

RECEIVED
2011 MAR 15 PM 4:41
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-11-03
ELECTRIC SERVICE FROM JUNE 1,)
2011, THROUGH MAY 31, 2012.)
_____)

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 capacity?

5 A. I am employed by Idaho Power Company ("Idaho
6 Power" or "Company") as a Senior Regulatory Analyst in the
7 Regulatory Affairs Department.

8 Q. Please describe your educational background.

9 A. In May of 1989, I received a Bachelor of
10 Business Administration degree in Business Management from
11 Boise State University. In addition, I have attended the
12 electric utility ratemaking course offered through New
13 Mexico State University's Center for Public Utilities as
14 well as various advanced ratemaking courses presented by
15 the Edison Electric Institute.

16 Q. Please describe your work experience with
17 Idaho Power.

18 A. I became employed by Idaho Power in 1985 as a
19 part-time mail clerk and have held positions as Meter
20 Reader, Customer Service Representative, Economic Analyst,
21 Human Resource/Compensation Analyst, Regulatory Analyst,
22 and Resource Planning Analyst.

23 In January of 1991, after two years in the Customer
24 Service Department, I was offered and I accepted a position

1 in the Company's Energy Services Department. My
2 responsibilities over six years in the department varied
3 from conservation program evaluation, special studies, load
4 forecasting, and load research. In 1995, I was asked to
5 temporarily transfer to the Human Resources Department to
6 assist with implementation of the Company's reorganization,
7 benefit, and compensation plans.

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

18 Q. What is the purpose of your testimony?

19 A. The purpose of my testimony is to describe the
20 Company's request to implement its annual Fixed Cost
21 Adjustment ("FCA") true-up rate per Idaho Public Utilities
22 Commission ("Commission") Order No. 31063 in Case No. IPC-
23 E-09-28. This Order extended the FCA mechanism originally
24 approved in Commission Order No. 30267, Case No. IPC-E-04-

1 15, as a pilot program for an additional two years
2 beginning January 1, 2010.

3 Specifically, my testimony will discuss four areas
4 related to the FCA Pilot Program ("FCA Pilot"), Schedule
5 54. First, I will briefly discuss the FCA mechanism itself
6 and how the fixed cost adjustment is determined. Second, I
7 will discuss the Company's ongoing demand-side management
8 ("DSM") activities. Third, I will describe the results
9 from the 2010 FCA Pilot. Lastly, I will discuss the
10 calculation of the FCA true-up rate the Company is
11 proposing to go into effect on June 1, 2011.

12 **I. FIXED COST ADJUSTMENT MECHANISM**

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

15 A. The FCA is a true-up mechanism that
16 "decouples," or separates, energy sales from revenue in
17 order to remove the financial disincentive that exists when
18 the Company invests in demand-side management resources.
19 Under the FCA, rates for Residential Service (Schedules 1,
20 3, 4, and 5) and Small General Service (Schedule 7)
21 customers are adjusted annually up or down to recover or
22 refund the difference between the fixed costs authorized by
23 the Commission in the Company's most recent general rate
24 case and the fixed costs that the Company actually received

1 through energy sales during the previous year. Through the
2 application of this true-up mechanism, the Company is not
3 financially harmed by decreases in energy sales within the
4 Residential and Small General Service customer classes.

5 Q. Please describe the Fixed Cost Adjustment
6 mechanism.

7 A. For both the Residential and Small General
8 Service classes, the FCA mechanism is the same. The
9 formula used to determine the FCA amount is:

$$10 \quad \text{FCA} = (\text{CUST} \times \text{FCC}) - (\text{NORM} \times \text{FCE})$$

11 Where:

12 FCA = Fixed Cost Adjustment;

13 CUST = Average Number of Customers, by class;

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

15 NORM = Weather-Normalized Energy, by class; and

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

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

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

1 fixed cost recovery" is determined by multiplying the
2 weather-normalized energy sales for the year times the FCE
3 rate. The FCE rate was also established in the Company's
4 most current general rate case.

5 Q. Can the FCA true-up amount be either positive
6 or negative?

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

1 **II. ONGOING DEMAND-SIDE MANAGEMENT ACTIVITIES**

2 Q. Please describe the Company's continued
3 commitment to promote demand-side management activities
4 through energy efficiency and demand response programs in
5 2010.

