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IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO IMPLEMENT FIXED COST )  
COST ADJUSTMENT ("FCA") RATES FOR ) CASE NO. IPC-E-12-12  
ELECTRIC SERVICE FROM JUNE 1, 2012, )  
THROUGH MAY 31, 2013. )  
\_\_\_\_\_ )

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ZACHARY L. HARRIS

1 Q. Please state your name and business address.

2 A. My name is Zachary L. Harris and my business  
3 address is 1221 West Idaho Street, Boise, Idaho 83702.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by Idaho Power Company ("Idaho  
6 Power" or "Company") as a Regulatory Analyst in the  
7 Regulatory Affairs department.

8 Q. Please describe your educational background.

9 A. In December of 2008, I received a Bachelor of  
10 Science degree in Accounting from Brigham Young University-  
11 Hawaii. In December of 2011, I received a Master of  
12 Science degree in Accounting from Boise State University.  
13 In addition, in 2011 I attended the electric utility  
14 ratemaking course offered through New Mexico State  
15 University's Center for Public Utilities.

16 Q. Please describe your work experience with  
17 Idaho Power.

18 A. I became employed by Idaho Power in May 2011  
19 as a Regulatory Analyst in the Regulatory Affairs  
20 department and still retain that position.

21 Q. What is the purpose of your testimony?

22 A. The purpose of my testimony is to describe the  
23 Company's request to implement its annual Fixed Cost  
24 Adjustment ("FCA") rate per Idaho Public Utilities  
25 Commission ("Commission") Order No. 31063 in Case No. IPC-

1 E-09-28. This Order extended the FCA mechanism originally  
2 approved in Commission Order No. 30267, Case No. IPC-E-04-  
3 15, as a pilot program ("FCA Pilot") for an additional two  
4 years beginning January 1, 2010. My testimony addresses  
5 the calculation of the FCA rates related to the final year  
6 of the FCA Pilot, i.e., 2011. Specifically, my testimony  
7 will discuss four areas related to the FCA Pilot, Schedule  
8 54. First, I will briefly discuss the FCA mechanism itself  
9 and how the fixed cost adjustment amount is determined.  
10 Second, I will discuss at a very high level, the Company's  
11 ongoing demand-side management ("DSM") activities. Third,  
12 I will describe the results from the 2011 FCA Pilot.  
13 Lastly, I will discuss the calculation of the FCA rate the  
14 Company is proposing to go into effect on June 1, 2012.

15 Importantly, this testimony does not address issues  
16 related to making the FCA pilot mechanism permanent that is  
17 presently before the Commission in Case No. IPC-E-11-19.

18 **I. FIXED COST ADJUSTMENT MECHANISM**

19 Q. What is the purpose of a fixed cost adjustment  
20 mechanism?

21 A. The FCA is a mechanism that "decouples," or  
22 separates, energy sales from revenue in order to remove the  
23 financial disincentive that exists when the Company invests  
24 in DSM resources. Under the FCA, rates for Residential  
25 Service (Schedules 1, 3, 4, and 5) and Small General

1 Service (Schedule 7) customers are adjusted annually up or  
2 down to recover or refund the difference between the fixed  
3 costs authorized by the Commission in the Company's most  
4 recent general rate case and the fixed costs that the  
5 Company actually received through energy sales during the  
6 previous year. Through the application of this mechanism,  
7 the Company is not financially harmed by decreases in  
8 energy sales within the Residential and Small General  
9 Service customer classes.

10 Q. Please describe the Fixed Cost Adjustment  
11 mechanism.

12 A. For both the Residential and Small General  
13 Service classes, the FCA mechanism is the same. The  
14 formula used to determine the FCA amount is:

15 
$$\text{FCA} = (\text{CUST} \times \text{FCC}) - (\text{NORM} \times \text{FCE})$$

16 Where:

17 FCA = Fixed Cost Adjustment;

18 CUST = Average Number of Customers, by class;

19 FCC = Fixed Cost per Customer rate, by class;

20 NORM = Weather-Normalized Energy, by class; and

21 FCE = Fixed Cost per Energy rate, by class.

22 Q. How is the FCA amount determined?

23 A. The FCA amount is the difference between the  
24 Company's "allowed fixed cost recovery" (CUST X FCC) and  
25 the "actual fixed cost recovery" (NORM X FCE). The

1 "allowed fixed cost recovery" is determined by multiplying  
2 the average number of customers for the previous calendar  
3 year multiplied by the FCC rate established as a result of  
4 the outcome in the Company's most current general rate case  
5 proceeding in which the FCC rate was set. The "actual  
6 fixed cost recovery" is determined by multiplying the  
7 weather-normalized energy sales for the previous calendar  
8 year times the FCE rate. The FCE rate was also established  
9 in the Company's most current general rate case.

