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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO IMPLEMENT FIXED COST)
ADJUSTMENT (FCA) RATES FOR) CASE NO. IPC-E-10-07
ELECTRIC SERVICE FROM JUNE 1,)
2010, THROUGH MAY 31, 2011.)
_____)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

SCOTT D. SPARKS

1 Q. Please state your name and business address.

2 A. My name is Scott D. Sparks and my business
3 address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what
5 capacity?

6 A. I am employed by Idaho Power Company as a
7 Senior Pricing Analyst in the Pricing and Regulatory
8 Services Department.

9 Q. Please describe your educational background.

10 A. In May of 1989, I received a Bachelor of
11 Business Administration degree in Business Management from
12 Boise State University.

13 Q. Please describe your work experience with
14 Idaho Power Company.

15 A. I became employed by Idaho Power Company
16 ("the Company") in 1985 as a part-time mail clerk and have
17 held positions as Meter Reader, Customer Service
18 Representative, Economic Analyst, Human
19 Resource/Compensation Analyst, Pricing and Regulatory
20 Services Analyst, and Resource Planning Analyst.

21 In January of 1991, after two years in the Customer
22 Service Department, I was offered and I accepted a position
23 in the Company's Energy Services Department. My
24 responsibilities over six years in the department varied

1 from conservation program evaluation, special studies, load
2 forecasting, and research. In 1995 I was asked to
3 temporarily transfer to the Human Resources Department to
4 assist with implementation of the Company's reorganization,
5 benefit, and compensation plans.

6 In 1998, I applied for and accepted a position in
7 the Pricing and Regulatory Services Department where I was
8 responsible for reviving the Company's resource planning
9 and integrated resource planning processes. As part of
10 reorganization, I was reassigned to the Power Supply
11 Planning Department in 2001 where I acted as the lead
12 analyst for the Integrated Resource Plan. In July 2003, I
13 left the Company to pursue self-employment in the real
14 estate and construction sectors. I returned to the Company
15 as a Senior Pricing Analyst in the Pricing and Regulatory
16 Services Department in June 2008.

17 Q. What is the purpose of your testimony?

18 A. The purpose of my testimony is to describe
19 the Company's request for its annual Fixed Cost Adjustment
20 ("FCA") true-up rate per Order No. 30267 in Case No. IPC-E-
21 04-15. Specifically, my testimony will discuss four areas
22 related to the FCA Pilot Program ("FCA Pilot"). First, I
23 will briefly discuss the FCA mechanism itself and how a
24 fixed cost adjustment is determined. Second, I will

1 discuss the 2009 demand-side management activities that
2 occurred during the final year of the FCA Pilot. Third, I
3 will describe the results from the third year of the FCA
4 Pilot and fourth I will discuss the calculation of the FCA
5 rate the Company is proposing to go into effect on June 1,
6 2010.

7 **FIXED COST ADJUSTMENT MECHANISM**

8 Q. What is the purpose of a fixed cost
9 adjustment true-up mechanism?

10 A. The FCA is a true-up mechanism that
11 "decouples," or separates, energy sales from revenue in
12 order to remove the financial disincentive that exists when
13 the Company invests in demand-side management resources.
14 Under the FCA, rates for Residential Service (Schedules 1,
15 3, 4, and 5) and Small General Service (Schedule 7)
16 customers are adjusted annually up or down to recover or
17 refund the difference between the fixed costs authorized by
18 the Commission in the Company's most recent general rate
19 case and the fixed costs that the Company actually received
20 through energy sales during the previous year. Through the
21 application of this true-up mechanism, the Company is not
22 financially harmed by decreases in energy sales within the
23 Residential and Small General Service customer classes.

1 Q. Please describe the Fixed Cost Adjustment
2 mechanism.

3 A. For both the Residential and Small General
4 Service classes, the FCA mechanism is the same. The
5 formula used to determine the FCA amount is:

$$6 \quad \text{FCA} = (\text{CUST} \times \text{FCC}) - (\text{NORM} \times \text{FCE})$$

7 Where:

8 FCA = Fixed Cost Adjustment;

9 CUST = Average Number of Customers, by class;

10 FCC = Fixed Cost per Customer rate, by class;

11 NORM = Weather-Normalized Energy, by class;

12 FCE = Fixed Cost per Energy rate, by class.

13 Q. How is the FCA true-up amount determined?

14 A. The FCA true-up is the difference between
15 the Company's "allowed fixed cost recovery" (CUST X FCC)
16 and the "actual fixed cost recovery" (NORM X FCE). The
17 "allowed fixed cost recovery" is determined by multiplying
18 the average number of customers for the year times the FCC
19 rate established as a result of the outcome in the
20 Company's general rate case. The "actual fixed cost
21 recovery" is determined by multiplying the weather-
22 normalized energy sales for the year times the FCE rate.
23 The FCE rate is also established in the Company's general
24 rate case.