6 A. Throughout 2010, the Company continued to
7 increase the availability of its DSM programs and continued
8 to offer new measures for customer participation. As part
9 of Idaho Power's commitment to promote DSM, the Company
10 continued to:

- 11 • Expand and broaden its energy efficiency and
12 demand response programs to increase
13 participation and energy savings;
14
- 15 • Promote building code improvements;
16
- 17 • Pursue appliance code standards;
18
- 19 • Promote energy efficiency through rate designs;
20
- 21 • Enhance its evaluation, research and
22 verification methods;
23
- 24 • Expand energy efficiency education and customer
25 outreach;
26
- 27 • Commit to internal promotion of energy
28 efficiency; and
29
- 30 • Augment its regulatory initiatives.

31 A complete discussion of the Company's commitment to
32 DSM is detailed in the "Continued Commitment" section of
the *Demand-Side Management 2010 Annual Report* ("DSM 2010

1 Annual Report") filed with the Commission on March 15,
2 2011, in Case No. IPC-E-11-05.

3 Q. Please summarize the Company's total DSM
4 expenditures in 2010.

5 A. Total expenditures on DSM-related activities
6 increased from almost \$35 million in 2009 to \$46 million in
7 2010 as shown in Figure 3 on page 5 of the DSM 2010 Annual
8 Report. This represents a 31 percent increase in the
9 Company's DSM investment.

10 Q. What were the overall annual energy savings
11 from energy efficiency activities in 2010?

12 A. The overall annual energy savings in 2010,
13 including savings related to the Northwest Energy
14 Efficiency Alliance ("NEEA"), were 187,626 megawatt-hours
15 ("MWh"), a 31 percent increase over the 2009 energy savings
16 of 143,146 MWh.

17 Q. Please summarize the energy and demand savings
18 from the Company's 2010 energy efficiency and demand
19 response programs alone.

20 A. The energy savings exclusively from
21 Idaho Power's energy efficiency programs in 2010 was
22 172,292 MWh, a 30 percent increase over the 132,443 MWh
23 energy savings in 2009. Demand reduction for the demand
24 response programs also substantially increased in 2010.

1 Combined, the Irrigation Peak Rewards, FlexPeak Management,
2 and A/C Cool Credit programs resulted in an estimated
3 summer peak reduction of 336 megawatts ("MW"), which is a
4 54 percent increase from the reduction achieved in 2009.

5 A complete synopsis of the Company's energy and
6 demand savings can be seen in the DSM 2010 Annual Report,
7 Figures 1 and 2, page 4.

8 Q. Did the Company increase its DSM program
9 participation in 2010?

10 A. Yes, customer participation increased in most
11 of the existing programs during 2010. For instance, the
12 number of projects completed under the Easy Upgrades
13 program increased from 1,224 projects in 2009 to
14 1,535 projects in 2010, a 25 percent increase.
15 Participation in the Home Improvement program increased
16 almost 200 percent, from 1,188 homes in 2009 to 3,537 in
17 2010. In addition, the ENERGY STAR[®] Homes Northwest program
18 participation increased 33 percent by providing incentives
19 to 630 homes in 2010 as compared to 474 homes in 2009.

20 Table 2 on page 8 of the Company's DSM 2010 Annual
21 Report details the annual energy savings, percent of energy
22 usage, number of customers, and average megawatt savings
23 associated with the residential, commercial, industrial,
24 irrigation, and market transformation DSM program sectors.

1 Q. What other programs and activities did the
2 Company undertake in 2010 to support its continued
3 commitment of DSM?

4 A. The Company undertook several supplemental
5 programs and activities to promote DSM in 2010. For
6 instance, the Residential Energy Efficiency Education
7 initiative promotes energy efficiency to the residential
8 community sector. The Easy Savings[®] program educates
9 recipients about saving energy in their homes and allows
10 participants hands-on experience installing low cost energy
11 efficiency measures. The Commercial Education Initiative
12 informs and educates commercial customers about energy
13 efficiency and demand response. The Local Energy
14 Efficiency Funds program provides modest funding for short
15 term projects and activities that do not fit within other
16 categories of energy efficiency programs. Lastly, the
17 Students for Energy Efficiency program encourages students
18 to participate in energy assessments of their homes and
19 schools.

