

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY TO)	CASE NO. IPC-E-11-04
INCREASE ITS RATES FOR ELECTRIC)	
SERVICE TO RECOVER ITS 2010 PENSION)	NOTICE OF APPLICATION
CASH CONTRIBUTION)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32215

YOU ARE HEREBY NOTIFIED that on March 15, 2011, Idaho Power Company filed an Application requesting an increase in customer base rates to recover a \$60 million contribution the Company made in 2010 to its Defined Benefit Pension Plan. The Company's actuary, Milliman, Inc., determined that the Company needed to make a contribution in 2010 to satisfy requirements of the Employee Retirement Income Security Act (ERISA). Milliman determined that the minimum funding required by ERISA was approximately \$5.8 million. The Company determined, however, that if it contributed only the minimum amount, its funding level at December 31, 2010, would be below 80%. Funding below 80% triggers certain plan restrictions, notice requirements to participants, and limitations on future funding alternatives. Accordingly, the Company determined that making a \$60 million contribution would maintain an 80% funding level, avoiding the plan restrictions, and approximating the required minimum funding through 2011. Application, pp. 3-4.

YOU ARE FURTHER NOTIFIED that Idaho Power and Milliman estimated that over a 10-year period, the total amount required for contribution to the plan would be approximately \$11 million less by contributing \$60 million in 2010 rather than the minimum required \$5.8 million. In addition, the Company asserts that the larger contribution in 2010 will result in savings relating to the variable portion of Pension Benefit Guarantee Corporation premiums of nearly \$1 million for the years 2010-2012. Milliman determined that the \$60 million contributed in 2010 is less than adequate to cover the full minimum funding needs through 2011. The Application states that a contribution for the 2011 plan year of \$3 million is

due by October 15, 2011, and that an additional \$5.7 million is due by January 15, 2012. The Company does not request recovery of these anticipated 2011 contributions in this case.

YOU ARE FURTHER NOTIFIED that pursuant to the Commission's Order No. 31091, the Company is currently collecting in rates \$5,416,796 each year to recover pension plan contributions. To collect the amount the Company contributed in 2010, Idaho Power proposes to increase the amount it currently collects in rates to \$17,153,713 per year, an increase of \$11,736,917 over the amount currently collected. The Company proposes to collect this amount over the next three years starting June 1, 2011.

YOU ARE FURTHER NOTIFIED that Idaho Power's Application states that an increase of \$11.7 million in customer rates amounts to a 1.39% increase for all customer classes. However, the Company requests that the increase it proposes in this case take effect at the same time that rate adjustments relating to fixed costs and power costs take effect. The Company asserts that the combination will result in a net decrease in customer rates effective June 1, 2011.

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 31.01.01.201-204. 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 in opposition with the Commission within twenty-one (21) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Lisa D. Nordstrom
Jason B. Williams
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: lnordstrom@idahopower.com
jwilliams@idahopower.com

Tim Tatum
Greg Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: ttatum@idahopower.com
gsaid@idahopower.com

These 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 Idaho Power at the e-mail addresses listed above.

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

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.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or 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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 32215

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.


ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power Company to increase its rates to recover its 2010 cash contribution to defined benefit pension expense be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so within twenty-one (21) days from the service date of this Notice, and may file reply comments within seven (7) days after the initial comment period.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of March 2011.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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