1 Q. Can the FCA true-up amount be either
2 positive or negative?

3 A. Yes. The FCA can be either positive or
4 negative. If the adjustment amount were positive, that
5 would indicate the Company's allowed fixed cost recovery
6 amount was greater than the fixed costs actually recovered
7 through the energy rate for that class of customers. This
8 would stem from the fact that the growth rate in weather-
9 normalized energy was less than the growth rate in
10 customers, i.e., the use per customer had decreased. The
11 effect would be that the Company had under-collected its
12 fixed costs. Therefore, additional dollars need to be
13 collected from the customer class in order to make the
14 Company financially whole. In a similar fashion, if the
15 FCA were negative, that would indicate that the Company's
16 allowed fixed cost recovery amount was less than the fixed
17 costs actually recovered through the class energy rate and
18 would result in a refund of the adjustment amount to that
19 customer class.

20 Q. What were the FCA adjustments for
21 Residential and Small General Service classes in the second
22 year of the three-year FCA Pilot, Case No. IPC-E-09-06.

23 A. The FCA for the Residential class was a
24 positive \$1,320,749 and the adjustment for Small General

1 Service was a positive \$1,394,167. In Order No. 30827, the
2 Commission ordered that the overall balance (\$2,714,915) be
3 spread equally to both the Residential and Small General
4 Service customer classes. The resulting rate surcharge was
5 0.0529 cents per kWh for those customers.

6 **DEMAND-SIDE MANAGEMENT ACTIVITIES**

7 Q. Please describe the Company's efforts to
8 promote demand-side management activities through energy
9 efficiency and demand response programs in 2009.

10 A. Throughout 2009, the final year of the FCA
11 Pilot, the Company actively pursued numerous opportunities
12 to promote demand-side management ("DSM") and increase
13 activities in energy efficiency education and customer
14 outreach. As in the first two years of the FCA Pilot, the
15 Company's DSM portfolio continued to evolve in the
16 following areas:

- 17 • Availability of Energy Efficiency and Load
18 Management Programs
- 19 • Building Code Improvements
- 20 • Market Transformation and Appliance Code
21 Standards
- 22 • Third Party Verification

- 1 • Electric Rate Designs that Encourage Energy
- 2 Efficiency
- 3 • The Company's Internal Commitment to Energy
- 4 Efficiency

5 A complete discussion of the Company's commitment to
6 promoting energy efficiency in the above areas is detailed
7 in the Enhanced Commitment section of the *Demand-Side*
8 *Management 2009 Annual Report* that was filed with the
9 Commission on March 15, 2010.

10 Q. Please summarize the Company's total DSM
11 investments and energy savings in 2009.

12 A. In 2009, the Company's DSM programs resulted
13 in a 7.6 percent increase in energy savings and a 28
14 percent reduction in peak demand. Company investments in
15 demand-side management were slightly under \$35 million in
16 2009 compared to \$21.2 million in 2008. Energy savings for
17 the Company's DSM programs amounted to 148,256 megawatt
18 hours in 2009 compared to 137,772 megawatt hours in 2008.

19 Q. Please summarize the Company's 2009 DSM
20 investments and energy savings related to "in-house"
21 programs only.

22 A. The Company's investment and energy savings
23 I describe below result from "in-house" programs only, and

1 do not include investments or savings associated with the
2 Northwest Energy Efficiency Alliance ("NEEA").

3 When summarizing the investments and energy savings
4 related exclusively to the Company's program offerings, DSM
5 expenditures increased 67.3 percent, from \$20.2 million in
6 2008 to \$33.9 million in 2009. Energy savings increased
7 23.2 percent, from 107,484 megawatt hours in 2008 to
8 132,443 megawatt hours in 2009.

9 Q. Did the Company increase its DSM program
10 offerings and participation in 2009?

11 A. Yes, the Company's DSM programs continued to
12 increase in number and customer participation in 2009. The
13 Company offered eighteen energy efficiency programs and
14 three demand response programs that included the addition
15 of three new programs. The Residential Home Improvement
16 Program and See Ya Later Refrigerator programs were added
17 as new energy efficiency programs and the FlexPeak
18 Management Program was added as a new demand response
19 program for commercial and industrial customers. The
20 Company also continued its commitment to broaden market
21 transformation through its partnership with the NEEA.

22 A complete description of all energy efficiency
23 activities can be found in the Company's *Demand-Side*
24 *Management 2009 Annual Report*.

1 Q. What other initiatives did the Company
2 implement to encourage energy efficiency?

3 A. In February 2009, the Idaho Public Utilities
4 Commission issued Order No. 30722 in Case No. IPC-E-08-10,
5 approving implementation of several new price-based rate
6 designs supporting the Company's objective to encourage the
7 wise and efficient use of electricity. Year-round tiered
8 blocks, expanded time-of-use pricing, and the introduction
9 of load-factor pricing were approved in an effort to
10 encourage the efficient use of electricity. These new rate
11 designs went into effect February 1, 2009.

12 **THIRD YEAR FCA DETERMINATION**

13 Q. Did the monthly rates for the FCC and FCE
14 change during the third year of the FCA Pilot?

15 A. Yes. As stated above, the FCA mechanism is
16 intended to recover the difference between the fixed costs
17 authorized by the Commission in the Company's most recent
18 general rate case and the fixed costs actually recovered
19 through rates. If energy rates change during the year, the
20 relationship between allowed and actual fixed costs needs
21 to be adjusted.

