs (a) and (b) in Section 6 state Idaho Power’s net power supply cost and system load as components of the agreed-upon additional revenue requirement. The system net power supply cost used to determine the additional revenue requirement is \$34,964,671, and the system PURPA qualifying facilities expense is \$93,080,631.¹ Paragraph 6(b) states that the 2007 system firm load of 14,239,221 MWh was used in determining the increase in Idaho Power’s annual revenue requirement.

Paragraph (c) of Section 6 addresses the Company’s preference to use a forecasted test year in this case and in future rate cases. The Company’s test year was a contentious issue; Staff and most Intervenors filed testimony strongly disagreeing with Idaho Power’s test year methodology. Paragraph (c) states that the parties will participate in good faith discussions regarding a forecast test year methodology that balances the auditing concerns of the Staff and the Intervenors with the Company’s expressed desire for timely rate relief.

Paragraph (d) of Section 6 addresses the load growth adjustment rate (LGAR) that is a part of the Company’s annual power cost adjustment (PCA). The LGAR, a mechanism to remove growth-related power costs from the annual PCA calculation, has increased substantially in recent years. *See* Order No. 30215, Case No. IPC-E-06-08. The parties agree in Paragraph (d) to make a good-faith effort to develop a mechanism to adjust or replace the current LGAR to address costs of serving load growth between rate cases. For the 2008 PCA, Paragraph (d) states the LGAR will be \$62.79 per MWh applied to one-half of the load growth occurring during each month within the PCA year.

Section 7 of the Stipulation addresses the rate spread for the agreed-upon revenue requirement. For each customer class except the residential class, rates will increase

¹ PURPA, the Public Utility Regulatory Policies Act of 1978, requires Idaho Power to purchase power from independent qualifying facilities.

approximately 5.65%. Residential rates would increase by approximately 4.7%. Section 7 of the Stipulation specifically does not address the class cost-of-service model results that were filed in the case. Section 7 makes clear that agreement by the parties to the identified rate-spread does not mean that any particular cost-of-service model will constitute a precedent in a subsequent rate case.

Section 8 of the Stipulation sets forth a rate design for the various customer classes. The Stipulation provides that the existing tariff rate components for all schedules other than Schedule 1 (Residential) and Schedule 7 (Small General Service) should be increased on an equal percentage basis, except that the customer charge for Schedules 9 (Large General Service), 19 (Large Power Service) and 24 (Irrigation Service) secondary should be rounded to the nearest quarter dollar. The customer charge for Schedules 9 and 19 primary and transmission customers and Schedule 24 transmission customers would be rounded to the nearest \$5.00. The Stipulation calls for Schedule 1 and Schedule 7 customers to see an increase only in energy charges to recover the increased revenue requirement for those classes of customers.

Section 9 of the Stipulation addresses the Irrigators' recommendations for adjustments to the Company's Irrigation Peak Rewards Program. Section 9 essentially is an agreement between Idaho Power and the Irrigators to convene a working group to discuss results of the current program, to design and implement a dispatchable demand pilot program for the 2009 irrigation season, and to make improvements to marketing efforts to increase participation in the program.

Commission Findings

The Commission has reviewed the filings of record in Case No. IPC-E-07-08, including the Stipulation of the parties. The information available for the Commission's deliberation regarding the reasonableness of the Stipulation is the Commission's record of the January 23, 2008 hearing, which includes all prefiled direct and rebuttal testimony and exhibits. Commission Rule of Procedure 283 states that the Commission may add to the hearing record by reference any document in the Commission Secretary's official file, which includes all prefiled testimony and exhibits. The Commission notified the parties at the hearing it intended to include the prefiled testimony and exhibits in the record by reference pursuant to Rule 283, and hearing no objection, the Commission determined to so incorporate all prefiled testimony and exhibits. Tr. p. 6. The Commission is also informed by the transcripts of the public hearings in Chubbuck

and Boise, where Idaho Power customers were given the opportunity to address their concerns and provide testimony, and by the public comments that were filed in the case.

The Commission reviews Stipulation settlements under its Rules of Procedure 274 through 276. We review any proposed settlement “to determine whether the settlement is just, fair and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.” IDAPA 31.01.01.276. Proponents of a proposed settlement carry the burden of showing the settlement meets the standard for approval by the Commission. IDAPA 31.01.01.275.

As reflected in the record in this case, Idaho Power initially sought an increase in its annual revenue requirement of \$63.9 million, and proposed to recover the additional amount by an overall increase in customer rates of 10.35%. In its prefiled testimony, Staff recommended the Commission approve a revenue increase of \$17,452,700, requiring an overall rate increase of 2.82%, for Idaho Power’s Idaho jurisdiction services. English Direct p. 3, Exhibit 112. Staff based its case on a completely separate test year constructed on historical data rather than on the forecasted budgets provided by Idaho Power in its test year. Staff testified that the use of forecast data made the usual audit of the Company’s proposed test year difficult. Because Idaho Power “did not provide actual expenditures on which to base rates,” Staff made comparisons to other historical information, making it “very difficult if not impossible to determine if the forecast is appropriate.” Lobb Direct p. 11.

