

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL

DATE: JANUARY 27, 2010

SUBJECT: IDAHO POWER'S APPLICATION TO MAKE THE FIXED COST
ADJUSTMENT PERMANENT, CASE NO. IPC-E-09-28

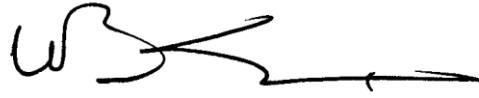
On October 1, 2009, Idaho Power Company filed an Application requesting an Order authorizing the Company to convert its current Schedule 54 – Fixed Cost Adjustment (FCA) – from a pilot schedule to an ongoing, permanent schedule. In Order No. 30267 issued March 12, 2007, the Commission approved implementation of a three-year FCA pilot program applicable to 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.

On November 25, 2009, the Commission issued a Notice of Application and Notice of Intervention Deadline. Petitions to Intervene subsequently were filed by the Idaho Conservation League, Snake River Alliance, and Community Action Partnership Association of Idaho (CAPAI), all of which were approved by the Commission. Idaho Power asked that its Application be processed by Modified Procedure, and each of the parties has agreed that procedure is appropriate.

Staff recommends the Commission issue a Notice of Modified Procedure establishing an initial comment period of 30 days and a 10-day period for responsive comments.

COMMISSION DECISION

Should the Commission issue a Notice of Modified Procedure establishing an initial comment period of 30 days and a 10-day period for responsive comments?



Weldon B. Stutzman
Deputy Attorney General

bls/M:IPC-E-09-28_ws2