22 Q. Were there changes in fixed cost recovery
23 during 2009?

1 A. Yes. Case No. IPC-E-08-10 changed the
2 Company's base rates in February 2009 (Order No. 30722) and
3 April 2009 (Reconsideration Order No. 30754) which required
4 updates to both the FCC and FCE. As a result, the Company
5 used FCC and FCE rates for the month of January based upon
6 the revenue requirement established in Case No. IPC-E-07-08
7 and FCC and FCE rates for the months of February and March
8 based upon the revenue requirement established in Case No.
9 IPC-E-08-10. The new FCC and FCE rates that were used for
10 the months of April through December 2009 are consistent
11 with the revenue requirement established in the
12 reconsideration of Case No. IPC-E-08-10.

13 Q. Please describe the monthly FCC rates used
14 for reporting purposes during the third year of the FCA
15 Pilot.

16 A. Exhibit No. 1 shows the monthly FCC rates
17 that were used for January reporting purposes in 2009. For
18 the Residential class, the monthly FCC rate was \$35.74 and
19 for Small General Service, the rate was \$24.57. Exhibit
20 No. 2 shows the FCC rates used for February through March
21 monthly reporting in 2009. For the Residential class, the
22 monthly FCC rate for March through December was \$36.84 per
23 customer and for the Small General Service class, the
24 monthly FCC was \$23.76. Exhibit No. 3 shows the monthly

1 FCC rates used for April through December reporting in
2 2009. For the Residential class, the monthly FCC rate for
3 April through December was \$37.61 per customer and for the
4 Small General Service class, the monthly FCC was \$24.40.

5 Q. Please describe the monthly FCE rates used
6 for reporting purposes during the third year of the FCA
7 Pilot.

8 Exhibit No. 1 details the Residential and Small
9 General Service monthly "shaped" FCE rates that were used
10 for January 2009 monthly reporting purposes. The rate used
11 for Residential was \$0.024334 while the Small General
12 Service rate was \$0.036396. Exhibit No. 2 details the
13 monthly "shaped" FCE rates used for February and March and
14 Exhibit No. 3 details the monthly "shaped" FCE rates used
15 for April through December 2009.

16 Q. Why are "shaped" FCE rates used for
17 reporting purposes?

18 A. The FCE rates are shaped to better match
19 cause and effect for accounting purposes so that the
20 Company can adhere to Generally Accepted Accounting
21 Principles ("GAAP") and better estimate the financial
22 impacts of the FCA calculation at year-end. The ultimate
23 FCA adjustment is determined annually, but is booked to

1 Company accounts on a monthly basis. This is similar to
2 the Power Cost Adjustment ("PCA") accounting practices.

3 Q. Has the Company been periodically reporting
4 the balance of the FCA true-up account to the Commission?

5 A. Yes. As part of the FCA Stipulation to Case
6 No. IPC-E-04-15, Order No. 30267, the Company agreed to
7 record the FCA deferral as a separate line item in the
8 monthly PCA report provided to the Commission.

9 In 2009, the Company continued to report the monthly
10 FCA balance in a separate report detailing the FCA only.
11 Exhibit No. 4 is a copy of the FCA Report for 2009. The
12 total combined monthly FCA balance of a positive
13 \$6,581,457.93 can be seen on line 32 column O of Exhibit
14 No. 4.

15 Q. What are the monthly FCA balances for the
16 calendar year 2009 for both the Residential and Small
17 General Service classes?

18 A. Exhibit No. 4 shows the derivation of a
19 positive \$6,581,457.93 combined FCA for January 2009
20 through December 2009. This amount includes a positive
21 \$5,478,755.62 (line 15, column O) as the accumulated
22 balance for the Residential FCA and a positive
23 \$1,102,702.31 (line 29, column O) for the accumulated

1 balance for the Small General Service FCA. Both amounts
2 include interest through December 2009.

3 Q. Were any adjustments made to these amounts
4 once the Company's books were closed at year-end?

5 A. Yes. Once the Company's books were closed
6 at year-end, the average prorated customer count and annual
7 weather-normalized energy sales were determined. Once
8 these were determined, the "allowed fixed cost recovery"
9 (average prorated customer count X FCC) and the "actual
10 fixed cost recovered" (annual weather-normalized energy
11 sales X FCE) could be calculated.

12 The difference between this year-end determination
13 of the FCA balances and the sum of the twelve monthly
14 reported estimates of the FCA balances, required
15 adjustments to the FCA deferral account.

16 Q. What were the adjustments made to the
17 Residential and Small General Service FCA balances?

18 A. In February 2010, the Company booked the
19 adjustments to the Residential and Small General Service
20 FCA balances. For the Residential class, an adjustment of
21 a negative \$327,152.74 was made (Exhibit No. 5, Line 6,
22 Column P) resulting in a total deferral of positive
23 \$5,114,091.04, not including interest. For the Small
24 General Service class, a positive \$57,661.70 (Exhibit No.

1 5, Line 20, Column P) adjustment was made resulting in a
2 total deferral of \$1,149,892.04, not including interest.

3 Q. What is the total amount of the Fixed Cost
4 Adjustment, including interest, the Company is requesting
5 to implement in rates on June 1, 2010?

