BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO INCREASE) CASE NO. IPC-E-12-08
ITS RATES DUE TO REVISED)
DEPRECIATION RATES FOR ELECTRIC) NOTICE OF APPLICATION
PLANT-IN-SERVICE)
) NOTICE OF
) INTERVENTION DEADLINE
)) NOTICE OF
	,
) PUBLIC WORKSHOP
)
) ORDER NO. 32478

On February 15, 2012, Idaho Power Company applied to the Commission to (1) revise the Company's depreciation rates for electric plant-in-service, and (2) increase corresponding Idaho base rates. The Company says its proposal will result in an overall increase of \$2,656,213, or 0.31%, for all customer classes. The Company asks that the rate change take effect on June 1, 2012, and that the case be reviewed under Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company proposes to revise depreciation rates for the Company's electric plant-in-service, based upon updated net salvage percentages and service life estimates for all plant assets.² Application at 2. The Company says it last changed depreciation rates in August 2008 based on plant-in-service as of December 2006. *Id.* at 3 (citing Order No. 30639). The Company says its proposed depreciation rates are based on plant accounting data available as of June 30, 2011. *Id.* at 2-3. The proposed depreciation rates are based on a straight-line, remaining life depreciation method. The Company says its proposal

NOTICE OF APPLICATION, NOTICE OF INTERVENTION DEADLINE NOTICE OF PUBLIC WORKSHOP ORDER NO. 32478

¹ The Company concurrently filed three other applications. *See* Case Nos. IPC-E-12-06, IPC-E-12-07, and IPC-E-12-09. The Company claims its four filings will cumulatively decrease rates for most customers. The Company describes the cumulative rate impact for the major customer classes as: Residential Schedule 1, (0.80%); Small General Schedule 7, (0.55%); Large General Schedule 9, (1.07%); Large Power Schedule 19, 0.65%; and Agricultural Irrigation Schedule 24, (1.09%). The Company says the rates for its Special Contract customers will cumulatively change as follows: Micron, 0.66%; Simplot, 0.68%; Department of Energy (INL), 0.68%; and Hoku Block 1, 0.67%. *See* Application, Atch. 4.

² The Company's filing in Case No. IPC-E-12-09 addresses the Company's proposed depreciation changes related to the early shutdown of the Boardman power plant.

would increase its annual depreciation expense by about \$2.84 million on a total system basis, or \$2.78 million for Idaho. *Id.*

YOU ARE FURTHER NOTIFIED that the Company says the increased depreciation expense would, in turn, increase the Company's Idaho base revenue requirement by \$2,656,213. *Id.* at 3. The Company proposes to spread this amount to all customer classes and to recover it through a percentage increase to all base rate components except the service charge. The Company says the overall, average depreciation-related rate change will be a 0.31% increase, with the per-customer class impact for the major rate schedules being:

Customer Class	Proposed Increase
Residential (Sch. 1)	0.31%
Small General (Sch. 7)	0.29%
Large General (Sch. 9)	0.32%
Large Power (Sch. 19)	0.33%
Agricultural Irrigation (Sch. 24)	0.32%

The Company says depreciation-related rates for special contract customers Micron, Simplot, Department of Energy (INL), and Hoku Materials second block will increase by 0.33%. *Id.* at 4, Ach. 3.

YOU ARE FURTHER NOTIFIED that the Company did not file an individual tariff sheet in this proceeding as required by Commission Rule 121.01(a). Rather, for administrative convenience the Company refers interested persons to the Company's single set of proposed tariff sheets filed in the Boardman proceeding (IPC-E-12-09), which the Company says identify the cumulative impact of all four cases.³ The Company says it will make an appropriate, final compliance filing when all final Orders are received. *Id.* at 4-5.

YOU ARE FURTHER NOTIFIED that the Company also says it will keep its Application open for public inspection at its Idaho offices, and that it will notify customers through a press release and bill inserts, with the last notice to be sent on March 20, 2012. *Id.* at

NOTICE OF APPLICATION, NOTICE OF INTERVENTION DEADLINE NOTICE OF PUBLIC WORKSHOP ORDER NO. 32478

2

³ By not including proposed tariff sheets with this Application as required by Rule 121.01(a), Idaho Power impliedly asks the Commission to waive that requirement. Because the Company has filed tariff sheets in the Boardman proceeding reflecting the proposed changes and the Application in this case refers to that filing, the Commission finds it is unnecessary for the Company to include the proposed tariff sheets with its Application in this case. Accordingly, the Commission waives that Rule 121.01(a) requirement under the circumstances of this case. See Rule 13 (Commission may permit deviation from these rules when if finds compliance with them is unnecessary).

6. The Company says, in the alternative, it will bring the Application to the attention of customers as directed by the Commission. *Id.*

YOU ARE FURTHER NOTIFIED that the Company requested its Application be processed by Modified Procedure. After Staff, the Company, and interested parties have reviewed this matter in workshops, the Commission will determine whether the case may be processed by Modified Procedure. See IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, 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 workpapers are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases." The proposed tariff sheets, as filed in the Boardman proceeding (IPC-E-12-09), are similarly available for inspection.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code. 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 for the purpose of presenting evidence or cross-examining witnesses at hearing must file a Petition to Intervene with the Commission no later than 14 days from service date of this Order pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter.

YOU ARE FURTHER NOTIFIED that 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 to other parties.

YOU ARE FURTHER NOTIFIED that once the intervention deadline has passed, the Commission Secretary shall issue a Notice of Parties if any Petitions to Intervene are granted.

NOTICE OF APPLICATION, NOTICE OF INTERVENTION DEADLINE NOTICE OF PUBLIC WORKSHOP ORDER NO. 32478

NOTICE OF PUBLIC WORKSHOP

YOU ARE FURTHER NOTIFIED that the Commission has scheduled a public workshop in this matter on <u>THURSDAY</u>, <u>APRIL 5</u>, <u>2012 AT 9:00 A.M. IN THE COMMISSION HEARING ROOM</u>, <u>472 WEST WASHINGTON STREET</u>, <u>BOISE</u>, <u>IDAHO</u>. The public workshop will offer Staff, the Company, and interested persons an opportunity to meet, ask questions, receive information, and possibly resolve issues in dispute.

YOU ARE FURTHER NOTIFIED that the parties participating in the workshop may offer to settle some or all of the issues to be discussed at the workshop.

YOU ARE FURTHER NOTIFIED that all workshops and hearings 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 the foregoing scheduling is adopted.

IT IS FURTHER ORDERED that the Company's Application need not include proposed tariff sheets as required by Rule 121.01(a). The Commission waives that requirement under Rule 13 for purposes of this proceeding.

NOTICE OF APPLICATION, NOTICE OF INTERVENTION DEADLINE NOTICE OF PUBLIC WORKSHOP ORDER NO. 32478

4

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of March 2012.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Commission Secretary

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