Some of the Intervenors also presented testimony on the difficulties in auditing the Company’s test year. Micron testified that using a forecast test year “introduces a host of intractable problems,” including that “(1) forecasts of this type are inherently inaccurate and unreliable, (2) they are difficult if not impossible to verify, and (3) their use in ratemaking creates a perverse set of incentives and temptations for the utility and a structural bias in the ratemaking process.” Peseau Direct pp. 7-8. The Industrial Customers testified that “it is very difficult for staff and intervenors to critically review each of the numerous forecasts that make up an overall rate filing,” and that “[m]ajor problems with forecast data are the controversies that swirl over the models as well as the many assumptions that are used to forecast costs and revenues.” Reading Direct p. 6.

Spreading any rate increase to the different classes of customers was also a contentious issue in the case. Based on its cost-of-service model results, the Company proposed

widely disparate rate increases for the different customer classes. The Company's cost-of-service results indicated the Irrigators should receive a 36.8% increase, that the special contracts customers should be given an increase of approximately 25%, and that small general service (Schedule 7) and large power service (Schedule 19) customers should be given rate increases in excess of 15%. Brilz Direct p. 3. To avoid these harsh results, Idaho Power proposed to limit the Irrigators' and special contract customers' rate increase to 20% and the rate increase for small general service and large power service to 15%. Brilz. Direct p. 4. Idaho Power recommended a 4.53% rate increase for residential customers, but that could be achieved only if the Company's recommended much larger increases were imposed on non-residential customers. Exhibit 58 p. 4.

The Company's cost-of-service model and results were not accepted by the other parties, and the Intervenor presented evidence to argue the Company's model was significantly flawed. Based on their adjustments to the cost-of-service model, the Intervenor and Staff made separate recommendations for spreading any rate increase to the different customer classes. The Irrigators recommended they be given no rate increase, that residential customers receive the system average rate increase, and that the Schedule 9 (Large General Service) and Schedule 19 (Large Power Service) customers be given a larger than average rate increase. Yankel Direct p. 25. Micron recommended that all customers except the Irrigators be given an equal percentage increase, and that the Irrigators rate increase be twice the system average. Peseau Direct p. 56. The Industrial Customers, describing Idaho Power's cost-of-service results as perverse, recommended an equal percentage increase for all customer classes as "the most equitable solution." Reading Direct p. 24. Staff recommended rate increases of approximately 6.5% to 10% for most non-residential and special contract customers, and a smaller than average rate increase for residential customers. Exhibit 118. DOE concluded, after reviewing its own cost-of-service recommendations along with those of the other parties, that "an across-the-board spread is the fairest and most reasonable method to recover any rate increase that the Commission grants to Idaho Power." Goins Rebuttal p. 4.

Testimony was presented at the January 23, 2008 hearing in support of the Stipulation's recommended 5.2% rate increase and allocation of the increase to the customer classes. Idaho Power described the \$32 million increase in annual revenue as providing "needed rate relief to the Company and viewed with the context of the other provisions is satisfactory and

fair.” Tr. p. 8. The Company supports granting the residential customers a lower than average rate increase and a larger, equal percentage increase to all the non-residential customers. Tr. pp. 9-10. Staff testified it supports the Stipulation’s 5.2% increase in Idaho Power’s revenue requirement even though Staff recommended a smaller overall increase in its prefiled testimony. Regarding allocation of the revenue increase, Staff testified the Stipulation followed what was indicated by most cost-of-service model results by giving the residential class a lower than average rate increase. Tr. p. 15.

Based on the record in this case, we find the terms of the Stipulation regarding an increase in Idaho Power’s revenue requirement and the proposed spread of the increase to the customer classes to be fair, just and reasonable and in the public interest. The overall increase of 5.2% is far below the amount requested by the Company, and is a fair compromise by the parties of highly contested issues resulting from the Company’s test year. Although Staff initially recommended a lower overall rate increase, Staff conceded appropriate adjustments to its test year would bring Staff’s recommendation to the Stipulation’s 5.2% overall increase. Tr. p. 14. The Stipulation’s resolution of significant test year and revenue requirement issues, as well as the spread of the rate increase to the customer classes, is supported by all parties as reasonable and appropriate. The Stipulation thus represents a fair compromise of significant test year, rate base and cost-of-service issues presented by the parties. We find the \$32.1 million, 5.2% increase in Idaho Power’s revenue requirement to be reasonable, as is the spread of the increase to the customer classes as set forth in the Stipulation. The specific rates we find reasonable are attached to the Stipulation and are also attached to this Order as Attachment 1.