6 A. Exhibit No. 5 shows the FCA balances and
7 adjustments, plus interest calculated through May 2010.
8 The total amount of the Fixed Cost Adjustment the Company
9 is requesting to implement in rates on June 1, 2010, is an
10 increase of \$6,338,761.08 reflected on Line 32, Column T.
11 The FCA for the Residential class shows an increase of
12 \$5,173,650.54 reflected on Line 15, Column T. For the
13 Small General Service class, an additional \$1,165,110.54
14 will need to be recovered as part of the FCA true-up
15 mechanism. This amount is reflected on Line 29, Column T.

16 Q. What is the significance of these numbers
17 with respect to the Company's recovery of its fixed costs?

18 A. Since the Residential true-up is a positive
19 number, it means that the rate of growth in the number of
20 Residential customers was more than the rate of growth in
21 the energy sales for that class, i.e., the average use per
22 customer decreased. Therefore, the Residential class will
23 receive an increase to recover the additional fixed costs
24 not collected during the year. The same holds true for the

1 Small General Service class meaning that the use per
2 customer for this class has decreased and the Company
3 under-collected its fixed costs.

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4 **CALCULATION OF 2010-2011 FIXED COST ADJUSTMENT**

5 Q. Please describe the calculation of the Fixed
6 Cost Adjustment rate the Company is proposing to go into
7 effect on June 1, 2010.

8 A. The FCA rate the Company proposes to go into
9 effect on June 1, 2010, was calculated by taking the FCA
10 true-up balances described above and dividing by the June
11 1, 2010, through May 31, 2011, test year weather-normalized
12 load by class.

13 Q. What has the Company determined the test
14 year weather-normalized load to be for both the Residential
15 and Small General Service classes?

16 A. The Company's test year weather-normalized
17 sales was 4,994,311,266 kWh for the Residential class and
18 165,753,188 kWh for the Small General Service class.

19 Q. What fixed cost adjustments are needed in
20 order for the Company to recover all of its allowed fixed
21 costs associated with the Residential and Small General
22 Service classes?

23 A. Because the Residential and Small General
24 Service classes reduced their energy consumption and

1 thereby under-collected their share of allowed fixed costs
2 through current rate designs, each class requires a rate
3 surcharge in order to recover pre-approved levels of fixed
4 costs.

5 The Residential class requires an additional
6 recovery of \$5,173,650.54. This would mean a rate
7 surcharge of 0.1036 cents per kWh ($\$5,173,650.54 \times 100 /$
8 $4,994,311,266$ kWh). This represents a 1.57 percent
9 increase in Residential rates.

10 The proposed Small General Service FCA requires an
11 additional recovery of fixed costs in the amount of
12 \$1,165,110.54. This would mean a rate surcharge for the
13 Small General Service class of 0.7029 cents per kWh
14 ($\$1,165,110.54 \times 100 / 165,753,188$ kWh). This represents
15 an 8.49 percent increase in the Small General Service
16 rates.

17 Q. What is the FCA the Company proposes to
18 place into effect on June 1, 2010?

19 A. The FCA the Company proposes to implement on
20 June 1, 2010, is a combined rate surcharge equal to 1.85
21 percent for both the Residential and Small General Service
22 classes.

1 Q. What are the corresponding rate adders for
2 the Residential and Small General Service classes based on
3 an equal FCA rate surcharge of 1.85 percent?

4 A. The corresponding rate adder for the
5 Residential class would be 0.1218 cents per kWh and the
6 corresponding rate adder for the Small General Service
7 class would be 0.1535 cents per kWh.

8 Q. Are these the Residential and Small General
9 Service FCA rate adders the Company is proposing to
10 implement June 1, 2010, through May 31, 2011?

11 A. Yes. As mentioned above, these adders
12 result in a 1.85 percent rate surcharge for each class.

13 Q. Why is the Company proposing to combine the
14 recovery of fixed costs for the Residential and Small
15 General Service classes?

16 A. The Company considered several issues
17 regarding the magnitude of the rate impacts to the
18 Residential and Small General Service classes when deciding
19 to combine the FCA balances for recovery.

20 First, the Company is very aware of the current
21 state of the economy and recognized that an 8.49 percent
22 increase to the Small General Service class could create
23 undue hardship for those customers. Second, this method of
24 recovery is consistent with the first two years of the FCA

1 Pilot when the Residential and Small General Service
2 balances were combined to create one equal rate adjustment
3 for both classes. Third, by combining the Residential and
4 Small General Service FCA balances and determining the rate
5 adders based on an equal rate adjustment of 1.85 percent
6 for each class, the overall rate impact to customers in
7 these classes is more representative of the required fixed
8 cost recovery for each class. In other words, by not
9 applying the same rate adder to the Residential and Small
10 General Service classes as done in the first two years of
11 the FCA Pilot, the Company collects a more representative
12 amount of required fixed costs from each class. Finally,
13 this methodology provides the Company the opportunity to
14 fully recover its allowed fixed costs related to the
15 Residential and Small General Service classes in one year's
16 time.

17 Q. What is the percentage increase in revenue
18 as measured from total amounts currently recovered from
19 customers?