20 In addition to the above Idaho Power programs, the
21 Company participated and supported other external DSM
22 activities. For example, the Regional Technical Forum
23 advises the Bonneville Power Administration, the Northwest
24 Power and Conservation Council, the region's utilities, and

1 organizations including NEEA and the Energy Trust of Oregon
2 on technical matters related to energy efficiency and
3 renewable resources development. Also, the Boise City Home
4 Audit Project creates a limited term, residential energy
5 audit project that will indentify energy efficiency
6 measures and install low cost energy savings measures for
7 approximately 650 homes in Boise.

8 Q. How do Idaho Power's customers perceive the
9 Company's demand-side management efforts?

10 A. As reported in Idaho Power's 2010 quarterly
11 customer relationship survey, customers' perceptions of
12 Idaho Power's DSM efforts have positively increased since
13 2003. The percentage of customers who have a positive
14 perception of the Company's energy efficiency efforts
15 increased from 39 percent in 2003 to 57 percent in 2010.

16 Q. What is the Company's ongoing objective for
17 promoting, educating, and offering DSM programs?

18 A. Idaho Power's primary and ongoing objective
19 for DSM is to pursue all cost-effective energy efficiency.
20 Energy efficiency and demand response provides economic,
21 operational, and environmental benefits to the Company and
22 its customers. Through promotion, education, and
23 enhancement of DSM programs and offerings, the Company
24 helps to ensure that customers have opportunities to not

1 only participate in programs, but to manage their future
2 energy usage.

3 **III. FCA DETERMINATION FOR YEAR-END 2010**

4 Q. Did the FCA Pilot monthly rates for the FCC
5 and FCE change in 2010?

6 A. No. As stated above, the FCA mechanism is
7 intended to recover the difference between the fixed costs
8 authorized by the Commission in the Company's most recent
9 general rate case and the fixed costs actually recovered
10 through rates. The Commission recently reaffirmed this
11 position in Case No. IPC-E-10-21 by ordering that "the FCC
12 and FCE values for Schedule 54 shall accurately represent
13 the level of fixed costs previously established by the
14 Commission in IPC-E-08-10 and remain at that level until
15 such time as they can be more thoroughly examined and re-
16 established by the Commission in the context of the
17 Company's next general rate case filing," Order No. 32171
18 at 6.

19 The FCC and FCE rates that were used for the months
20 of January through December 2010 are consistent with the
21 revenue requirement established in the reconsideration of
22 Case No. IPC-E-08-10.

1 Q. Please describe the monthly FCC rates used for
2 reporting purposes during the 2010 calendar year of the FCA
3 Pilot.

4 A. Exhibit No. 1 shows the monthly FCC rates used
5 for January through December reporting in 2010. For the
6 Residential class, the monthly FCC rate was \$37.61 per
7 customer and for the Small General Service class, the
8 monthly FCC was \$24.40.

9 Q. Please describe the monthly FCE rates used for
10 reporting purposes during the 2010 calendar year of the FCA
11 Pilot.

12 A. Exhibit No. 1 details the Residential and
13 Small General Service monthly "shaped" FCE rates that were
14 used for monthly reporting purposes January through
15 December of 2010.

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

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

1 basis. This is similar to the Power Cost Adjustment
2 ("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. Since 2009, the Company has continued to
6 report the monthly FCA deferral balance in the monthly FCA
7 Report provided to the Commission. Exhibit No. 2 is a copy
8 of the FCA Report for 2010. The total combined monthly FCA
9 balance of a positive \$9,474,129.22 can be seen on line 32,
10 column O of this exhibit.

11 Q. What are the monthly FCA balances for calendar
12 year 2010 for both the Residential and Small General
13 Service classes?

14 A. Exhibit No. 2 shows the derivation of a
15 positive \$9,474,129.22 combined FCA for January 2010
16 through December 2010. This amount includes a positive
17 \$8,099,253.27 (line 15, column O) as the accumulated
18 balance for the Residential FCA and a positive
19 \$1,374,875.95 (line 29, column O) for the accumulated
20 balance for the Small General Service FCA. Both amounts
21 include interest through December 2010.

22 Q. Were any adjustments made to these amounts
23 once the Company's books were closed at year-end 2010?

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

8 The difference between this year-end determination
9 of the FCA balances and the sum of the twelve monthly
10 reported estimates of the FCA balances required adjustments
11 to the FCA deferral account.