10 Q. What Idaho Power rate case was used to set the  
11 levels of the FCC and FCE?

12 A. The rates for the FCC and FCE used in this  
13 filing are the rates that were determined by Order Nos.  
14 30722, 30740, and 30754 in Case No. IPC-E-08-10 ("2008 Rate  
15 Case Orders"). Although the Company recently completed a  
16 general rate case, IPC-E-11-08, the effective date of the  
17 Commission's order was January 1, 2012, which is outside of  
18 the 2011 FCA pilot period. Therefore, the FCC and FCE  
19 rates were not updated for this filing.

20 Q. Can the FCA true-up amount be either positive  
21 or negative?

22 A. Yes. The FCA can be either positive or  
23 negative. If the adjustment amount were positive, that  
24 would indicate the Company's allowed fixed cost recovery  
25 amount was more than the fixed costs actually recovered

1 through the energy rate for that class of customers. This  
2 would stem from the fact that the growth rate in weather-  
3 normalized energy was less than the growth rate in  
4 customers, i.e., the use per customer had decreased. The  
5 effect would be that the Company had under-collected its  
6 authorized fixed costs. In a similar fashion, if the FCA  
7 were negative, that would indicate that the Company's  
8 allowed fixed cost recovery amount was less than the fixed  
9 costs actually recovered through the class energy rate and  
10 would result in a refund of the adjustment amount to that  
11 customer class.

12 **II. ONGOING DEMAND-SIDE MANAGEMENT ACTIVITIES**

13 Q. Please describe at a very high level your  
14 understanding of the Company's continued commitment to  
15 promote demand-side management activities through energy  
16 efficiency and demand response programs in 2011.

17 A. Throughout 2011, the Company continued to  
18 increase the availability of its DSM programs and continued  
19 to offer new opportunities for customer participation. As  
20 part of Idaho Power's ongoing commitment to promote DSM,  
21 the Company continued to:

- 22 • Expand and broaden its energy efficiency and  
23 demand response programs to increase  
24 participation and energy savings;  
25  
26 • Pursue energy efficiency appliance code  
27 standards;  
28

- 1                   • Promote energy efficiency through rate designs;  
2  
3                   • Enhance its evaluation, research and  
4                   verification methods of proposed DSM  
5                   initiatives;  
6  
7                   • Expand energy efficiency education and customer  
8                   outreach; and  
9  
10                  • Commit to internal promotion of energy  
11                  efficiency.  
12

13                  A complete discussion of the Company's commitment to  
14 DSM is detailed in the "Continued Commitment" section of  
15 the *Demand-Side Management 2011 Annual Report* which will be  
16 filed with the Commission by no later than March 15, 2012.

17                  **III. FCA DETERMINATION FOR CALENDAR YEAR 2011**

18                  Q.       Did the FCA Pilot monthly rates for the FCC  
19 and FCE change in 2011?

20                  A.       No. As stated above, the FCA mechanism is  
21 intended to recover the difference between the fixed costs  
22 authorized by the Commission in the Company's most recent,  
23 applicable general rate case and the fixed costs actually  
24 recovered through rates. The Commission affirmed this  
25 position in Case No. IPC-E-10-21 by ordering that "the FCC  
26 and FCE values for Schedule 54 shall accurately represent  
27 the level of fixed costs previously established by the  
28 Commission in IPC-E-08-10 and remain at that level until  
29 such time as they can be more thoroughly examined and re-  
30 established by the Commission in the context of the

1 Company's next general rate case filing," Order No. 32171,  
2 p. 6.

3 As explained earlier in my testimony, the FCC and  
4 FCE rates that were used for the months of January 2011  
5 through December 2011 are consistent with the revenue  
6 requirement established by the Commission in the 2008 Rate  
7 Case Orders and the rates that were in effect during 2011.

8 Q. Please describe the monthly FCC rates used for  
9 reporting purposes during the 2011 calendar year of the FCA  
10 Pilot.

11 A. Exhibit No. 1 shows the monthly FCC rates used  
12 for January through December reporting in 2011. For the  
13 Residential class, the monthly FCC rate was \$37.61 per  
14 customer and for the Small General Service class, the  
15 monthly FCC was \$24.40.

16 Q. Please describe the monthly FCE rates used for  
17 reporting purposes during the 2011 calendar year of the FCA  
18 Pilot.

19 A. Exhibit No. 1 details the Residential and  
20 Small General Service monthly "shaped" FCE rates that were  
21 used for monthly reporting purposes January through  
22 December of 2011.

23 Q. Why are "shaped" FCE rates used for reporting  
24 purposes?

25

1           A.       The FCE rates are shaped to better match cause  
2 and effect for accounting purposes so that the Company can  
3 adhere to Generally Accepted Accounting Principles and  
4 better estimate the financial impacts of the FCA  
5 calculation at year-end. The ultimate FCA is determined  
6 annually but is booked to Company accounts on a monthly  
7 basis. The monthly accounting is similar to the Power Cost  
8 Adjustment ("PCA") accounting practices.