We also find the other terms of the Stipulation to be fair and reasonable and in the public interest. Paragraphs 6(a) and (b) of the Stipulation resolve specific components – the system net power supply cost and the system firm load – used to determine the additional \$32.1 million revenue requirement. Evidence to support these discrete components was provided by Staff and the Company, and we approve them as part of the calculation for the additional revenue requirement.

Paragraphs 6(c) and (d) and Section 9 of the Stipulation resolve for this case issues that were contested by the parties, and also call for continuing discussions to resolve them for future Idaho Power rate cases. Idaho Power’s proposal to use a forecasted test year in this case was strongly resisted by Staff and most of the Intervenors, and Paragraph 6(c) is an agreement

that the parties will discuss “a forecast test year methodology that balances the auditing concerns of the Staff and the Intervenors with the need for timely rate relief expressed by the Company.” Paragraph 6(d) addresses the load growth adjustment rate in the PCA, and provides an appropriate resolution of the significant impact of the LGAR in this case while the parties review the costs of serving load growth between rate cases. Section 9 of the Stipulation obligates Idaho Power to work with the Irrigators and other interested parties to make adjustments to the Company’s Irrigation Peak Rewards Program to be implemented for the 2009 irrigation season. These terms represent fair and reasonable compromises of contested issues, and reflect good-faith efforts by the parties to work together to resolve them for future cases.

Time-of-Use Rates for Schedule 9 Customers

The Stipulation does not address Kroger’s evidence and request for time-of-use rates for Schedule 9 customers. At the technical hearing, Kroger stated its general support of the settlement agreement, but believes it is deficient by not addressing time-of-use rates for Schedule 9 primary level and transmission level customers. In its prefiled testimony, Kroger asserted that these customers already have metering in place to accommodate time-of-use rates. Noting that Schedule 19 has mandatory time-of-use rates, Kroger proposed that Schedule 9 customers be required to migrate to Schedule 19. Higgins Direct pp. 12-13. The Industrial Customers support voluntary time-of-use rates for Schedule 9 primary and transmission customers, but believe that time-of-use rates for Schedule 19 customers should also be voluntary and not mandatory. Reading Direct p. 31. Staff is not opposed to voluntary time-of-use rates for Schedule 9 primary and transmission level customers. Hessing Direct p. 13.

Idaho Power generally supports making time-of-use rates available to Schedule 9 primary and transmission customers on a voluntary basis. The Company filed an exhibit for a time-of-use proposal for Schedule 9 customers based on the Company’s original revenue increase request. Exhibit 64. The Company proposed rates 5% higher for Schedule 9 energy charges as compared to Schedule 19 energy charges, in order to “maintain the same relationship between Schedule 9 and Schedule 19 charges as is currently in place today.” Brilz Rebuttal p. 12.

Kroger testified at the hearing that Idaho Power’s proposal to set the energy charge for Schedule 9 rates 5% higher than for Schedule 19 rates is not in the public interest “because we do not believe that customers will find that rate attractive enough to actually migrate to it.”

Tr. p. 21. Rather than approve the Company's proposal for higher Schedule 9 energy rates, Kroger recommended the Commission not adopt a time-of-use rate program at all, or adopt some compromise rate between the two proposals. Tr. p. 21.

A time-of-use rate structure for Schedule 9 customers is consistent with Commission policy to provide appropriate price signals to energy consumers. The existing Schedule 19 rate structure provides energy rates for on-peak, off-peak and mid-peak consumption, reflecting the different costs to provide energy during those periods. A similar structure for Schedule 9 primary level and transmission level customers would similarly provide price signals to those customers. In addition, Schedule 9 primary level and transmission level customers already have meters in place to accommodate time-of-use rates.

There is no evidence in this case, however, to establish Schedule 9 time-of-use rates to recover the revenue requirement allocated to that class of customers by this Order. In addition, Idaho Power and the Schedule 9 customers were unable to agree on the appropriate time-of-use rate structure. Accordingly, we direct the Company to develop a time-of-use rate proposal for Schedule 9 customers and present it to the Commission. Idaho Power should include the Schedule 9 customers in that process and, if possible, present a proposal that is agreeable to the Schedule 9 customers.

Intervenor Funding

The Irrigators filed the only Petition for Intervenor Funding in this case. To further the policy of encouraging participation in all proceedings before the Commission, so that all affected customers receive full and fair representation, intervenor funding may be awarded by the Commission pursuant to *Idaho Code* § 61-617A. The Commission may order any regulated utility with annual revenues exceeding \$3.5 million to pay all or a portion of the costs of one or more intervenor parties for legal fees, witness fees and reproduction costs not to exceed a total of \$40,000. *Idaho Code* § 61-617A(2). The Commission must base its determination to make an award on a finding that the intervenor materially contributed to the decision rendered by the Commission, that the costs of intervention are reasonable and would be a significant financial hardship for the intervenor, that the recommendations made by the intervenor differed materially from the testimony and exhibits of the Commission Staff, and that the testimony and participation of the intervenor addressed issues of concern to the general body of users or

consumers. *Id.* Commission Rule of Procedure 162 provides the form and content requirements for a Petition for Intervenor Funding.

