

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: DECEMBER 12, 2011

**SUBJECT: IDAHO POWER COMPANY'S APPLICATION TO EXTEND AND
MODIFY ACCOUNTING ORDER TO AMORTIZE ADDITIONAL
ACCUMULATED DEFERRED INCOME TAX CREDITS (ADITC), CASE
NO. IPC-E-11-22**

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. 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.

Idaho Power’s Application stated it is necessary to have a signed settlement agreement regarding its proposal on or before December 31, 2011, in order to facilitate the timely recording of the Company’s 2011 earnings for financial reporting purposes. The Company requested that its Application be processed by Modified Procedure, and also proposed

that a workshop be convened at the offices of the Commission on November 30, 2011, so that interested parties may discuss the Company's proposal

The Commission issued a Notice of Application, Notice of Intervention Deadline, and Notice of Public Workshop to process the Company's Application. On November 30, 2011, the parties convened a workshop to discuss Idaho Power's Application. On December 12, 2011, a Stipulation signed by Idaho Power, Micron Technology, and Commission Staff was filed with the Commission. The Stipulation extends the arrangement for Idaho Power's use of ADITC through December 2014.

Staff recommends the Commission establish a comment period through December 20, 2011, allowing written comments on the Company's Application and the Settlement Stipulation. The matter will then be fully submitted, enabling the Commission to issue an Order by December 30, 2011.

COMMISSION DECISION

Should the Commission establish a comment deadline of December 20, 2011, allowing written comments on the Company's Application and Settlement Stipulation?



Weldon B. Stutzman
Deputy Attorney General

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