20 A. Total revenue currently recovered from
21 customers includes the following components: base rates,
22 Fixed Cost Adjustment, Power Cost Adjustment, and Energy
23 Efficiency Rider. The current revenue from these components

1 for the affected classes is \$434,765,387. The requested
2 increase is \$3,607,828 or 0.83 percent.

3 Q. How will the Company incorporate the
4 surcharges for the Residential and Small General Service
5 classes on customer's bills?

6 A. The Company proposes to include the FCA
7 surcharges with the Energy Efficiency Services Charge on
8 Residential and Small General Service customer's bills.
9 This is consistent with the methodology applied in the
10 first two years of the FCA Pilot.

11 Q. Does this complete your testimony?

12 A. Yes it does.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-10-07

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 1

IDAHO POWER COMPANY
FCC & FCE Rates Based on IPC-E-07-08
Used for Monthly Reporting for 2008

	Residential		Small Commercial	
Authorized Fixed Cost Recovery	\$165,246,810		\$9,200,238	
Number of Customers	385,325		31,210	

	Residential		Small Commercial	
	FCC	Energy	FCC	Energy
January	\$35.74	\$565,901,722	\$24.57	\$21,064,988
February	\$35.74	\$523,022,556	\$24.57	\$21,070,491
March	\$35.74	\$462,346,628	\$24.57	\$19,172,442
April	\$35.74	\$396,638,613	\$24.57	\$16,500,882
May	\$35.74	\$327,501,206	\$24.57	\$14,358,179
June	\$35.74	\$320,220,547	\$24.57	\$14,421,874
July	\$35.74	\$370,841,159	\$24.57	\$17,942,134
August	\$35.74	\$426,021,245	\$24.57	\$19,002,944
September	\$35.74	\$382,960,727	\$24.57	\$16,910,842
October	\$35.74	\$323,770,490	\$24.57	\$14,717,304
November	\$35.74	\$374,203,944	\$24.57	\$14,962,530
December	\$35.74	\$490,668,207	\$24.57	\$17,918,782
Total		<u>4,964,097,044</u>		<u>208,043,392</u>

Difference	(\$6)		(\$14)	
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Annual FCE	\$428.85	\$0.033288	\$294.79	\$0.044223
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BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-10-07

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 2

IDAHO POWER COMPANY

FCC & FCE Rates Based on IPC-E-08-10 Final Order No. 30722
Used for Monthly Forecast for 2009

	Residential	Small Commercial
Authorized Fixed Cost Recovery	\$172,873,064	\$8,895,929
Number of Customers	391,057	31,196

	Residential	Small Commercial
	FCC	FCE
January	\$36.84	\$23.76
February	\$36.84	\$23.76
March	\$36.84	\$23.76
April	\$36.84	\$23.76
May	\$36.84	\$23.76
June	\$36.84	\$23.76
July	\$36.84	\$23.76
August	\$36.84	\$23.76
September	\$36.84	\$23.76
October	\$36.84	\$23.76
November	\$36.84	\$23.76
December	\$36.84	\$23.76
Total	5,065,086,947	190,586,226

	Residential	Small Commercial
	Energy	Energy
January	580,397,794	20,672,054
February	529,606,207	19,720,708
March	470,347,818	16,287,314
April	404,945,722	14,625,700
May	327,609,394	12,687,967
June	323,123,447	13,983,298
July	373,170,075	15,761,164
August	438,213,581	16,548,607
September	392,543,037	15,340,451
October	332,602,955	13,771,284
November	385,200,476	14,337,282
December	507,326,441	16,850,397
Total	\$172,873,359	\$8,895,887

	Residential	Small Commercial
	FCC	FCE
January	\$0.024821	\$0.036861
February	\$0.027202	\$0.037591
March	\$0.030629	\$0.045516
April	\$0.035575	\$0.050687
May	\$0.043973	\$0.058425
June	\$0.044584	\$0.053015
July	\$0.038605	\$0.047035
August	\$0.032875	\$0.044797
September	\$0.036699	\$0.048325
October	\$0.043313	\$0.053831
November	\$0.037399	\$0.051706
December	\$0.028396	\$0.043995
Total	\$295	(\$42)

	Residential	Small Commercial
Authorized Fixed Cost Recovery	\$172,873,064	\$8,895,929
Number of Customers	391,057	31,196

	Residential	Small Commercial
	FCC	FCE
January	\$36.84	\$23.76
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	FCC	FCE
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March	\$0.030629	\$0.045516
April	\$0.035575	\$0.050687
May	\$0.043973	\$0.058425
June	\$0.044584	\$0.053015
July	\$0.038605	\$0.047035
August	\$0.032875	\$0.044797
September	\$0.036699	\$0.048325
October	\$0.043313	\$0.053831
November	\$0.037399	\$0.051706
December	\$0.028396	\$0.043995
Total	\$295	(\$42)

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-10-07

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 3

IDAHO POWER COMPANY

FCC & FCE Rates Based on IPC-E-08-10 Final Order No. 30722 and Reconsideration Order No. 30754
Used for Monthly Forecast for 2009

	Residential	Small Commercial	
Authorized Fixed Cost Recovery	\$176,474,517	\$9,135,125	
Number of Customers	391,057	31,196	

