

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION |) | |
| OF IDAHO POWER COMPANY TO |) | CASE NO. IPC-E-11-22 |
| EXTEND AND MODIFY ACCOUNTING |) | |
| ORDER TO AMORTIZE ADDITIONAL |) | NOTICE OF APPLICATION |
| ACCUMULATED DEFERRED INCOME TAX |) | |
| CREDITS (ADITC) |) | NOTICE OF |
| |) | INTERVENTION DEADLINE |
| |) | |
| |) | NOTICE OF WORKSHOP |
| |) | |
| |) | ORDER NO. 32394 |

YOU ARE HEREBY NOTIFIED that on November 2, 2011, Idaho Power Company filed an Application requesting an Order “(1) authorizing the Company to extend its ability to amortize additional accumulated deferred investment tax credits (ADITC) through December 31, 2013, and (2) approving a one-time adjustment applied in 2011 to a sharing provision of the stipulation approved in Order No. 30978 to allow one-half of the Company’s share of the Idaho jurisdictional return on equity (ROE) in excess of 10.5 percent to be provided as a customer benefit in the form of a reduction in rates or an offset to amounts that would otherwise be collected from rates.” Application, p. 1. ADITC are income tax benefits the Company receives based on the level of plant investment in previous years. ADITC is normally amortized over the book life of the associated plant investment and is used to reduce customer income tax expense during the amortized period.

YOU ARE FURTHER NOTIFIED that Order No. 30978 was issued January 13, 2010 in Case No. IPC-E-09-30 approving a stipulation that specifies Company use of ADITC during 2009, 2010 and 2011, including a potential for revenue sharing in those years. The stipulation approved by the Commission in Order No. 30978 had three provisions regarding the use of ADITC: (1) if the Company’s Idaho annual ROE is less than 9.5%, Idaho Power is allowed to amortize additional ADITC up to \$45 million during 2009 through 2011 to achieve an actual ROE up to 9.5%. Any unused ADITC could be carried forward for use in a subsequent year during the three-year period provided the amount of additional ADITC used in a single year

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did not exceed \$25 million; (2) if the Idaho jurisdictional ROE exceeded 10.5%, amounts in excess of 10.5% are shared equally between the Company and its customers; and (3) the Company could not file a general rate case for rates to become effective prior to January 1, 2012. In 2009 and 2010, the Company's Idaho jurisdictional ROE was between 9.5% and 10.5%, resulting in no additional amortization of ADITC or revenue sharing. Idaho Power does not expect to use any of the \$45 million of eligible ADITC, and expects its 2011 ROE to exceed 10.5% resulting in revenue sharing for customers. Idaho Power expects the customer share of the return in excess of 10.5% to be approximately \$20 million.

YOU ARE FURTHER NOTIFIED that Idaho Power asserts the current ADITC/revenue sharing mechanism has proven to benefit both customers and the Company, and the Company proposes in its Application to extend the ADITC mechanism to remain effective through December 31, 2013, under the following terms:

1. If the Idaho jurisdictional ROE is less than 9.5%, the Company proposes to amortize additional ADITC in an amount up to \$45 million over the period of 2012-2013 to achieve an actual ROE up to a maximum of 9.5%. The Company would be allowed to use a maximum level of \$25 million in additional ADITC amortization during 2012.
2. If the Company's actual ROE for any year during the period 2012-2013 is above 9.5%, the Company would not use any additional ADITC amortization. Unused ADITC would be carried forward for use in 2013 up to the total eligible ADITC amount of \$45 million.
3. A one-time adjustment to the sharing portion of the mechanism would be applied in 2011 to allow one-half of the Company's share of the Idaho jurisdictional return in excess of 10.5% to be provided as a customer benefit in the form of a reduction in rates or an offset to amounts that would otherwise be collected from rates. The Company expects this sharing amount to be approximately \$10 million, in addition to the estimated \$20 million the Company forecasts will be customers' share under the existing ADITC sharing provision. For the period 2012-2013, if the ROE exceeds 10%, amounts in excess of a 10% return would be shared equally between the Company and its customers.

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.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene **14 days from the service date of this Order**. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that once the deadline for intervention has passed, the Commission Secretary will prepare and distribute a Notice of Parties. The Commission anticipates that the parties will subsequently convene an informal prehearing conference to determine the scheduling of discovery, testimony, technical hearings, and other matters. The Notice of Parties shall also assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power's representatives in this matter:

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

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

Timothy E. Tatum
Idaho Power Company
PO Box 70
Boise, Idaho 83707-0070
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NOTICE OF WORKSHOP

YOU ARE HEREBY NOTIFIED that a workshop has been scheduled for **WEDNESDAY, NOVEMBER 30, 2011 AT 9:30 A.M. IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO.** The purpose of this workshop will be for interested parties to discuss the Company's Application.

YOU ARE FURTHER NOTIFIED that the workshop in this matter will be conducted pursuant to the Rules of Procedure adopted by the Idaho Public Utilities Commission, IDAPA 31.01.01.000 *et seq.*

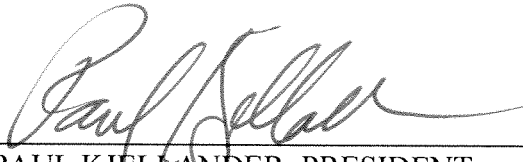
YOU ARE FURTHER NOTIFIED that all workshops, hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene within 14 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th
day of November 2011.



PAUL KJELLANDER, PRESIDENT

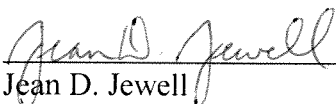


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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