

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-11-19
AUTHORITY TO CONVERT SCHEDULE 54)	
– FIXED COST ADJUSTMENT – FROM A)	NOTICE OF
PILOT SCHEDULE TO AN ONGOING)	MODIFIED PROCEDURE
PERMANENT SCHEDULE)	
)	ORDER NO. 32454

YOU ARE HEREBY NOTIFIED that on October 19, 2011, Idaho Power Company filed an Application requesting a Commission Order authorizing the Company to convert its current Schedule 54 – Fixed Cost Adjustment (FCA) – from a pilot program to a permanent schedule. The Commission in Order No. 30267, Case No. IPC-E-04-15, approved implementation of a three-year FCA pilot program applicable to residential and small general service customers. In October 2009, the Company filed an application seeking to convert the pilot program to a permanent program. The Commission denied the Company’s request and instead extended the pilot program for an additional two-year period. Order No. 31063. The FCA pilot program is set to expire on December 31, 2011.

YOU ARE FURTHER NOTIFIED that the FCA purports to remove recovery of a portion of the Company’s fixed costs from its energy sales. The Application states that the purpose of the 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. 5. The Company contends the first four years of the pilot program indicate that the FCA mechanism is working as intended and operates to mitigate the adverse affects of energy efficiency by ensuring that the fixed costs authorized by the Commission for recovery are being recovered through the FCA mechanism. *Id.* The Company proposes to make the program permanent for the residential and small general service customer classes, and proposes to true-up the FCA by combining the deferral balances of each class and implementing rates for each class that represent a uniform percent change. Idaho Power asserts that by combining the residential and small general service FCA balances and determining the rate adders based on an equal FCA rate adjustment for each class, the overall rate impact to

customers in these classes is more representative of the total amount of the required fixed-cost recovery for each class. Application, pp. 5-6.

YOU ARE FURTHER NOTIFIED that on November 2, 2011, the Commission issued a Notice of Application and Notice of Intervention Deadline. Petitions to Intervene, all subsequently approved, were filed by Idaho Conservation League, Micron Technology, Inc., and Northwest Energy Coalition. The parties held a scheduling meeting on January 27, 2012, and subsequently recommended the Commission process the Company's Application by Modified Procedure. The parties proposed a comment deadline of March 1, 2012, for initial comments, and a reply comment period through March 15, 2012.

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 **no later than March 1, 2012**. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that 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

Jason B. Williams
Lisa D. Nordstrom
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

E-Mail: jwilliams@idahopower.com
lnordstrom@idahopower.com

Michael J. Youngblood
Zachary L. Harris
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: myoungblood@idahopower.com
zharris@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 parties may file reply comments (if necessary) **no later than March 15, 2012.**

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, 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 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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically

Idaho Code § 61-501, 61-502, and 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

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 this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than March 1, 2012.

IT IS FURTHER ORDERED that reply comments (if necessary) may be filed no later than March 15, 2012.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th day of February 2012.



PAUL KJELLANDER, PRESIDENT

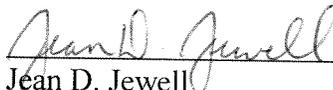


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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