9           Q.       Has the Company been periodically reporting  
10 the balance of the FCA amount to the Commission?

11          A.       Yes. Since 2009, the Company has continued to  
12 report the monthly FCA deferral balance in the monthly FCA  
13 report provided to the Commission. Exhibit No. 2 is a copy  
14 of the FCA report for 2011. The total combined monthly FCA  
15 balance of a positive \$10,273,295.88 can be seen on line  
16 32, column O of this exhibit.

17          Q.       What are the monthly FCA balances for calendar  
18 year 2011 for both the Residential and Small General  
19 Service classes?

20          A.       Exhibit No. 2 shows the derivation of a  
21 positive \$10,273,295.88 combined FCA for January 2011  
22 through December 2011. This amount includes a positive  
23 \$8,800,827.39 (line 15, column O) as the accumulated  
24 balance for the Residential FCA and a positive  
25 \$1,472,468.49 (line 29, column O) for the accumulated

1 balance for the Small General Service FCA. Both amounts  
2 include interest through December 2011.

3 Q. Were any adjustments made to these amounts  
4 once the Company's books were closed at year-end 2011?

5 A. Yes. When the Company's books were closed at  
6 year-end, the average prorated customer count and annual  
7 weather-normalized energy sales were determined. Once  
8 these were determined, the "allowed fixed cost recovery"  
9 (average prorated customer count X FCC) and the "actual  
10 fixed cost recovered" (annual weather-normalized energy  
11 sales X FCE) could be calculated.

12 The difference between this year-end determination  
13 of the FCA balances and the sum of the twelve monthly  
14 reported estimates of the FCA balances required adjustments  
15 to the FCA deferral account.

16 Q. What were the adjustments made to the  
17 Residential and Small General Service FCA balances?

18 A. As part of 2011 year-end closing entries, the  
19 Company booked the adjustments to the Residential and Small  
20 General Service FCA balances in the month of December. For  
21 the Residential class, an adjustment of a positive  
22 \$252,487.69 was added to the monthly deferral calculation  
23 of \$973,292.55 for December (Exhibit No. 4, line 14, column  
24 O) resulting in a total deferral of \$1,225,780.24 (Page 1  
25 of Exhibit No. 3, line 6, column N), not including

1 interest. For the Small General Service class, a positive  
2 adjustment of \$30,963.21 was added to the monthly deferral  
3 calculation of \$82,956.09 for December (Exhibit No. 4, line  
4 30, column O) resulting in a total deferral of  
5 \$113,919.30 (Page 1 of Exhibit No. 3, line 20, column N),  
6 not including interest.

7 Q. What is the total amount of the FCA, including  
8 interest, the Company is requesting to implement in rates  
9 on June 1, 2012?

10 A. Exhibit No. 3 shows the FCA balances and  
11 adjustments, plus interest calculated through May 2012.  
12 The total amount of the FCA the Company is requesting to  
13 implement in rates on June 1, 2012, is a positive  
14 \$10,315,927.33 reflected on line 32, column T of Exhibit  
15 No. 3. The FCA for the Residential class shows a positive  
16 \$8,837,352.59 reflected on line 15, column T of Exhibit No.  
17 3. For the Small General Service class, an additional  
18 \$1,478,574.74 will need to be recovered as part of the FCA.  
19 This amount is reflected on line 29, column T of Exhibit  
20 No. 3.

21 Q. What is the significance of these numbers with  
22 respect to the Company's recovery of its fixed costs?

23 A. Since the Residential FCA is a positive  
24 number, it means that the average use per customer  
25 decreased from the level established in the 2008 Rate Case

1 Orders. Therefore, the Residential class will receive an  
2 increase to allow for recovery of the authorized fixed  
3 costs that were not collected through the energy charges  
4 during the year. The same holds true for the Small General  
5 Service class, meaning that the use per customer for this  
6 class has also decreased based on the level established by  
7 the 2008 Rate Case Orders, and the Company has under-  
8 collected its authorized level of fixed costs.

9 **IV. CALCULATION OF THE FIXED COST ADJUSTMENT RATE**

10 Q. Please describe the calculation of the FCA  
11 rate the Company is proposing to go into effect on June 1,  
12 2012.

13 A. The FCA rate the Company proposes to go into  
14 effect on June 1, 2012, was calculated by taking the FCA  
15 true-up balances described above and dividing by the June  
16 1, 2012, through May 31, 2013, test year weather-normalized  
17 load by the corresponding customer class. This is the same  
18 period as the PCA test year.

19 Q. What has the Company determined the test year  
20 weather-normalized load to be for both the Residential and  
21 Small General Service classes?

22 A. The Company's test year weather-normalized  
23 load is 4,901,215,508 kilowatt-hours ("kWh") for the  
24 Residential class and 144,888,296 kWh for the Small General  
25 Service class.

1           Q.       What FCA rate would be required in order for  
2 the Company to recover all of its authorized fixed costs  
3 associated with the Residential and Small General Service  
4 classes?

