

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) CASE NO. IPC-E-09-10
ACCOUNTING ORDER APPROVING)
AMORTIZATION OF FEDERAL AGENCY) ORDER NO. 30791
ANNUAL FEES)

On April 2, 2009, Idaho Power Company filed an Application for an accounting order approving its proposed accounting for amortization of federal agency fees refunded to the Company in 2006. In the Company’s recently concluded rate case, Order No. 30722 issued January 30, 2009, the Commission directed the Company to amortize the approximately \$3.2 million credit it received as reimbursement of Federal Energy Regulatory Commission (FERC) and other federal agency fees. The Commission directed a five-year amortization period. Because Idaho Power received the credit in September 2006, the Company asserts the amortization period should begin as of October 2006, consistent with generally accepted accounting principles. The Company requests an Order authorizing an amortization period that commenced in October 2006 and will end in September 2011.

On April 8, 2009, the Commission issued a Notice of Application and Notice of Modified Procedure to establish a comment period on the Company’s Application. The Staff filed comments on April 23, 2009, recommending the Commission approve Idaho Power’s Application and issue an Order “quickly to facilitate the required accounting adjustment to the first quarter (Q1) financial information.” Staff Comments, p. 3.

The amortization period of five years as directed in Order No. 30722 for the federal agencies fee credit is not at issue. The question presented in the Application relates to the starting date of the amortization for accounting purposes and the accounting entries. Idaho Power requested the amortization period begin October 2006, the month following receipt of the credit.

The Idaho jurisdictional portion of the credit is \$3,104,016 with an amortization of \$51,734 per month. The annual amortization to Idaho customers of \$620,808 (\$653,202 system) reduced the revenue requirement established in the Company’s recent general rate case IPC-E-08-10, Order No. 30722.

Idaho Power must properly reflect a multi-year amortization that will benefit customers as a regulatory liability for financial accounting purposes. Idaho Power will be required to establish a regulatory liability on its books and in this instance fully expense the unamortized portion on its financial books as of February 1, 2009, the effective date of Order No. 30722. Staff provided the specific accounting entries if the amortization start date of October 2006 is approved. The following entries (updated from those presented in the Application) to record the unamortized Idaho jurisdictional amount at January 31, 2009, will be made:

| | |
|--------------------------------|-------------|
| 401 Operating Expense | \$1,655,475 |
| 254 Other Regulatory Liability | \$1,655,475 |

The entries for the monthly amortization amount of \$51,734 for February 2009 through September 2011 are unchanged from the Application.

As shown above, the Commission's decision results in a regulatory liability of \$1,655,475. Idaho Power reduced the expense booked in 2006 when the credit was received. Therefore, an expense matching the regulatory liability must now be booked resulting in a financial impact on earnings in 2009. The monthly amortization will reduce the regulatory liability, matching the expense credit with the lower revenues being collected in base rates for this credit.

The Commission finds the amortization period for the federal agency fees credit, as requested by Idaho Power, to be reasonable and appropriate. The Commission approves the amortization period of October 2006 through September 2011, with the accounting entries identified by Staff. The proposed accounting entries with updated numbers are approved to match the February 1, 2009, effective date of Order No. 30722.

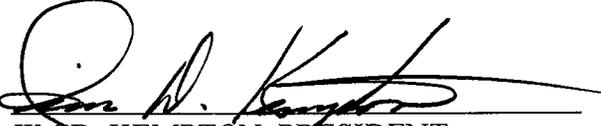
ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power Company for an accounting order to establish amortization of FERC and other federal agency fees is approved. The Commission approves the amortization period of October 2006 through September 2011, with the accounting entries identified by Staff.

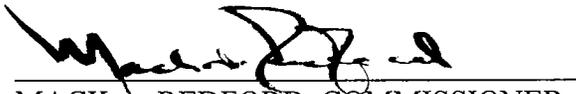
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

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 April 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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