	Residential	Small Commercial	
	Energy	Energy	
	FCC	FCC	FCE
January	\$37.61	\$24.40	\$0.036826
February	\$37.61	\$24.40	\$0.038602
March	\$37.61	\$24.40	\$0.046739
April	\$37.61	\$24.40	\$0.052050
May	\$37.61	\$24.40	\$0.059999
June	\$37.61	\$24.40	\$0.054441
July	\$37.61	\$24.40	\$0.048300
August	\$37.61	\$24.40	\$0.046001
September	\$37.61	\$24.40	\$0.049624
October	\$37.61	\$24.40	\$0.055279
November	\$37.61	\$24.40	\$0.053097
December	\$37.61	\$24.40	\$0.045178
Total	5,065,086,947	190,586,226	\$9,135,147

Difference (\$108) \$22

Annual FCE \$451.28 \$292.83 \$0.047932

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-10-07

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 4

**Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
January 2009 - December 2009**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Fixed Cost Adjustment														Totals
	for the year ended December 31, 2009														
1	Residential FCA:														
2	Beginning Balance	\$	0.00	(205,817.91)	(25,401.90)	446,394.51	739,163.21	1,103,618.29	1,474,219.42	2,216,331.53	3,234,372.19	4,064,803.67	4,388,620.31	5,070,904.17	5,441,243.78
3	Amount/Deferred	\$	(205,817.91)	180,416.01	471,796.41	292,768.70	364,455.08	370,601.13	742,112.11	1,018,040.66	830,431.48	323,716.64	682,383.86	370,339.61	
4	Ending Balance	\$	(205,817.91)	(25,401.90)	446,394.51	739,163.21	1,103,618.29	1,474,219.42	2,216,331.53	3,234,372.19	4,064,803.67	4,388,620.31	5,070,904.17	5,441,243.78	
5	Interest:														
6	Accrual thru Prior Month	\$	0.00	0.00	(343.03)	358.62	1,590.56	1,590.56	3,429.92	5,886.95	9,580.84	14,971.46	21,746.13	29,060.33	
7	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
8	Monthly Interest Inc/(Exp)	\$	0.00	(343.03)	(42.34)	743.99	1,231.94	1,839.36	2,457.03	3,693.89	5,390.62	6,774.67	7,314.20	8,451.51	
9	Interest Accrued to date	\$	0.00	(343.03)	(385.37)	358.62	1,590.56	3,429.92	5,886.95	9,580.84	14,971.46	21,746.13	29,060.33	37,511.84	
10	Total Residential FCA:														
11	Beginning Balance	\$	(205,817.91)	(25,744.93)	446,009.14	739,521.83	1,105,208.85	1,477,649.34	2,222,218.48	3,243,953.03	4,079,775.13	4,410,266.44	5,099,964.50	5,478,755.62	5,478,755.62
12	Amount/Deferred	\$	113,307.55	109,582.65	63,858.17	62,938.09	83,354.86	111,903.75	136,729.02	108,865.64	97,032.90	51,460.20	94,632.92	58,544.59	1,092,230.34
13	Ending Balance	\$	113,307.55	222,890.20	266,748.37	349,686.46	433,041.32	544,945.07	681,674.09	790,599.73	887,592.63	939,052.63	1,033,665.75	1,092,230.34	
14	Interest:														
15	Accrual thru Prior Month	\$	0.00	0.00	188.85	560.33	1,038.24	1,621.05	2,342.79	3,251.03	4,387.15	5,704.75	7,184.07	8,749.16	
16	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
17	Monthly Interest Inc/(Exp)	\$	0.00	188.85	371.48	477.91	582.81	721.74	908.24	1,136.12	1,317.60	1,479.32	1,565.09	1,722.81	10,471.97
18	Interest Accrued to date	\$	0.00	188.85	560.33	1,038.24	1,621.05	2,342.79	3,251.03	4,387.15	5,704.75	7,184.07	8,749.16	10,471.97	
19	Total Small Commercial FCA:														
20	Beginning Balance	\$	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	1,102,702.31
21	Amount/Deferred	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	6,581,457.93
22	Ending Balance	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
23	Interest:														
24	Accrual thru Prior Month	\$	62,510.36	289,844.48	535,983.72	356,928.69	449,624.69	485,065.98	882,206.40	1,131,756.31	934,172.60	383,430.83	765,896.07	439,058.52	6,581,457.93
25	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
26	Monthly Interest Inc/(Exp)	\$	205,817.91	(180,416.01)	(471,796.41)	(282,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(682,383.86)	(370,339.61)	(5,441,243.78)