5           A.       Because the Residential and Small General  
6 Service classes reduced their energy consumption and  
7 thereby the Company under-collected its authorized fixed  
8 costs as determined by the 2008 Rate Case Orders, each  
9 class requires a rate surcharge in order to recover  
10 authorized levels of fixed costs.

11                   The Residential class requires recovery of  
12 \$8,837,352.59, which would require a FCA rate of 0.1803  
13 cents per kWh ( $\$8,837,352.59 \times 100 / 4,901,215,508$  kWh).  
14 The Small General Service class requires recovery of fixed  
15 costs in the amount of \$1,478,574.74. This would require a  
16 FCA rate for the Small General Service class of 1.0205  
17 cents per kWh ( $\$1,478,574.74 \times 100 / 144,888,296$  kWh).

18           Q.       What are the FCA rates the Company proposes to  
19 place into effect June 1, 2012, through May 31, 2013?

20           A.       The FCA rates the Company proposes to  
21 implement on June 1, 2012, is a combined rate increase that  
22 will recover an additional \$1,159,520 above what is  
23 currently recovered through existing FCA rates and  
24 represents an average increase of 0.28 percent above

25

1 current Residential and Small General Service classes  
2 billed revenues.

3 Q. What are the corresponding FCA rates for the  
4 Residential and Small General Service classes based on a  
5 combined and equal FCA rate increase of 0.28 percent?

6 A. The FCA rate for the Residential class is  
7 0.2028 cents per kWh and the corresponding rate for the  
8 Small General Service class is 0.2597 cents per kWh.

9 Q. Why is the Company proposing to combine the  
10 FCA balances of the Residential and Small General Service  
11 classes when establishing the FCA rates for recovery of  
12 fixed costs?

13 A. The Company considered several issues  
14 regarding the magnitude of the rate impacts to the  
15 Residential and Small General Service classes when deciding  
16 to combine the FCA balances for recovery.

17 First, this method of recovery is consistent with  
18 the first four years of the FCA Pilot when the Residential  
19 and Small General Service balances were combined to create  
20 the rate adjustments for each class. Second, by combining  
21 the Residential and Small General Service FCA balances and  
22 determining the rate based on an equal FCA rate adjustment  
23 of 2.56 percent above base rates for each class, the  
24 overall rate impact to customers in these classes is more  
25 representative of the required fixed cost recovery for each

1 class. In other words, by not applying the same rate to  
2 the Residential and Small General Service classes, the  
3 Company collects a more representative amount of required  
4 fixed costs from each class. This methodology is  
5 consistent with the derivation of the 2009 and 2010 FCA  
6 rates which were approved by the Commission. Finally, this  
7 methodology provides the Company the opportunity to fully  
8 recover its Residential and Small General Service classes'  
9 authorized fixed costs in one year's time.

10 Q. What is the percentage increase in revenue as  
11 measured from total billed amounts currently recovered from  
12 customers, including the current FCA?

13 A. The current test year billed revenue from base  
14 rates and the Fixed Cost Adjustment, for the affected  
15 classes is \$411,577,543. The requested increase is  
16 \$1,159,520, or 0.28 percent.

17 Q. How will the Company incorporate the  
18 surcharges for the Residential and Small General Service  
19 classes on customers' bills?

20 A. The Company proposes to continue including the  
21 FCA with the Energy Efficiency Services Charge on  
22 Residential and Small General Service customers' bills.

23 Q. Does this complete your testimony?

24 A. Yes, it does.

25

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-12-12**

**IDAHO POWER COMPANY**

**HARRIS, DI  
TESTIMONY**

**EXHIBIT NO. 1**

**IDAHO POWER COMPANY**  
**FCC & FCE Rates Based on IPC-E-08-10 Final Order No. 30722 and Reconsideration Order No. 30754**  
**Used for Monthly Forecast for 2009, 2010, and 2011**

	<b>Residential</b>	<b>Small Commercial</b>		
<b>Authorized Fixed Cost Recovery</b>	\$176,474,517	\$9,135,125		
<b>Number of Customers</b>	391,057	31,196		
	<b>Residential</b>	<b>Small Commercial</b>		
	<b>Energy</b>	<b>Energy</b>	<b>FCC</b>	<b>FCE</b>
January	580,397,794	20,672,054	\$24.40	\$0.036826
February	529,606,207	19,720,708	\$24.40	\$0.038602
March	470,347,818	16,287,314	\$24.40	\$0.046739
April	404,945,722	14,625,700	\$24.40	\$0.052050
May	327,609,394	12,687,967	\$24.40	\$0.059999
June	323,123,447	13,983,298	\$24.40	\$0.054441
July	373,170,075	15,761,164	\$24.40	\$0.048300
August	438,213,581	16,548,607	\$24.40	\$0.046001
September	392,543,037	15,340,451	\$24.40	\$0.049624
October	332,602,955	13,771,284	\$24.40	\$0.052779
November	385,200,476	14,337,282	\$24.40	\$0.053097
December	507,326,441	16,850,397	\$24.40	\$0.045178
<b>Total</b>	<u>5,065,086,947</u>	<u>190,586,226</u>		<u>\$9,135,147</u>