The Irrigators' Petition for Intervenor Funding sets forth in detail total expenses of intervention in excess of \$51,000. The Petition meets the form requirements of Rule 162, and summarizes the testimony and recommendations of the Irrigators. The Irrigators' witnesses included two members who participate in the Peak Rewards Program and made specific recommendations for improvements to the program. The witnesses recommended an increase in the interruptibility credit, a relaxing of participation standards, and implementation of a dispatchable interruptibility program. The Irrigators' consultant, Mr. Yankel, testified about Idaho Power's cost-of-service study, arguing that the study does not incorporate a mechanism to allocate the costs of growth to customer classes that are causing the growth on the system. Mr. Yankel also testified about the Peak Rewards Program and urged the Commission to establish time-of-day rates that would send the appropriate price signals to irrigators. The Petition for Intervenor Funding also identifies specific terms that are included in the Stipulation as the result of the Irrigators' participation in the settlement discussions and preparation of the Stipulation.

The Irrigators' Petition describes how the costs to participate in the case constitute a financial hardship for them. The Irrigators are a non-profit corporation and rely solely upon dues and contributions paid by its members, along with intervenor funding awards, to participate in rate cases.

The Petition describes how the Irrigators' testimony differed from that of the Commission Staff, and that the Irrigators' participation presented issues of concern to the general body of customers on Idaho Power's system. Staff did not file testimony addressing the Irrigators' proposed method to allocate a portion of growth-related costs to the customer classes causing the system growth, or to make improvements to the Peak Rewards Program. The Petition describes the Irrigators' proposal for improvements to the Peak Rewards Program as beneficial to all customers because the program reduces load during the summer peak, thereby reducing overall system costs. Expansion of the program would help delay the building of additional generation plant, helping to avoid a significant cost to all ratepayers.

The Commission finds that the Irrigators' Petition for Intervenor Funding meets the applicable standards for an award. The Irrigators did provide evidence on issues not addressed by Staff and that materially affected the Stipulation and thus the Commission's decision. The

Petition establishes the reasonableness of the expenses incurred by the Irrigators and that the costs to participate in the case present a financial hardship to the association. Accordingly, the Commission finds it appropriate to award intervenor funding to the Irrigators in the amount of \$40,000. Pursuant to *Idaho Code* § 61-617A(3), Idaho Power shall include the cost of this award as an expense to the irrigation class (Schedule 24) to be recovered in the Company's next general rate case proceeding.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, and the issues presented in this case, by the authority granted it under Title 61 of the Idaho Code and pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

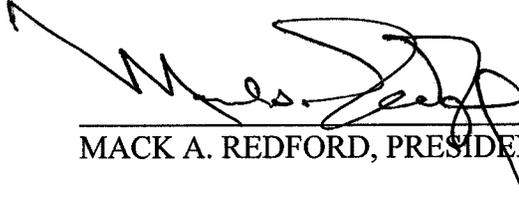
IT IS HEREBY ORDERED that the Commission accepts the Stipulation and proposed settlement filed in Case No. IPC-E-07-08 providing for an increase of \$32,126,654 in Idaho Power's annual revenue requirement, representing an aggregate base rate increase of 5.2%, effective March 1, 2008. The Company is directed to file amended tariffs in compliance with this Order.

IT IS FURTHER ORDERED that Idaho Power is directed to develop a time-of-use rate proposal for Schedule 9 customers and present it to the Commission for approval.

IT IS FURTHER ORDERED that the Irrigators' Petition for Intervenor Funding is granted in the amount of \$40,000. Pursuant to *Idaho Code* 61-617A(3), Idaho Power shall include the cost of this award as an expense to the irrigation class (Schedule 24) to be recovered in the Company's next general rate case proceeding.

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 28th
day of February 2008.



MACK A. REDFORD, PRESIDENT

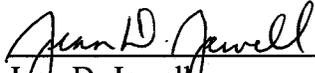


MARSHA H. SMITH, COMMISSIONER



JIM KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-07-08_ws

Idaho Power Company
Calculation of Settlement Rates
State of Idaho
Normalized 12-Months Ending December 31, 2007

Residential Service
Schedule 1

Line No	Description	(1) <u>Use</u>	(2) 06/01/07 Effective <u>Rate</u>	(3) 06/01/07 Effective <u>Revenue</u>	(4) Proposed Effective <u>Rate</u>	(5) Proposed Effective <u>Revenue</u>
1	Service Charge	4,621,992.8	\$4.00	\$18,487,971	\$4.00	\$18,487,971
2	Minimum Serv Chg	64,612.2	2.00	129,224	2.00	129,224
Energy Charge						
3	0-300 Summer	324,047,493	0.054251	17,579,901	0.056973	18,461,958
4	Summer	903,754,694	0.061060	55,183,262	0.064125	57,953,270
5	Non-Summer	3,733,853,855	0.054251	202,565,305	0.056973	212,728,856
6	Total kWh	<u>4,961,656,042</u>		<u>275,328,468</u>		<u>289,144,084</u>
7	Total Billing			\$293,945,663		\$307,761,279

