

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-09-28
AUTHORITY TO CONVERT SCHEDULE 54)	
– FIXED COST ADJUSTMENT – FROM A)	NOTICE OF
PILOT SCHEDULE TO AN ONGOING)	MODIFIED PROCEDURE
PERMANENT SCHEDULE)	
)	ORDER NO. 31010

YOU ARE HEREBY NOTIFIED that on October 1, 2009, Idaho Power Company filed an Application requesting an Order authorizing the Company to convert its current Schedule 54 – Fixed Cost Adjustment (FCA) – from a pilot schedule to an ongoing, permanent schedule. In Order No. 30267 issued March 12, 2007, the Commission approved implementation of a three-year FCA pilot program for residential service and small general service customers. The FCA mechanism allows Idaho Power to separate collection of fixed costs from volumetric energy sales. A surcharge or customer credit is applied when fixed-cost recovery per customer varies from a Commission-established base. During the first two years of the pilot program, the FCA true-up resulted in a refund in one year and a surcharge in the next.

YOU ARE FURTHER NOTIFIED that because utilities recover a large portion of their fixed costs through sales of kilowatt-hours of energy, the Company contends that traditional rate design discourages utilities from reducing their sales volume caused by investing in energy efficiency programs. Idaho Power alleges the purpose of the FCA pilot program “was to test the FCA mechanism to determine its efficacy in removing the unintended rate design disincentive for the Company to aggressively pursue DSM programs.” Application, p. 4. Idaho Power asserts that so far during the three-year pilot program the Company has made “strong progress in improving and enhancing its efforts to promote energy efficiency and demand-side management activities.” Application, p. 3. The Company credits this effort “in no small part to removal of the disincentive provided by the FCA mechanism during the term of the FCA pilot.” *Id.*

YOU ARE FURTHER NOTIFIED that the Company’s Application requests that the FCA continue to be applicable only to residential and small general service customer classes. During the first two years of the pilot program, the FCA balances for both classes were combined and the same FCA rate adjustment applied to both classes. Idaho Power requests, if

the FCA is made permanent, that the FCA balances and annual rate adjustment amounts for each class remain separate so that each class is assigned its own fixed-cost adjustment rate.

YOU ARE FURTHER NOTIFIED that on November 23, 2009, the Commission issued a Notice of Application and Notice of Intervention Deadline. Order No. 30948. Petitions to Intervene were filed by Idaho Conservation League, Snake River Alliance, and Community Action Partnership Association of Idaho, all of which were granted by the Commission. Order Nos. 30972, 30973, 30974.

YOU ARE FURTHER NOTIFIED that the Application together with supporting 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 and exhibits are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within thirty (30) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that the Company and other interested parties have ten (10) days after the initial comment period to file reply comments.

YOU ARE FURTHER NOTIFIED that persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant 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

Barton L. Kline
Donovan E. Walker
Idaho Power Company
PO Box 70
Boise, Idaho 83707-0070

E-mail: bkline@idahopower.com
dwalker@idahopower.com

Scott D. Sparks
John R. Gale
Idaho Power Company
PO Box 70
Boise, Idaho 83707-0070
E-mail: ssparks@idahopower.com
rgale@idahopower.com

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 the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that Idaho Power Company's Application to convert its current Schedule 54 – Fixed Cost Adjustment (FCA) – from a pilot schedule to an ongoing, permanent schedule be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so within thirty (30) days from the service date of this Notice, and may file reply comments within ten (10) days after the initial comment period.

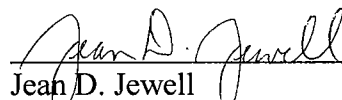
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of February 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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