<b>Difference</b>	<b>(\$108)</b>			<b>\$22</b>
<b>Annual FCC and FCE</b>	<b>\$451.28</b>	<b>\$292.83</b>		<b>\$0.047932</b>

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-12-12**

**IDAHO POWER COMPANY**

**HARRIS, DI  
TESTIMONY**

**EXHIBIT NO. 2**

	A	B	C	D	E	F	G	H	I	J	K
	Fixed Cost Adjustment		January	February	March	April	May	June	July	August	September
1	Fixed Cost Adjustment										
2	for the year ended December 31, 2011										
3											
4	<b>Residential FCA:</b>										
5	Beginning Balance	\$	532,377.96	532,377.96	1,218,612.21	1,820,570.41	2,305,031.31	2,784,042.78	3,540,477.80	4,207,972.51	5,351,934.31
6	Amount Deferred	\$	532,377.96	686,234.25	601,958.20	484,460.90	479,011.47	756,435.02	667,494.71	1,143,961.80	710,921.49
7	Ending Balance	\$	532,377.96	1,218,612.21	1,820,570.41	2,305,031.31	2,784,042.78	3,540,477.80	4,207,972.51	5,351,934.31	6,062,855.80
8											
9	<b>Interest:</b>										
10	Accrual thru Prior Month	\$	0.00	0.00	443.65	1,459.16	2,976.30	4,897.16	7,217.20	10,167.60	13,674.24
11	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
12	Monthly Interest Inc/(Exp)	\$	0.00	443.65	1,015.51	1,517.14	1,920.86	2,320.04	2,950.40	3,506.64	4,459.95
13	Interest Accrued to date	\$	0.00	443.65	1,459.16	2,976.30	4,897.16	7,217.20	10,167.60	13,674.24	18,134.19
14											
15	<b>Total Residential FCA:</b>		532,377.96	1,219,055.86	1,822,029.57	2,308,007.61	2,788,939.94	3,547,695.00	4,218,140.11	5,365,608.55	6,080,989.99
16											
17											
18	<b>Small Commercial FCA:</b>										
19	Beginning Balance	\$	0.00	145,695.10	308,706.02	403,570.18	499,287.26	592,606.33	747,880.29	901,307.43	1,034,411.73
20	Amount Deferred	\$	145,695.10	163,010.92	94,864.16	95,717.08	93,321.07	155,271.96	153,427.14	133,104.30	102,812.61
21	Ending Balance	\$	145,695.10	308,706.02	403,570.18	499,287.26	592,606.33	747,880.29	901,307.43	1,034,411.73	1,137,224.34
22											
23	<b>Interest:</b>										
24	Accrual thru Prior Month	\$	0.00	0.00	121.41	378.67	714.98	1,131.05	1,624.89	2,248.12	2,999.21
25	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	Monthly Interest Inc/(Exp)	\$	0.00	121.41	257.26	336.31	416.07	493.84	623.23	751.09	862.01
27	Interest Accrued to date	\$	0.00	121.41	378.67	714.98	1,131.05	1,624.89	2,248.12	2,999.21	3,861.22
28											
29	<b>Total Small Commercial FCA:</b>		145,695.10	308,827.43	403,948.85	500,002.24	593,739.38	749,505.18	903,555.55	1,037,410.94	1,141,065.56
30											
31											
32	<b>Total Fixed Cost Adjustment</b>	\$	678,073.06	1,527,883.29	2,225,978.42	2,808,009.85	3,382,679.32	4,297,200.18	5,121,695.66	6,403,019.49	7,222,075.55
33											
34											
35											
36											
37	<b>Entries:</b>										
38	599 X00001 999 182302 (254302)		678,073.06	849,810.23	698,095.13	582,031.43	574,669.47	914,520.86	824,495.48	1,281,323.83	819,056.06
39	599 X00001 999 440301		(532,377.96)	(686,234.25)	(601,958.20)	(484,460.90)	(479,011.47)	(756,435.02)	(667,494.71)	(1,143,961.80)	(710,921.49)
40	599 X00001 999 442301		(145,695.10)	(163,010.92)	(94,864.16)	(95,717.08)	(93,321.07)	(155,271.96)	(153,427.14)	(133,104.30)	(102,812.61)
41	599 X00001 999 421006 (431013)		-	(565.06)	(1,272.17)	(1,853.45)	(2,338.93)	(2,813.88)	(3,573.63)	(4,257.73)	(5,321.96)
42											