Idaho Power Company
Calculation of Settlement Rates
State of Idaho
Normalized 12-Months Ending December 31, 2007

Residential Service - Energy Watch Program
Schedule 4

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	870.8	\$4.00	\$3,483	\$4.00	\$3,483
2	Minimum Serv Chg	3.5	2.00	7	2.00	7
3	En. Watch Hours	3,095	0.200000	619	0.200000	619
4	Summer	239,293	0.054251	12,982	0.056973	13,633
5	Non-Summer	854,405	0.054251	46,352	0.056973	48,678
6	Total kWh	<u>1,096,793</u>		<u>59,953</u>		<u>62,930</u>
7	Total Billing			\$63,443		\$66,420

Idaho Power Company
 Calculation of Settlement Rates
 State of Idaho
 Normalized 12-Months Ending December 31, 2007

Residential Service - Time-Of-Day Program
 Schedule 5

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	1,031.9	\$4.00	\$4,128	\$4.00	\$4,128
2	Minimum Serv Chg	2.1	2.00	4	2.00	4
3	On-Peak	91,297	0.083279	7,603	0.087443	7,983
4	Mid-Peak	50,188	0.061060	3,064	0.064125	3,218
5	Off-Peak	169,423	0.045145	7,649	0.047402	8,031
6	Off-Peak Non-Summ:	1,033,301	0.054251	56,058	0.056973	58,870
7	Total kWh	1,344,209		74,374		78,102
8	Total Billing			\$78,506		\$82,234

Idaho Power Company
Calculation of Settlement Rates
State of Idaho
Normalized 12-Months Ending December 31, 2007

Small General Service
Schedule 7

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	374,514.3	\$4.00	\$1,498,057	\$4.00	\$1,498,057
2	Minimum Serv Chg	2,883.0	2.00	5,766	2.00	5,766
Energy Charge						
3	0-300 Summer	19,142,664	0.065143	1,247,011	0.069225	1,325,151
4	Over 300 Summer	39,539,295	0.073361	2,900,642	0.077958	3,082,404
5	Non-Summer	149,361,433	0.065143	9,729,852	0.069225	10,339,545
6	Total kWh	208,043,392		13,877,505		14,747,100
7	Total Billing			\$15,381,328		\$16,250,923

Idaho Power Company
 Calculation of Settlement Rates
 State of Idaho

Normalized 12-Months Ending December 31, 2007

Large General Service
 Schedule 9 Secondary Service

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	296,325.0	\$12.00	\$3,555,900	\$12.50	\$3,704,063
2	Minimum Serv Chg	836.8	5.00	4,184	5.00	4,184
Basic Charge						
SUMMER						
3	0-20 kW	1,358,445	0.00	0	0.00	0
4	Over 20 kW	2,256,708	0.62	1,399,159	0.66	1,489,427
NON-SUMMER						
5	0-20 kW	3,142,742	0.00	0	0.00	0
6	Over 20 kW	5,457,494	0.62	3,383,646	0.66	3,601,946
7	Total Basic Charge	12,215,389		\$4,782,805		\$5,091,373
Demand Charge						
SUMMER						
8	0-20 kW	1,083,562	\$0.00	\$0	\$0.00	0
9	Over 20 kW	1,559,726	3.59	5,599,416	3.79	5,911,362
NON-SUMMER						
10	0-20 kW	2,934,879	0.00	0	0.00	0
11	Over 20 kW	4,050,584	2.97	12,030,234	3.14	12,718,834
12	Total Demand	9,628,751		\$17,629,650		\$18,630,196
Energy Charge						
SUMMER						
13	0-2000 kWh	124,811,740	\$0.068159	\$8,507,043	\$0.072016	8,988,442
14	Over 2000 kWh	702,580,395	0.029199	20,514,645	0.030854	21,677,416
NON-SUMMER						
15	0-2000 kWh	354,247,587	0.060800	21,538,253	0.064248	22,759,699
16	Over 2000 kWh	1,907,656,482	0.026047	49,688,728	0.027522	52,502,522
17	Total Energy	3,089,296,204		100,248,669		105,928,079
18	Total Billing			\$126,221,208		\$133,357,895