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

14 A. In February 2011, the Company booked the
15 adjustments to the Residential and Small General Service
16 FCA balances. For the Residential class, an adjustment of
17 a negative \$189,128.01 (Page 2 of Exhibit No. 3, line 6,
18 column P) was made resulting in a total deferral of
19 positive \$7,876,437.36, not including interest. For the
20 Small General Service class, a positive adjustment of
21 \$17,213.87 (Page 2 of Exhibit No. 3, line 20, column P) was
22 made resulting in a total deferral of \$1,385,441.77, not
23 including interest.

1 Q. What is the total amount of the FCA, including
2 interest, the Company is requesting to implement in rates
3 on June 1, 2011?

4 A. Exhibit No. 3 shows the FCA balances and
5 adjustments, plus interest calculated through May 2011.
6 The total amount of the FCA the Company is requesting to
7 implement in rates on June 1, 2011, is a positive
8 \$9,341,092.75 reflected on line 32, column T of Exhibit No.
9 3. The FCA for the Residential class shows a positive
10 \$7,943,258.96 reflected on line 15, column T of Exhibit No.
11 3. For the Small General Service class, an additional
12 \$1,397,833.79 will need to be recovered as part of the FCA
13 true-up mechanism. This amount is reflected on line 29,
14 column T of Exhibit No. 3.

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

17 A. Since the Residential true-up is a positive
18 number, it means that the rate of growth in the number of
19 residential customers was greater than the rate of growth
20 in the energy sales for that class, i.e., the average use
21 per customer decreased from the level established in the
22 reconsideration of Case No. IPC-E-08-10. Therefore, the
23 Residential class will receive an increase to allow for
24 recovery of the additional fixed costs not collected

1 through the energy charges during the year. The same holds
2 true for the Small General Service class, meaning that the
3 use per customer for this class has also decreased based on
4 the level established in the reconsideration of Case No.
5 IPC-E-08-10 and the Company has under-collected its allowed
6 level of fixed costs.

7 **IV. CALCULATION OF THE FIXED COST ADJUSTMENT RATE**

8 Q. Please describe the calculation of the Fixed
9 Cost Adjustment energy rate the Company is proposing to go
10 into effect on June 1, 2011.

11 A. The FCA rate the Company proposes to go into
12 effect on June 1, 2011, was calculated by taking the FCA
13 true-up balances described above and dividing by the June
14 1, 2011, through May 31, 2012, test year weather-normalized
15 load by class. This is the same period as the PCA test
16 year.

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

20 A. The Company's test year weather-normalized
21 load is 4,997,560,536 kilowatt-hours ("kWh") for the
22 Residential class and 149,738,642 kWh for the Small General
23 Service class.

1 Q. What FCA would be required in order for the
2 Company to recover all of its allowed fixed costs
3 associated with the Residential and Small General Service
4 classes?

5 A. Because the Residential and Small General
6 Service classes reduced their energy consumption and
7 thereby the Company under-collected its share of allowed
8 fixed costs as determined in the reconsideration of Case
9 No. IPC-E-08-10, each class requires a rate surcharge in
10 order to recover pre-approved levels of fixed costs.

11 The Residential class requires recovery of
12 \$7,943,258.96, which would require a FCA rate of 0.1589
13 cents per kWh ($\$7,943,258.96 \times 100 / 4,997,560,536$ kWh).
14 The Small General Service class requires recovery of fixed
15 costs in the amount of \$1,397,833.79. This would require a
16 FCA rate for the Small General Service class of 0.9335
17 cents per kWh ($\$1,397,833.79 \times 100 / 149,738,642$ kWh).

18 Q. What is the FCA the Company proposes to place
19 into effect June 1, 2011, through May 31, 2012?

20 A. The FCA the Company proposes to implement on
21 June 1, 2011, is a combined rate that will recover
22 \$3,024,086 above what is currently recovered through FCA
23 rates and represents an average increase of 0.74 percent

1 above current residential and small commercial billed
2 revenues.

3 Q. What are the corresponding FCA rates for the
4 Residential and Small General Service classes based on a
5 combined and equal FCA rate increase of 0.74 percent?

6 A. The FCA rate for the Residential class is
7 0.1801 cents per kWh and the corresponding rate adder for
8 the Small General Service class is 0.2273 cents per kWh.