	L	M	N	O
	October	November	December	Total
1				
2				
3				
4				
5	6,062,855.80	6,375,505.93	7,540,264.11	
6	312,650.13	1,164,758.18	1,225,780.24	8,766,044.35
7	6,375,505.93	7,540,264.11	8,766,044.35	
8				
9				
10	18,134.19	23,186.57	28,499.49	
11	1.0%	1.0%	1.0%	
12	5,052.38	5,312.92	6,283.55	34,783.04
13	23,186.57	28,499.49	34,783.04	
14				
15	6,398,692.50	7,568,763.80	8,800,827.39	8,800,827.39
16				
17				
18				
19	1,137,224.34	1,244,527.87	1,351,576.86	
20	107,303.53	107,048.99	113,919.30	1,465,496.16
21	1,244,527.87	1,351,576.86	1,465,496.16	
22				
23				
24	3,861.22	4,808.91	5,846.02	
25	1.0%	1.0%	1.0%	
26	947.69	1,037.11	1,126.31	6,972.33
27	4,808.91	5,846.02	6,972.33	
28				
29	1,249,336.78	1,357,422.88	1,472,468.49	1,472,468.49
30				
31	7,648,029.28	8,926,186.48	10,273,295.88	10,273,295.88
35				
36				
37				
38	425,953.73	1,278,157.20	1,347,109.40	
39	(312,650.13)	(1,164,758.18)	(1,225,780.24)	
40	(107,303.53)	(107,048.99)	(113,919.30)	
41	(6,000.07)	(6,350.03)	(7,409.86)	
42				

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-12-12**

**IDAHO POWER COMPANY**

**HARRIS, DI  
TESTIMONY**

**EXHIBIT NO. 3**

	A	B	C	D	E	F	G	H	I	J	K	L
	Fixed Cost Adjustment											
	for the year ended December 31, 2011											
		January	February	March	April	May	June	July	August	September	October	
1	Residential FCA:											
2	Beginning Balance	\$ 532,377.96	532,377.96	1,218,612.21	1,820,570.41	2,305,031.31	2,784,042.78	3,540,477.80	4,207,972.51	5,351,934.31	6,062,855.80	
3	Amount Deferred	\$ 532,377.96	686,234.25	601,958.20	484,460.90	479,011.47	756,435.02	667,494.71	1,143,961.80	710,921.49	312,650.13	
4	Ending Balance	\$ 532,377.96	1,218,612.21	1,820,570.41	2,305,031.31	2,784,042.78	3,540,477.80	4,207,972.51	5,351,934.31	6,062,855.80	6,375,505.93	
5	Interest:											
6	Accrual thru Prior Month	\$ 0.00	0.00	443.65	1,459.16	2,976.30	4,897.16	7,217.20	10,167.60	13,674.24	18,134.19	
7	Monthly Interest Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
8	Monthly Interest Inc/(Exp)	\$ 0.00	443.65	1,015.51	1,517.14	1,920.86	2,320.04	2,950.40	3,506.64	4,459.95	5,052.38	
9	Interest Accrued to date	\$ 0.00	443.65	1,459.16	2,976.30	4,897.16	7,217.20	10,167.60	13,674.24	18,134.19	23,186.57	
10	Total Residential FCA:	\$ 532,377.96	1,219,055.86	1,822,029.57	2,308,007.61	2,788,939.94	3,547,895.00	4,218,140.11	5,365,608.55	6,080,989.99	6,398,692.50	
11												
12	Small Commercial FCA:											
13	Beginning Balance	\$ 0.00	145,695.10	308,706.02	403,570.18	499,287.26	592,608.33	747,880.29	901,307.43	1,034,411.73	1,137,224.34	
14	Amount Deferred	\$ 145,695.10	163,010.92	94,864.16	95,717.08	93,321.07	155,271.96	153,427.14	133,104.30	102,812.61	107,303.53	
15	Ending Balance	\$ 145,695.10	308,706.02	403,570.18	499,287.26	592,608.33	747,880.29	901,307.43	1,034,411.73	1,137,224.34	1,244,527.87	
16	Interest:											
17	Accrual thru Prior Month	\$ 0.00	0.00	121.41	378.67	714.98	1,131.05	1,624.89	2,248.12	2,999.21	3,861.22	
18	Monthly Interest Rate	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
19	Monthly Interest Inc/(Exp)	\$ 0.00	121.41	257.26	336.31	416.07	493.84	623.23	751.09	862.01	947.69	
20	Interest Accrued to date	\$ 0.00	121.41	378.67	714.98	1,131.05	1,624.89	2,248.12	2,999.21	3,861.22	4,808.91	
21	Total Small Commercial FCA:	\$ 145,695.10	308,827.43	403,948.85	500,002.24	593,739.38	749,505.18	903,555.55	1,037,410.94	1,141,085.56	1,249,336.78	
22												
23	Total Fixed Cost Adjustment	\$ 678,073.06	1,527,883.29	2,225,978.42	2,808,009.85	3,382,679.32	4,297,200.18	5,121,695.66	6,403,019.49	7,222,075.55	7,648,029.28	
24												
25	Entries:											
26	599 X00001 999 182302 (254302)	678,073.06	849,810.23	698,095.13	582,031.43	574,669.47	914,520.86	824,495.48	1,281,323.83	819,056.06	425,963.73	
27	599 X00001 999 440301	(532,377.96)	(686,234.25)	(601,958.20)	(484,460.90)	(479,011.47)	(756,435.02)	(667,494.71)	(1,143,961.80)	(710,921.49)	(312,650.13)	
28	599 X00001 999 442301	(145,695.10)	(163,010.92)	(94,864.16)	(95,717.08)	(93,321.07)	(155,271.96)	(153,427.14)	(133,104.30)	(102,812.61)	(107,303.53)	
29	599 X00001 999 421006 (431013)	-	(566.06)	(1,272.77)	(1,853.45)	(2,338.93)	(2,813.88)	(3,573.63)	(4,267.73)	(5,321.96)	(6,000.07)	
30												
31												
32												
33												
34												
35												
36												
37												
38												
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42												