Idaho Power Company
Calculation of Settlement Rates

State of Idaho

Normalized 12-Months Ending December 31, 2007

Large General Service
Schedule 9 Primary Service

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	1,567.4	\$200.00	\$313,480	\$210.00	\$329,154
2	Minimum Serv Chg	0.6	10.00	6	10.00	6
Basic Charge						
3	Total Basic Charge	1,031,554	0.89	918,083	0.94	969,661
Demand Charge						
4	Summer	232,816	3.54	824,169	3.74	870,732
5	Non-Summer	620,196	2.96	1,835,780	3.13	1,941,213
6	Total Demand	853,012		2,659,949		2,811,945
Energy Charge						
7	Summer	94,568,435	0.026569	2,512,589	0.028073	2,654,820
8	Non-Summer	263,322,909	0.023795	6,265,769	0.025142	6,620,465
9	Total Energy	357,891,344		8,778,358		9,275,285
10	Total Billing			\$12,669,876		\$13,386,051

Idaho Power Company
Calculation of Settlement Rates
State of Idaho
Normalized 12-Months Ending December 31, 2007

Large General Service
Schedule 9 Transmission

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	23.5	\$200.00	\$4,700	\$210.00	\$4,935
2	Minimum Serv Chg	0	10.00	0	10.00	0
3	<u>Basic Charge</u>					
	Total Basic Charge	11,771	0.46	5,415	0.49	5,768
	<u>Demand Charge</u>					
4	Summer	1,942	3.47	6,739	3.67	7,127
5	Non-Summer	6,169	2.90	17,890	3.06	18,877
6	Total Demand Charge	8,111		24,629		26,004
	<u>Energy Charge</u>					
7	Summer	650,514	0.025939	16,874	0.027405	17,827
8	Non-Summer	2,192,897	0.023352	51,209	0.024673	54,105
9	Total Energy Charge	2,843,411		68,083		71,932
10	Total Billing			\$102,827		\$108,639

Idaho Power Company
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Dusk-to-Dawn Customer Lighting
 Schedule 15

Line No	Description	(1) Use	(2) Lamps	(3) 06/01/07 Effective Rate	(5) 06/01/07 Effective Revenue	(6) Proposed Effective Rate	(7) Proposed Effective Revenue
<u>Lamps</u>							
1	100-Watt Sodium Vapor (A)	3,495,178	102,800	\$5.84	\$600,352	\$6.17	\$634,276
2	200-Watt Sodium Vapor (A)	538,797	7,923	9.48	75,110	10.02	79,388
3	200-Watt Sodium Vapor (D)	612,708	9,010	11.53	103,885	12.18	109,742
4	400-Watt Metal Halide (D)	111,437	813	19.23	15,634	20.32	16,520
5	400-Watt Sodium Vapor (A)	176,326	1,286	15.15	19,483	16.01	20,589
6	400-Watt Sodium Vapor (D)	711,528	5,193	17.21	89,372	18.18	94,409
7	1000-Watt Metal Halide(D)	256,738	750	35.07	26,303	37.05	27,788
8	Total	5,902,712	127,775		930,139		982,712
9	Minimum Charges		336.0	3.00	1,008	3.00	1,008
10	Total Billing	5,902,712			\$931,147		\$983,720

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Large Power Service
Schedule 19 Secondary

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Base Revenue
1	Service Charge	12.0	\$12.00	\$144	\$12.50	\$150
<u>Basic Charge</u>						
2	Total Basic Charge	17,218	0.62	10,675	0.66	11,364
<u>Demand Charge</u>						
3	Summer	3,971	3.18	12,628	3.36	13,343
4	Non-Summer	12,393	2.97	36,807	3.14	38,914
5	Total Demand Charge	16,364		49,435		52,257
6	On-Peak Summer	3,627	0.41	1,487	0.43	1,560
<u>Energy Charge</u>						
7	On-peak	546,525	0.031790	17,374	0.033575	18,350
8	Mid-peak	916,792	0.030204	27,691	0.031899	29,245
9	Off-peak	641,068	0.028151	18,047	0.029731	19,060
10	Summer Energy Charge	2,104,385		63,112		66,655
11	Mid-Peak	3,789,797	0.027174	102,984	0.028699	108,763
12	Off-peak	2,521,242	0.025946	65,416	0.027401	69,085
13	Non-Summer Energy Charge	6,311,039		168,400		177,848
14	Total Energy Charge	8,415,424		231,512		244,503
15	Total Billing			\$293,253		\$309,834

Idaho Power Company
 Calculation of Settlement Rates
 State of Idaho

Normalized 12-Months Ending December 31, 2007

Large Power Service
 Schedule 19 Primary

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Base Revenue
1	Service Charge	1,347.30	\$200.00	\$269,460	\$210.00	\$282,933
Basic Charge						
2	Total Basic Charge	4,695,005	0.89	4,178,554	0.94	4,413,305
Demand Charge						
3	Summer	1,104,258	3.13	3,456,328	3.31	3,655,094
4	Non-Summer	2,929,346	2.96	8,670,864	3.13	9,168,853
5	Total Demand Charge	4,033,604		12,127,192		12,823,947
6	On-Peak Summer	1,031,840	0.41	423,054	0.43	443,691
Energy Charge						
7	On-peak	139,226,823	0.027175	3,783,489	0.028708	3,996,924
8	Mid-peak	228,968,090	0.024531	5,616,816	0.025915	5,933,708
9	Off-peak	167,989,752	0.022863	3,840,750	0.024153	4,057,456
10	Summer Energy Charge	536,184,665		13,241,055		13,988,088
11	Mid-Peak	899,531,969	0.022192	19,962,413	0.023445	21,089,527
12	Off-peak	626,130,301	0.021173	13,257,057	0.022368	14,005,283
13	Non-Summer Energy Charge	1,525,662,270		33,219,470		35,094,810
14	Total Energy Charge	2,061,846,935		46,460,525		49,082,898
15	Total Billing			\$63,458,785		\$67,046,774