9 Q. Why is the Company proposing to combine the
10 FCA balances of the Residential and Small General Service
11 classes when establishing the FCA rates for recovery of
12 fixed costs?

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

17 First, this method of recovery is consistent with
18 the first three years of the FCA Pilot when the Residential
19 and Small General Service balances were combined to create
20 the rate adjustments for each class. Second, by combining
21 the Residential and Small General Service FCA balances and
22 determining the rate adders based on an equal FCA rate
23 adjustment of 2.4 percent above base rates for each class,
24 the overall rate impact to customers in these classes is

1 more representative of the required fixed cost recovery for
2 each class. In other words, by not applying the same rate
3 adder to the Residential and Small General Service classes,
4 the Company collects a more representative amount of
5 required fixed costs from each class. This methodology is
6 consistent with the derivation of the 2009 FCA rate.
7 Finally, this methodology provides the Company the
8 opportunity to fully recover its Residential and Small
9 General Service classes' allowed fixed costs in one year's
10 time.

11 Q. What is the percentage increase in revenue as
12 measured from total billed amounts currently recovered from
13 customers, including the current FCA and PCA revenues?

14 A. The current test year billed revenue from base
15 rates, the Fixed Cost Adjustment, and the current Power
16 Cost Adjustment for the affected classes is \$412,683,280.
17 The requested increase is \$3,024,086, or 0.74 percent.

18 Q. How will the Company incorporate the
19 surcharges for the Residential and Small General Service
20 classes on customers' bills?

21 A. The Company proposes to continue including the
22 FCA with the Energy Efficiency Services Charge on
23 Residential and Small General Service customers' bills.

1 Q. Does this complete your testimony?

2 A. Yes, it does.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-03

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 1

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 and 2010

Authorized Fixed Cost Recovery	Residential				Small Commercial
Number of Customers	\$176,474,517				\$9,135,125
	391,057				31,196
	Residential				Small Commercial
	Energy	FCC	FCE	FCC	Energy
January	580,397,794	\$37.61	\$0.025338	\$24.40	20,672,054
February	529,606,207	\$37.61	\$0.027768	\$24.40	19,720,708
March	470,347,818	\$37.61	\$0.031267	\$24.40	16,287,314
April	404,945,722	\$37.61	\$0.036316	\$24.40	14,625,700
May	327,609,394	\$37.61	\$0.044889	\$24.40	12,687,967
June	323,123,447	\$37.61	\$0.045513	\$24.40	13,983,298
July	373,170,075	\$37.61	\$0.039409	\$24.40	15,761,164
August	438,213,581	\$37.61	\$0.033559	\$24.40	16,548,607
September	392,543,037	\$37.61	\$0.037464	\$24.40	15,340,451
October	332,602,955	\$37.61	\$0.044216	\$24.40	13,771,284
November	385,200,476	\$37.61	\$0.038178	\$24.40	14,337,282
December	507,326,441	\$37.61	\$0.028988	\$24.40	16,850,397
Total	5,065,086,947		\$176,474,409		190,586,226
					\$9,135,147
Difference			(\$108)		\$22
Annual FCC & FCE	\$451.28		\$0.034841	\$292.83	\$0.047932