	A	B	M	N	O	P	Q	R	S	T
	Fixed Cost Adjustment		November	December	January	February	March	April	May	Total
1	Fixed Cost Adjustment									
2	for the year ended December 31, 2011									
3										
4	<b>Residential FCA:</b>									
5	Beginning Balance	\$	6,375,505.93	7,540,264.11	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35
6	Amount Deferred	\$	1,164,756.18	1,225,780.24	-	-	-	-	-	-
7	Ending Balance	\$	7,540,264.11	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35	8,766,044.35
8	Interest:									
9	Accrual thru Prior Month	\$	23,186.57	28,499.49	34,783.04	42,088.08	49,393.12	56,698.16	64,003.20	64,003.20
10	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
11	Monthly Interest Inc/(Exp)	\$	5,312.92	6,283.55	7,305.04	7,305.04	7,305.04	7,305.04	7,305.04	7,305.04
12	Interest Accrued to date	\$	28,499.49	34,783.04	42,088.08	49,393.12	56,698.16	64,003.20	71,308.24	71,308.24
13										
14										
15	<b>Total Residential FCA:</b>		7,568,763.60	8,800,827.39	8,808,132.43	8,815,437.47	8,822,742.51	8,830,047.55	8,837,352.59	8,837,352.59
16										
17										
18	<b>Small Commercial FCA:</b>									
19	Beginning Balance	\$	1,244,527.87	1,351,576.86	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16
20	Amount Deferred	\$	107,048.99	113,919.30	-	-	-	-	-	-
21	Ending Balance	\$	1,351,576.86	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16	1,465,496.16
22	Interest:									
23	Accrual thru Prior Month	\$	4,808.91	5,846.02	6,972.33	8,193.58	9,414.83	10,636.08	11,857.33	11,857.33
24	Monthly Interest Rate		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	Monthly Interest Inc/(Exp)	\$	1,037.11	1,126.31	1,221.25	1,221.25	1,221.25	1,221.25	1,221.25	1,221.25
26	Interest Accrued to date	\$	5,846.02	6,972.33	8,193.58	9,414.83	10,636.08	11,857.33	13,078.58	13,078.58
27										
28										
29	<b>Total Small Commercial FCA:</b>		1,357,422.88	1,472,468.49	1,473,689.74	1,474,910.99	1,476,132.24	1,477,353.49	1,478,574.74	1,478,574.74
30										
31										
32	<b>Total Fixed Cost Adjustment</b>	\$	8,926,186.48	10,273,295.88	10,281,822.17	10,290,348.46	10,298,874.75	10,307,401.04	10,315,927.33	10,315,927.33
33										
34										
35										
36	Entries:									
37	599 X00001 999 182302 (254302)									
38	599 X00001 999 440301		1,278,157.20	1,347,109.40	8,526.29	8,526.29	8,526.29	8,526.29	8,526.29	8,526.29
39	599 X00001 999 442301		(1,164,756.18)	(1,225,780.24)	-	-	-	-	-	-
40	599 X00001 999 442301		(107,048.99)	(113,919.30)	-	-	-	-	-	-
41	599 X00001 999 421006 (431013)		(6,350.03)	(7,408.86)	(8,526.29)	(8,526.29)	(8,526.29)	(8,526.29)	(8,526.29)	(8,526.29)
42										

