

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-08-10
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO INCREASE ITS RATES) NOTICE OF APPLICATION
AND CHARGES FOR ELECTRIC)
SERVICE TO ITS CUSTOMERS IN THE) NOTICE OF
STATE OF IDAHO) INTERVENTION DEADLINE
)
) ORDER NO. 30600

On June 27, 2008, Idaho Power Company (“Idaho Power” or “Company”) filed an Application for authority to increase its rates an average of 9.89%. If approved the Company’s revenues would increase by \$66.6 million. The Company has requested that the proposed rate increase become effective for electric service rendered on or after July 27, 2008.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power’s Application states that the overall rate of return and return on equity heretofore allowed to the Company 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. Application at 7.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that the Commission grant it a return on rate base of 8.55% (11.25% return on common equity) on a \$2,093,398,859 Idaho retail rate base. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that Idaho Power’s Application requests that 2008 be used as the relevant test year and that the test year data used in this filing is “based on actual 2007 data updated to 2008 levels.” *Id.*

YOU ARE FURTHER NOTIFIED that this would result in an additional revenue requirement of \$66,588,286 for the Idaho jurisdiction, which requires an overall increase in revenue of 9.89%. *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 15%. *Id.* at 3. The Company also proposes to increase the rates for its small commercial customers by 10.63%. *Id.* The Company's proposed increase for residential customers is 6.31% and 11.46% for its large commercial customers. *Id.* The chart below shows an average charge by kilowatt-hour (kWh) and the percentage increase for various customer groups.

CUSTOMER GROUP	CURRENT AVERAGE BASE RATE	PROPOSED AVERAGE BASE RATE	OVERALL PERCENTAGE OF INCREASE
Residential	6.28¢	6.67¢	6.3%
Small Commercial	7.96¢	8.80¢	10.6%
Large Commercial	4.37¢	4.88¢	11.5%
Industrial	3.31¢	3.81¢	15.0%
Irrigation	4.97¢	5.71¢	15.0%

YOU ARE FURTHER NOTIFIED that Idaho Power seeks an increase of the monthly service charge by \$1.00 for its residential customers and to "implement rates that increase based on greater usage during the non-summer months." *Id.* The Company's proposal would "double the number of kilowatt-hours qualifying for the lower-cost first block of energy and increase the differential between the first and second block Energy Charges during the summer months" for Schedule 1 residential customers. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power's Application states that in order "[t]o provide a stronger price signal to Schedule 1 residential customers during the summer months of June, July, and August, Idaho Power proposes an Energy Charge of 6.1376¢ per kilowatt-hour for the first block and 7.3409¢ for the second block." *Id.* During the non-summer months, "Idaho Power proposes an Energy Charge of 5.8891¢ per kilowatt-hour for the first block and 6.1836¢ per kilowatt-hour for the second block." *Id.* The chart below lists the remaining customer classes and summarizes the types of increases each of them would receive pursuant to Idaho Power's Application:

Small Commercial	Large Commercial	Industrial	Irrigation	Special Contract (DOE, Simplot, Micron)	Schedule 89
<ul style="list-style-type: none"> - Monthly service charge - # of kWh qualifying for lower-cost 1st block of energy - Rate differential between 1st block and 2nd block energy charge during summer months 	<ul style="list-style-type: none"> - Service Charge - Basic Charge - Demand Charges - Seasonal Energy Charges - Mandatory time-of-use rates for customers taking service at Primary and Transmission service levels. 	<ul style="list-style-type: none"> - Service Charge - Basic Charge - Seasonal and time-of-use Demand Charges and Energy Charges 	<ul style="list-style-type: none"> - Service Charge - Demand Charge - In-season and out-of-season Energy Charges - Introduce a load-factor based pricing mechanism 	<ul style="list-style-type: none"> - Overall 15 % increase in the component rates of each of its three special contract customers 	<ul style="list-style-type: none"> - Increase from 2.727¢ per kWh to 2.976¢ per kWh

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 “File Room” and then “Electric Cases.” Interested persons may also view the Application at the Company’s website, www.idahopower.com. Idaho Power’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.

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 August 8, 2008**. 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 July 2, 2008, the Industrial Customers of Idaho Power ("ICIP") filed a Petition to Intervene in this matter. No objections to ICIP's intervention have been filed.

YOU ARE FURTHER NOTIFIED that on July 9, 2008, the Idaho Irrigation Pumpers Association, Inc. ("IIPA") filed a Petition to Intervene in this matter. No objections to IIPA's intervention have been filed.

YOU ARE FURTHER NOTIFIED that on July 15, 2008, the Kroger Company dba Fred Meyer and Smith's Food and Drug ("Kroger") filed a Petition to Intervene in this matter. No objections to Kroger's intervention have been filed.

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

intervenors, 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 27, 2008. 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 27, 2008, 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 27, 2008, 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 Petitions to Intervene submitted by the Industrial Customers of Idaho Power; Idaho Irrigation Pumpers Association, Inc.; and the Kroger Co. dba Fred Meyer and Smith's Food and Drug are 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 August 8, 2008.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of July 2008.



MACK A. REDFORD, PRESIDENT

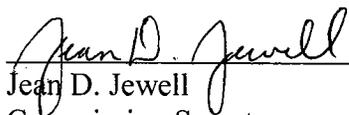


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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