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-03

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 2

**Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
January 2010 - December 2010**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Fixed Cost Adjustment		January	February	March	April	May	June	July	August	September	October	November	December	Total
1	Fixed Cost Adjustment														
2	for the year ended December 31, 2010														
3															
4	Residential FCA:														
5	Beginning Balance	\$	0.00	283,619.93	1,024,210.30	1,658,814.36	2,426,675.31	2,830,186.02	3,301,795.41	3,800,252.87	4,855,396.63	6,025,669.06	6,647,126.36	7,471,726.21	8,065,565.37
6	Amount Deferred	\$	283,619.93	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
7	Ending Balance	\$	283,619.93	1,024,210.30	1,658,814.36	2,426,675.31	2,830,186.02	3,301,795.41	3,900,252.87	4,855,396.63	6,025,669.06	6,647,126.36	7,471,726.21	8,065,565.37	
8	Interest:														
9	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
10	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
11	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
12	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
13	Total Residential FCA:														
14	Beginning Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
15	Amount Deferred	\$	283,619.93	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
16	Ending Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
17	Interest:														
18	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
19	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
20	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
21	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
22	Total Commercial FCA:														
23	Beginning Balance	\$	125,892.87	125,892.87	291,384.63	396,745.61	487,973.57	572,594.57	714,578.34	852,716.39	977,368.98	1,081,429.20	1,181,695.26	1,295,290.88	1,368,227.90
24	Amount Deferred	\$	125,892.87	165,491.76	105,360.99	91,227.96	84,621.00	141,983.77	138,138.05	124,532.59	104,860.22	100,265.06	113,595.62	127,937.02	1,368,227.90
25	Ending Balance	\$	125,892.87	291,384.63	396,745.61	487,973.57	572,594.57	714,578.34	852,716.39	977,368.98	1,081,429.20	1,181,695.26	1,295,290.88	1,368,227.90	
26	Interest:														
27	Accrual thru Prior Month	\$	0.00	0.00	104.91	347.73	678.35	1,084.99	1,562.15	2,157.63	2,862.23	3,682.70	4,583.89	5,568.64	
28	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
29	Monthly Interest Inc/(Exp)	\$	0.00	104.91	242.82	347.73	406.64	477.16	595.48	710.60	814.47	901.19	984.75	1,079.41	6,648.05
30	Interest Accrued to date	\$	0.00	104.91	347.73	678.35	1,084.99	1,562.15	2,157.63	2,862.23	3,682.70	4,583.89	5,568.64	6,648.05	
31	Total Small Commercial FCA:														
32	Beginning Balance	\$	409,511.80	1,315,936.18	2,056,997.56	2,917,759.44	3,409,390.02	4,024,788.83	4,764,731.32	5,848,488.48	7,127,881.76	7,855,327.70	8,800,047.19	9,474,129.22	9,474,129.22
33	Amount Deferred	\$	409,511.80	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
34	Ending Balance	\$	409,511.80	1,315,936.18	2,056,997.56	2,917,759.44	3,409,390.02	4,024,788.83	4,764,731.32	5,848,488.48	7,127,881.76	7,855,327.70	8,800,047.19	9,474,129.22	9,474,129.22
35	Interest:														
36	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
37	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
38	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
39	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
40	Total Fixed Cost Adjustment														
41	Beginning Balance	\$	409,511.80	1,315,936.18	2,056,997.56	2,917,759.44	3,409,390.02	4,024,788.83	4,764,731.32	5,848,488.48	7,127,881.76	7,855,327.70	8,800,047.19	9,474,129.22	9,474,129.22
42	Amount Deferred	\$	409,511.80	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
43	Ending Balance	\$	409,511.80	1,315,936.18	2,056,997.56	2,917,759.44	3,409,390.02	4,024,788.83	4,764,731.32	5,848,488.48	7,127,881.76	7,855,327.70	8,800,047.19	9,474,129.22	9,474,129.22
44	Interest:														
45	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
46	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
47	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
48	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
49	Total Residential FCA:														
50	Beginning Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
51	Amount Deferred	\$	283,619.93	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
52	Ending Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
53	Interest:														
54	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
55	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
56	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
57	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
58	Total Residential FCA:														
59	Beginning Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
60	Amount Deferred	\$	283,619.93	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	589,457.46	955,143.76	1,170,272.43	621,457.30	824,599.85	593,839.16	8,065,565.37
61	Ending Balance	\$	283,619.93	1,024,446.65	1,659,904.22	2,429,147.52	2,834,680.46	3,306,648.34	3,909,857.30	4,868,257.27	6,042,569.86	6,668,048.55	7,499,187.87	8,099,253.27	8,099,253.27
62	Interest:														
63	Accrual thru Prior Month	\$	0.00	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	
64	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
65	Monthly Interest Inc/(Exp)	\$	0.00	236.35	853.51	1,982.35	2,022.23	2,359.49	2,751.50	3,250.21	4,046.16	5,021.39	5,599.27	6,226.44	33,687.90
66	Interest Accrued to date	\$	0.00	236.35	1,089.86	2,472.21	4,484.44	6,852.93	9,604.43	12,854.64	16,900.80				

