

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-09-06
AUTHORITY TO IMPLEMENT FIXED-)	
COST ADJUSTMENT (FCA) RATES FOR)	NOTICE OF APPLICATION
ELECTRIC SERVICE FROM JUNE 1, 2009)	
THROUGH MAY 31, 2010.)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 30757

On March 13, 2009, Idaho Power Company filed an Application requesting authority to implement fixed-cost adjustment (FCA) rates for electric service from June 1, 2009 through May 31, 2010. In Case No. IPC-E-04-15, Order No. 30267 issued March 12, 2007, the Commission approved a stipulation to implement a three-year FCA pilot program for residential and small general service customers. The Company is nearing the end of the second year of the pilot program approved by the Commission.

BACKGROUND

The FCA is a mechanism to separate Idaho Power's fixed costs from its energy sales, and establish a rate to allow the Company to recover its fixed costs separate from energy sales. The rationale for an FCA is that traditional rate design discourages energy conservation programs; that is, utilities that recover fixed costs through energy sales have no incentive to reduce their sales volume by encouraging energy efficiency and demand-side management programs.

The FCA implemented in 2007 for the pilot program works the same for residential and small general service customers. For each class, the number of customers is multiplied by a fixed-cost-per-customer rate that is determined through the Company's revenue requirement in a general rate case. This produces an authorized fixed-cost recovery amount, which is then compared to the amount of fixed costs actually recovered by the Company. The difference between the authorized fixed-cost recovery amount and the actual amount collected by the Company is the fixed-cost adjustment for each customer class.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power reports that the rate of growth in the number of residential customers was more than the rate of growth in the energy sales for the residential customer class in 2008, i.e., the average use per customer decreased. As a result, the Company under-collected fixed costs by approximately \$1.3 million for its residential class. A surcharge to recover the under-collection would represent a 0.42% increase in residential rates.

YOU ARE FURTHER NOTIFIED that the Company reports that energy usage per customer also decreased in the small general service class resulting in an under-collection of approximately \$1.4 million in fixed costs. A surcharge to recover the under-collection would represent a 10.29% increase in small general service rates. However, to be consistent with the methodology established in the first year of the FCA pilot, Case No. IPC-E-08-04, the Company is proposing a combined rate increase for residential and small general service customers of 0.82%, or 0.0529 cents per kWh. Order No. 30556.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that the FCA rates become effective June 1, 2009, and requests that its Application be processed by Modified Procedure.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in this case. 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, pursuant to 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 this case is **Friday, May 8, 2009**.

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. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-09-06 should be mailed to the Commission and Idaho Power 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 83702-5918

Donovan E. Walker
Barton L. Kline
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: dwalker@idahopower.com
bkline@idahopower.com

Scott D. Sparks
John R. Gale
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
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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. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on 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 and supporting testimony have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission's Website at www.puc.idaho.gov under the "File Room" and then "Electric Cases."

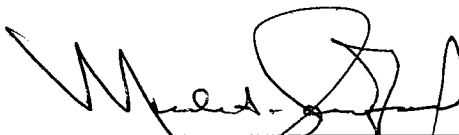
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

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

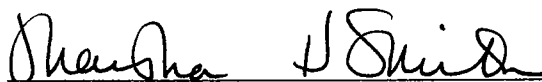
ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power for approval to implement fixed-cost adjustment rates for electric service from June 1, 2009 through May 31, 2010 be processed by Modified Procedure. Persons interested in submitting written comments in this matter must do so no later than May 8, 2009.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of March 2009.



MACK A. REDFORD, PRESIDENT

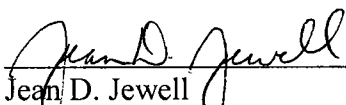


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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