27	Interest Accrued to date	\$	(113,307.55)	(109,582.65)	(63,858.17)	(62,938.09)	(83,354.86)	(111,903.75)	(136,729.02)	(108,865.64)	(97,032.90)	(51,460.20)	(94,632.92)	(58,544.59)	(1,092,230.34)
28	Total Small Commercial FCA:														
29	Beginning Balance	\$	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	1,102,702.31
30	Amount/Deferred	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	6,581,457.93
31	Ending Balance	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
32	Interest:														
33	Accrual thru Prior Month	\$	62,510.36	289,844.48	535,983.72	356,928.69	449,624.69	485,065.98	882,206.40	1,131,756.31	934,172.60	383,430.83	765,896.07	439,058.52	6,581,457.93
34	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
35	Monthly Interest Inc/(Exp)	\$	205,817.91	(180,416.01)	(471,796.41)	(282,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(682,383.86)	(370,339.61)	(5,441,243.78)
36	Interest Accrued to date	\$	(113,307.55)	(109,582.65)	(63,858.17)	(62,938.09)	(83,354.86)	(111,903.75)	(136,729.02)	(108,865.64)	(97,032.90)	(51,460.20)	(94,632.92)	(58,544.59)	(1,092,230.34)
37	Total Small Commercial FCA:														
38	Beginning Balance	\$	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	1,102,702.31
39	Amount/Deferred	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	6,581,457.93
40	Ending Balance	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
41	Interest:														
42	Accrual thru Prior Month	\$	62,510.36	289,844.48	535,983.72	356,928.69	449,624.69	485,065.98	882,206.40	1,131,756.31	934,172.60	383,430.83	765,896.07	439,058.52	6,581,457.93
43	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
44	Monthly Interest Inc/(Exp)	\$	205,817.91	(180,416.01)	(471,796.41)	(282,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(682,383.86)	(370,339.61)	(5,441,243.78)
45	Interest Accrued to date	\$	(113,307.55)	(109,582.65)	(63,858.17)	(62,938.09)	(83,354.86)	(111,903.75)	(136,729.02)	(108,865.64)	(97,032.90)	(51,460.20)	(94,632.92)	(58,544.59)	(1,092,230.34)
46	Total Small Commercial FCA:														
47	Beginning Balance	\$	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	1,102,702.31
48	Amount/Deferred	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	6,581,457.93
49	Ending Balance	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
50	Interest:														
51	Accrual thru Prior Month	\$	62,510.36	289,844.48	535,983.72	356,928.69	449,624.69	485,065.98	882,206.40	1,131,756.31	934,172.60	383,430.83	765,896.07	439,058.52	6,581,457.93
52	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
53	Monthly Interest Inc/(Exp)	\$	205,817.91	(180,416.01)	(471,796.41)	(282,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(682,383.86)	(370,339.61)	(5,441,243.78)
54	Interest Accrued to date	\$	(113,307.55)	(109,582.65)	(63,858.17)	(62,938.09)	(83,354.86)	(111,903.75)	(136,729.02)	(108,865.64)	(97,032.90)	(51,460.20)	(94,632.92)	(58,544.59)	(1,092,230.34)
55	Total Small Commercial FCA:														
56	Beginning Balance	\$	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	1,102,702.31
57	Amount/Deferred	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	6,581,457.93
58	Ending Balance	\$	(92,510.36)	197,334.12	733,317.84	1,090,246.63	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
59	Interest:														
60	Accrual thru Prior Month	\$	62,510.36	289,844.48	535,983.72	356,928.69	449,624.69	485,065.98	882,206.40	1,131,756.31	934,172.60	383,430.83	765,896.07	439,058.52	6,581,457.93
61	Monthly Interest Rate	\$	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
62	Monthly Interest Inc/(Exp)	\$	205,817.91	(180,416.01)	(471,796.41)	(282,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(6		