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-03

IDAHO POWER COMPANY

SPARKS, DI
TESTIMONY

EXHIBIT NO. 3

**Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
January 2010 - May 2011**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Fixed Cost Adjustment for the year ended December 31, 2010	January	February	March	April	May	June	July	August	September	October	November	December	
1	Residential FCA:													
2	Beginning Balance	\$ 0.00	283,618.93	1,024,210.30	1,658,814.36	2,426,875.31	2,830,186.02	3,301,795.41	3,900,292.87	4,855,396.63	6,025,669.06	6,647,126.36	7,471,726.21	8,065,585.37
3	Amount Deferred	\$ 283,618.93	740,591.37	634,604.06	767,860.95	403,510.71	471,609.39	599,457.46	955,143.76	1,170,272.43	621,457.30	824,599.95	593,839.16	
4	Ending Balance	\$ 283,618.93	1,024,210.30	1,658,814.36	2,426,875.31	2,830,186.02	3,301,795.41	3,900,292.87	4,855,396.63	6,025,669.06	6,647,126.36	7,471,726.21	8,065,585.37	
5	Interest:													
6	Accrual thru Prior Month	\$ 0.00	0.00	236.35	1,089.86	2,472.21	4,494.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,481.46	
7	Monthly Interest Rate	\$ 1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
8	Monthly Interest Inc/(Exp)	\$ 0.00	236.35	853.51	1,382.35	2,022.23	2,358.49	2,751.50	3,250.21	4,048.16	5,021.93	5,539.27	6,226.44	
9	Interest Accrued to date	\$ 0.00	236.35	1,089.86	2,472.21	4,494.44	6,852.93	9,604.43	12,854.64	16,900.80	21,922.19	27,461.46	33,687.90	
10	Total Residential FCA:	\$ 283,618.93	1,024,446.65	1,659,904.22	2,428,147.52	2,834,680.46	3,308,648.34	3,909,857.30	4,868,251.27	6,042,569.66	6,669,048.55	7,499,187.67	8,068,263.27	
11														
12	Small Commercial FCA:													
13	Beginning Balance	\$ 0.00	125,892.87	291,384.63	396,745.61	487,973.57	574,594.57	714,578.34	852,716.39	977,368.98	1,081,429.20	1,181,895.26	1,295,290.88	
14	Amount Deferred	\$ 125,892.87	165,491.76	105,360.98	91,227.96	84,621.00	141,983.77	138,138.05	124,652.59	104,080.22	100,266.06	113,595.82	73,937.02	
15	Ending Balance	\$ 125,892.87	291,384.63	396,745.61	487,973.57	574,594.57	714,578.34	852,716.39	977,368.98	1,081,429.20	1,181,895.26	1,295,290.88	1,368,227.90	
16	Interest:													
17	Accrual thru Prior Month	\$ 0.00	0.00	104.91	347.73	678.35	1,084.99	1,562.15	2,157.63	2,868.23	3,682.70	4,583.89	5,568.64	
18	Monthly Interest Rate	\$ 1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
19	Monthly Interest Inc/(Exp)	\$ 0.00	104.91	242.82	330.62	406.64	477.16	595.48	710.60	814.47	901.19	984.75	1,079.41	
20	Interest Accrued to date	\$ 0.00	104.91	347.73	678.35	1,084.99	1,562.15	2,157.63	2,868.23	3,682.70	4,583.89	5,568.64	6,648.05	
21	Total Small Commercial FCA:	\$ 125,892.87	291,489.54	397,906.34	488,651.92	575,679.56	716,140.49	854,874.02	980,237.21	1,085,111.90	1,186,279.15	1,300,859.52	1,374,875.95	
22														
23	Total Fixed Cost Adjustment	\$ 409,511.80	1,315,936.19	2,056,997.56	2,917,799.44	3,408,360.02	4,024,788.83	4,764,731.32	5,848,488.48	7,127,681.76	7,855,327.70	8,800,047.19	9,474,139.22	
24														
25	Entries:													
26	599 X00001 999 182302 (254302)	409,511.80	906,424.39	741,061.37	860,801.88	490,560.58	616,428.81	739,942.49	1,083,757.16	1,279,193.28	727,645.94	944,719.49	674,082.03	
27	599 X00001 999 440301	(283,618.93)	(740,591.37)	(634,604.06)	(767,860.95)	(403,510.71)	(471,609.39)	(599,457.46)	(955,143.76)	(1,170,272.43)	(621,457.30)	(824,599.95)	(593,839.16)	
28	998 X00001 999 442301	(125,892.87)	(165,491.76)	(105,360.98)	(91,227.96)	(84,621.00)	(141,983.77)	(138,138.05)	(124,652.59)	(104,080.22)	(100,266.06)	(113,595.82)	(73,937.02)	
29	998 X00001 999 421006 (431013)	-	(341.26)	(1,096.33)	(1,712.97)	(2,428.87)	(2,835.65)	(3,346.98)	(3,960.81)	(4,860.63)	(5,922.58)	(6,924.02)	(7,305.85)	
30														
31	Transfer to Prior Year FCA Acct 182309													
32	Dr. 599 X00001 999 182309													
33	Cr. 599 X00001 999 182302													
34														
35	599 X00001 999 182309													
36	599 X00001 999 440301													
37	599 X00001 999 442301													
38	998 X00001 999 421006 (431013)													