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-12-12**

**IDAHO POWER COMPANY**

**HARRIS, DI  
TESTIMONY**

**EXHIBIT NO. 4**

Idaho Power Company  
FCA Summary Calculations  
2011

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
<b>Residential FCA Calculation</b>																	
1	Jan	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	
2	FCC	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	\$37.61	
3	CUST	395,443.5	399,645.8	390,979.1	395,562.5	395,301.1	395,788.5	395,972.9	395,972.9	395,972.9	395,972.9	395,972.9	395,972.9	395,972.9	395,972.9	395,972.9	
4	Allowed Recovery	\$14,872,629.47	\$15,030,877.22	\$14,704,723.20	\$14,877,104.21	\$14,867,272.58	\$14,885,606.14	\$14,892,842.27	\$14,900,543.90	\$14,921,125.97	\$14,934,454.29	\$14,945,391.94	\$14,971,334.00	\$14,971,334.00	\$14,971,334.00	\$178,803,405.09	
5	FCE	\$0.025338	\$0.027768	\$0.031267	\$0.036316	\$0.044889	\$0.045513	\$0.039409	\$0.035559	\$0.037464	\$0.044216	\$0.038178	\$0.028888	\$0.028888	\$0.028888	\$0.028888	
6	NORM	565,958.304	516,405.466	451,038.909	396,222.830	320,529.776	310,654.847	351,134.021	409,922.286	375,302.917	330,590.342	350,957.456	482,929.891	482,929.891	482,929.891	482,929.891	
7	Actual Recovery	\$14,340,251.51	\$14,339,946.98	\$14,102,633.57	\$14,389,228.29	\$14,388,261.11	\$14,138,834.05	\$14,231,930.63	\$13,765,582.00	\$14,210,204.48	\$14,621,804.16	\$13,780,633.76	\$13,999,174.58	\$13,999,174.58	\$13,999,174.58	\$170,286,085.12	
8	Adjustment	\$0.00	\$4,895.99	\$131.43	\$3,415.02	\$0.00	(\$9,662.93)	(\$6,883.07)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,133.13)	(\$9,236.69)	
9	Residential FCA	\$52,377.96	\$56,234.25	\$60,958.20	\$484,460.90	\$479,011.47	\$756,435.02	\$687,494.71	\$1,143,961.80	\$710,921.49	\$312,650.13	\$1,164,768.18	\$973,292.65	\$973,292.65	\$973,292.65	\$9,513,656.66	
10	<b>Commercial FCA Calculation</b>																
11	Jan	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	
12	FCC	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	\$24.40	
13	CUST	28,716.7	28,779.0	28,404.7	28,407.7	28,509.7	28,448.1	28,517.2	28,601.1	28,556.5	28,511.8	28,489.9	28,417.9	28,417.9	28,417.9	28,417.9	
14	Allowed Recovery	\$700,887.11	\$702,207.30	\$693,075.11	\$693,147.27	\$695,637.11	\$694,132.42	\$695,818.70	\$697,866.35	\$696,778.05	\$695,687.01	\$694,666.11	\$693,397.43	\$693,397.43	\$693,397.43	\$8,353,099.97	
15	FCE	\$0.036826	\$0.038602	\$0.046739	\$0.052050	\$0.059998	\$0.054441	\$0.048300	\$0.046001	\$0.049624	\$0.055279	\$0.053097	\$0.045176	\$0.045176	\$0.045176	\$0.045176	
16	NORM	15,070,657	13,964,684	12,796,898	11,476,282	9,900,689	9,800,689	11,220,163	12,277,169	11,969,318	10,643,888	11,066,861	13,513,424	13,513,424	13,513,424	13,513,424	
17	Actual Recovery	\$554,892.01	\$539,064.73	\$598,207.13	\$597,341.00	\$602,316.04	\$539,003.41	\$541,933.87	\$584,762.05	\$593,965.44	\$588,363.48	\$587,617.12	\$610,509.47	\$610,509.47	\$610,509.47	\$6,919,095.75	
18	Adjustment	\$0.00	\$131.65	\$3.82	\$89.19	\$0.00	(\$142.95)	\$457.69	\$0.00	\$0.00	\$0.00	\$0.00	(\$68.13)	(\$68.13)	(\$68.13)	\$471.27	
19	Commercial FCA	\$145,595.10	\$163,010.92	\$94,864.16	\$95,717.08	\$93,321.07	\$165,271.96	\$163,427.14	\$133,104.30	\$102,512.61	\$107,303.53	\$107,048.99	\$82,956.09	\$82,956.09	\$82,956.09	\$1,434,632.95	
20	<b>Combined FCA Calculation</b>																
21	Jan	\$678,073.06	\$449,245.17	\$696,822.36	\$560,177.98	\$574,332.54	\$911,706.98	\$820,921.85	\$1,277,066.10	\$813,734.10	\$419,953.66	\$1,271,807.17	\$1,056,248.64	\$1,056,248.64	\$1,056,248.64	\$9,946,089.61	
22	Combined FCA	\$678,073.06	\$449,245.17	\$696,822.36	\$560,177.98	\$574,332.54	\$911,706.98	\$820,921.85	\$1,277,066.10	\$813,734.10	\$419,953.66	\$1,271,807.17	\$1,056,248.64	\$1,056,248.64	\$1,056,248.64	\$9,946,089.61	

Note: FCA=(CUST \* FCC) - (NORM \* FCE)  
where:  
CUST = Prorated Customer Count, by Class (Monthly Reporting Process)  
FCC = Fixed cost per Customer, by Class (derived from last General Rate Case)  
NORM = Monthly Weather-normalized Energy, by Class (from Barr Smith)  
FCE = Fixed cost per Energy, by Class (derived from last General Rate Case)