Idaho Power Company
 Calculation of Settlement Rates
 State of Idaho

Normalized 12-Months Ending December 31, 2007

Large Power Service
 Schedule 19 Transmission

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Service Charge	36.0	\$200.00	\$7,200	\$210.00	\$7,560
<u>Basic Charge</u>						
2	Total Basic Charge	129,806	0.46	59,711	0.49	63,605
<u>Demand Charge</u>						
3	Summer	32,179	3.06	98,468	3.24	104,260
4	Non-Summer	92,180	2.90	267,322	3.06	282,071
5	Total Demand Charge	124,359		365,790		386,331
6	On-Peak Summer	31,282	0.41	12,826	0.43	13,451
<u>Energy Charge</u>						
7	On-peak	4,858,483	0.026908	130,732	0.028426	138,107
8	Mid-peak	8,645,160	0.024286	209,956	0.025655	221,792
9	Off-peak	6,915,349	0.022637	156,543	0.023913	165,367
10	Summer Energy Charge	20,418,992		497,231		525,266
11	Mid-peak	30,999,573	0.021927	679,728	0.023164	718,074
12	Off-peak	23,659,116	0.020920	494,949	0.022100	522,866
13	Non-Summer Energy Charge	54,658,689		1,174,677		1,240,940
14	Total Energy Charge	75,077,681		1,671,908		1,766,206
15	Total Billing			\$2,117,435		\$2,237,153

Idaho Power Company
 Calculation of Settlement Rates
 State of Idaho
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Agricultural Irrigation Service
 Schedule 24 Secondary

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Bills-In Season	62,675.4	\$14.25	\$893,124	\$15.00	\$940,131
2	Bills-Out Season	132,400.5	3.00	397,202	3.00	397,202
3	Minimum Charges	1,117.6	1.50	1,676	1.50	1,676
<u>Demand Charge</u>						
4	Total In-Season	3,025,809	4.36	13,192,527	4.61	13,948,979
5	Total Out-Season	2,164,396	0.00	0	0.00	0
6	Total kW	5,190,205		13,192,527		13,948,979
<u>Energy Charge</u>						
7	Total In-Season	1,109,400,571	0.033964	37,679,681	0.035894	39,820,824
8	Total Out-Season	429,903,521	0.043234	18,586,449	0.045690	19,642,292
9	Total kWh	1,539,304,092		56,266,130		59,463,116
10	Total Billing			\$70,750,659		\$74,751,104

Idaho Power Company
 Calculation of Settlement Rates
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Agricultural Irrigation Service
 Schedule 24 Transmission

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Bills-In Season	0.0	\$14.25	\$0	\$210.00	\$0
2	Bills-Out Season	0.0	3.00	0	3.00	0
<u>Demand Charge</u>						
3	Total In-Season	0	4.10	0	4.33	0
4	Total Out-Season	0	0.00	0	0.00	0
5	Total kW	0		0		0
<u>Energy Charge</u>						
6	Total In-Season	0	0.032318	0	0.034144	0
7	Total Out-Season	0	0.041139	0	0.043463	0
8	Total kWh	0		0		0
9	Customer Adj			0		0
10	Total Billing			\$0		\$0

Idaho Power Company
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Street Lighting Service Supplemental Seasonal Or Variable Energy
 Schedule 39

Line No.	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Number of Bills	0.0				
2	Total kWh	0	\$0.053810	\$0	\$0.056850	\$0
3	Total Billing			\$0		\$0

Idaho Power Company
Calculation of Settlement Rates
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Unmetered General Service
Schedule 40

Line No.	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Number of Bills	20,410.0				
	Minimum Charges	998.8	\$1.50	\$1,498	\$1.50	\$1,498
2	Total kWh	16,337,412	0.053810	879,116	0.056850	928,782
3	Total Billing			\$880,614		\$930,280

Idaho Power Company
 Calculation of Settlement Rates
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Street Lighting-Company Owned
 Schedule 41
 Non-Metered Service

Line No	Description	(1) Annual Lamps	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
<u>Sodium Vapor</u>						
1	70-Watt	231	\$7.05	\$1,629	\$7.45	\$1,721
2	100-Watt	175,773	6.36	1,117,916	6.72	1,181,195
3	200-Watt	23,252	7.43	172,762	7.86	182,761
4	250-Watt	951	8.40	7,988	8.88	8,445
5	400-Watt	1,025	10.58	10,845	11.18	11,460
6	Total Sodium Vapor	201,232		<u>1,311,140</u>		<u>1,385,582</u>