Idaho Power Company
Fixed Cost Adjustment Monthly Accounting Report
January 2010 - May 2011

	A	B	O	P	O	R	S	T
	Fixed Cost Adjustment		January	February	March	April	May	Total
1	for the year ended December 31, 2010							
2								
3								
4	Residential FCA:							
5	Beginning Balance	\$	8,065,565.37	8,065,565.37	7,876,437.36	7,876,437.36	7,876,437.36	
6	Amount Deferred	\$	0.00	(188,128.01)	0.00	0.00	0.00	7,876,437.36
7	Ending Balance	\$	8,065,565.37	7,876,437.36	7,876,437.36	7,876,437.36	7,876,437.36	
8	Interest							
9	Accrual thru Prior Month	\$	33,687.90	40,409.20	47,130.50	53,694.20	60,257.90	
10	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	
11	Monthly Interest Inc/(Exp)	\$	6,721.30	6,721.30	6,563.70	6,563.70	6,563.70	66,821.60
12	Interest Accrued to date	\$	40,409.20	47,130.50	53,694.20	60,257.90	66,821.60	
13								
14	Total Residential FCA:		8,105,974.57	7,923,567.86	7,930,131.56	7,936,695.26	7,943,258.96	7,943,258.96
15								
16								
17								
18	Small Commercial FCA:							
19	Beginning Balance	\$	1,368,227.90	1,368,227.90	1,385,441.77	1,385,441.77	1,385,441.77	
20	Amount Deferred	\$	0.00	17,213.87	0.00	0.00	0.00	1,385,441.77
21	Ending Balance	\$	1,368,227.90	1,385,441.77	1,385,441.77	1,385,441.77	1,385,441.77	
22	Interest							
23	Accrual thru Prior Month	\$	5,648.05	7,788.24	8,928.43	10,082.96	11,237.49	
24	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	
25	Monthly Interest Inc/(Exp)	\$	1,440.19	1,140.19	1,154.53	1,154.53	1,154.53	12,392.02
26	Interest Accrued to date	\$	7,788.24	8,928.43	10,082.96	11,237.49		
27								
28	Total Small Commercial FCA:		1,376,016.14	1,394,370.20	1,395,524.73	1,396,679.26	1,385,441.77	1,397,833.79
29								
30								
31								
32	Total Fixed Cost Adjustment	\$	9,481,990.71	9,317,938.06	9,325,656.29	9,333,374.52	9,328,700.73	9,341,092.75
33								
34								
35								
36								
37	Entries:							
38	599 X00001 999 182302 (254302)		7,861.49					9,481,990.71
39	599 X00001 999 440301		-					(9,065,565.37)
40	599 X00001 999 442301		-					(1,368,227.90)
41	998 X00001 999 421006 (431013)		(7,861.49)					(48,197.44)
42								
43								
44	Transfer to Prior Year FCA Acct 182309							
45	Dr. 598 X00001 999 182309			9,481,990.71				
46	Cr. 599 X00001 999 182302			9,481,990.71				
47								
48	599 X00001 999 182309			(184,052.65)	7,718.23	7,718.23	7,718.23	9,341,092.75
49	599 X00001 999 440301			188,128.01	-	-	-	(7,876,437.36)
50	599 X00001 999 442301			(17,213.87)	-	-	-	(1,368,227.90)
51	998 X00001 999 421006 (431013)			(7,861.49)	(7,718.23)	(7,718.23)	(7,718.23)	(79,213.62)
52								
53								