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-10-07

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 5

Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
 January 2009 - May 2010

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Fixed Cost Adjustment	January	February	March	April	May	June	July	August	September	October	November	December	
1	for the year ended December 31, 2009													
2														
3														
4	Residential FCA:													
5	Beginning Balance	0.00	(205,817.91)	(25,401.90)	446,394.51	739,163.21	1,103,618.29	1,474,219.42	2,216,331.53	3,234,372.19	4,064,803.67	4,388,520.31	5,070,904.17	
6	Amount Deferred	(205,817.91)	180,416.01	471,796.41	292,768.70	364,455.08	370,601.13	742,112.11	1,018,040.66	830,431.48	323,716.64	682,383.86	370,339.61	
7	Ending Balance	(205,817.91)	(25,401.90)	446,394.51	739,163.21	1,103,618.29	1,474,219.42	2,216,331.53	3,234,372.19	4,064,803.67	4,388,520.31	5,070,904.17	5,441,243.78	
8	Interest:													
9	Accrual thru Prior Month	0.00	0.00	(343.03)	(385.37)	358.62	1,590.56	3,429.92	5,886.95	9,580.84	14,971.46	21,746.13	29,060.33	
10	Monthly Interest Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
11	Monthly Interest Inc/(Exp)	0.00	(343.03)	(42.34)	743.99	1,231.94	1,839.36	2,457.03	3,693.89	5,390.82	6,774.67	7,314.20	8,451.51	
12	Interest Accrued to date	0.00	(343.03)	(385.37)	358.62	1,590.56	3,429.92	5,886.95	9,580.84	14,971.46	21,746.13	29,060.33	37,511.84	
13														
14	Total Residential FCA:	(205,817.91)	(25,744.93)	446,009.14	739,521.83	1,105,208.85	1,477,649.34	2,222,218.46	3,243,953.03	4,079,775.13	4,410,266.44	5,099,364.50	5,478,755.62	
15														
16														
17														
18	Small Commercial FCA:													
19	Beginning Balance	0.00	113,307.55	222,890.20	286,748.37	349,686.46	433,041.32	544,945.07	681,674.09	790,559.73	887,592.63	939,052.83	1,033,685.75	
20	Amount Deferred	113,307.55	109,562.65	63,858.17	62,938.09	83,354.86	111,903.75	136,729.02	108,885.84	97,032.90	51,460.20	94,632.92	56,544.59	
21	Ending Balance	113,307.55	222,890.20	286,748.37	349,686.46	433,041.32	544,945.07	681,674.09	790,559.73	887,592.63	939,052.83	1,033,685.75	1,092,230.34	
22	Interest:													
23	Accrual thru Prior Month	0.00	0.00	188.85	188.85	560.33	1,038.24	1,621.05	2,342.79	3,251.03	4,387.15	5,704.75	7,184.07	
24	Monthly Interest Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
25	Monthly Interest Inc/(Exp)	0.00	188.85	371.48	477.91	582.81	721.74	908.24	1,136.12	1,317.60	1,479.32	1,565.09	1,722.81	
26	Interest Accrued to date	0.00	188.85	188.85	560.33	1,038.24	1,621.05	2,342.79	3,251.03	4,387.15	5,704.75	7,184.07	8,748.16	
27														
28	Total Small Commercial FCA:	113,307.55	223,079.05	287,308.70	350,724.70	434,662.37	547,287.86	684,925.12	794,946.88	893,297.38	946,236.90	1,042,434.91	1,102,702.31	
29														
30														
31	Total Fixed Cost Adjustment	(92,510.36)	197,334.12	733,317.84	1,090,246.53	1,539,871.22	2,024,937.20	2,907,143.60	4,038,899.91	4,973,072.51	5,356,503.34	6,142,399.41	6,581,457.93	
32														
33														
34														
35														
36														
37	Embates:													
38	599 X00001 999 182302 (254302)	(92,510.36)	288,844.48	535,983.72	356,928.69	449,624.69	485,065.98	892,206.40	1,131,756.31	934,172.60	383,430.83	785,696.07	439,058.52	
39	599 X00001 999 440301	205,817.91	(180,416.01)	(471,796.41)	(292,768.70)	(364,455.08)	(370,601.13)	(742,112.11)	(1,018,040.66)	(830,431.48)	(323,716.64)	(682,383.86)	(370,339.61)	
40	599 X00001 999 442301	(113,307.55)	(109,562.65)	(63,858.17)	(62,938.09)	(83,354.86)	(111,903.75)	(136,729.02)	(108,885.84)	(97,032.90)	(51,460.20)	(94,632.92)	(56,544.59)	
41	999 X00001 999 421006 (431013)		154.18	(328.14)	(1,221.90)	(1,814.75)	(2,561.10)	(3,365.27)	(4,830.01)	(6,708.22)	(8,253.99)	(8,879.29)	(10,174.32)	
42														
43	Transfer to Prior Year FCA Acct 182309													
44	Dr. 599 X00001 999 182309													
45	Cr. 599 X00001 999 182302													

Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
 January 2009 - May 2010

	O	P	Q	R	S	T
	January, 2010	February	March	April	May	Totals
1						
2						
3						
4						
5	5,441,243.78	5,441,243.78	5,114,091.04	5,114,091.04	5,114,091.04	
6	0.00	(327,152.74)	0.00	0.00	0.00	5,114,091.04
7	5,441,243.78	5,114,091.04	5,114,091.04	5,114,091.04	5,114,091.04	
8						
9	37,511.84	42,077.47	46,646.90	50,947.52	55,251.72	
10	1.0%	1.0%	1.0%	1.0%	1.0%	
11	4,565.63	4,568.43	4,300.61	4,304.20	4,307.79	59,559.50
12	42,077.47	46,646.90	50,947.52	55,251.72	59,559.50	
13						
14						
15	5,483,321.25	5,160,737.94	5,165,038.56	5,169,342.76	5,173,650.54	
16						
17						
18						
19	1,092,230.34	1,092,230.34	1,149,892.04	1,149,892.04	1,149,892.04	
20	0.00	57,661.70	0.00	0.00	0.00	1,149,892.04
21	1,092,230.34	1,149,892.04	1,149,892.04	1,149,892.04	1,149,892.04	
22						
23						
24	10,471.97	11,390.89	12,310.57	13,279.08	14,248.38	
25	1.0%	1.0%	1.0%	1.0%	1.0%	
26	918.92	919.68	968.50	969.31	970.12	15,218.50
27	11,390.89	12,310.57	13,279.08	14,248.38	15,218.50	
28						
29	1,103,621.23	1,162,202.61	1,163,171.12	1,164,140.42	1,165,110.54	
30						
31						
32	6,586,942.48	6,322,940.56	6,328,209.67	6,333,483.18	6,338,761.08	
33						
34						
35						
36						
37						
38	5,484.55	(264,001.92)	5,269.12	5,273.51	5,277.90	6,338,761.08
39	-	327,152.74	-	-	-	(5,114,091.04)
40	-	(57,661.70)	-	-	-	(1,149,892.04)
41	(5,484.55)	(5,489.12)	(5,269.12)	(5,273.51)	(5,277.90)	(74,778.00)
42						
43						
44	6,581,457.93					
45	(6,581,457.93)					