Schedule 41 Summary

7	Company-Owned			1,311,140		1,385,582
8	Non-Metered Customer-Owned			742,843		784,371
9	Metered Customer-Owned			2,162		2,284
10	Total Street Lighting Revenue			<u>\$2,056,145</u>		<u>\$2,172,237</u>
11	Total Bills					1,503
12	Total kWh					20,675,782

Idaho Power Company
Calculation of Settlement Rates

State of Idaho

Normalized 12-Months Ending December 31, 2007

Street Lighting-Customer Owned
Schedule 41
Non-Metered Service

Line No	Description	(1) Annual Lamps	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
<u>Mercury Vapor</u>						
1	175-Watt	96	\$5.21	\$500	\$5.50	\$528
2	400-Watt	402	8.23	3,308	8.69	3,493
3	1,000-Watt	0	13.98	0	14.77	0
4	Total Mercury Vapor	498		3,808		4,021
<u>Sodium Vapor</u>						
5	70-Watt	60	3.02	181	3.19	191
6	100-Watt	114,869	3.44	395,149	3.63	416,974
7	200-Watt	5,084	4.75	24,149	5.03	25,573
8	250-Watt	39,174	5.69	222,900	6.01	235,436
9	400-Watt	12,266	7.88	96,656	8.33	102,176
10	Total Sodium Vapor	171,453		739,035		780,350
11	Total Customer-Owned Non-Metered Service			\$742,843		\$784,371

Idaho Power Company
 Calculation of Settlement Rates
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Street Lighting-Customer Owned
 Schedule 41
 Metered Service

Line No	Description	(1) Annual Lamps	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
<u>Lamp Charge</u>						
<u>Mercury Vapor</u>						
1	175-Watt	0	\$1.80	\$0	\$1.90	\$0
2	400-Watt	0	1.86	0	1.97	0
3	1,000-Watt	0	2.66	0	2.81	0
4	Total Mercury Vapor	0		0		0
<u>Sodium Vapor</u>						
5	70-Watt	0	1.95	0	2.06	0
6	100-Watt	36	1.74	63	1.84	66
7	200-Watt	0	1.78	0	1.89	0
8	250-Watt	120	1.74	209	1.84	221
9	400-Watt	108	1.77	191	1.87	202
10	Total Lamp Charges	264		463		489
11	Meter Charge	27	8.00	216	8.45	228
<u>Energy Charge</u>						
12	Per kWh	31,884	0.046511	1,483	0.049139	1,567
13	Total Customer-Owned Metered Service			\$2,162		\$2,284

Idaho Power Company
Calculation of Settlement Rates
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Traffic Control Lighting
 Schedule 42

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	No. of Billings	1,566.0				
2	Traffic Lamps	5,474,735	\$0.034438	\$188,539	\$0.036384	\$199,193
3	Total Billing			\$188,539		\$199,193

Idaho Power Company
Calculation of Settlement Rates

State of Idaho

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Micron
Schedule 26

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Billed kW	1,015,525.0	\$6.91	\$7,017,278	\$7.30	7,413,333
2	Excess Demand kW	0	0.211	0	0.223	0
3	Billed kWh	702,140,245	0.014081	9,886,837	0.014872	10,442,230
4	Contract kW	1,020,000	1.70	1,734,000	1.80	1,836,000
5	Total Schedule Billing			\$18,638,115		\$19,691,563

Idaho Power Company
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J R Simplot Company
 Schedule 29

Line No	Description	(1) Use	(2) 06/01/07 Effective Rate	(3) 06/01/07 Effective Revenue	(4) Proposed Effective Rate	(5) Proposed Effective Revenue
1	Contract kW	300,000	\$1.56	\$468,000	\$1.65	\$495,000
2	Daily Excess Demand kW	0	0.211	0	0.223	0
3	Demand (kW)	285,559	5.34	1,524,885	5.64	1,610,553
4	Energy (kWh)	188,325,624	0.014151	<u>2,664,996</u>	0.014951	<u>2,815,656</u>
5	Total Billing			\$4,657,881		\$4,921,209

Idaho Power Company
Calculation of Settlement Rates
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Department of Energy
 Schedule 30

Line No.	Description	(1) <u>Use</u>	(2) 06/01/07 Effective <u>Rate</u>	(3) 06/01/07 Effective <u>Revenue</u>	(4) Proposed Effective <u>Rate</u>	(5) Proposed Effective <u>Revenue</u>
1	Demand	366,600	\$5.77	\$2,115,282	\$6.10	\$2,236,260
2	Total KWH	215,500,001	0.015172	3,269,566	0.016023	3,452,957
3	Total Billing			\$5,384,848		\$5,689,217