

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION**     )  
**OF IDAHO POWER COMPANY FOR**         ) **CASE NO. IPC-E-12-14**  
**AUTHORITY TO INCREASE ITS RATES**     )  
**AND ITS RATE BASE TO RECOVER ITS**     ) **NOTICE OF**  
**INVESTMENT IN THE LANGLEY GULCH**    ) **MODIFIED PROCEDURE**  
**POWER PLANT**                             )  
\_\_\_\_\_ ) **ORDER NO. 32523**

On March 2, 2012, Idaho Power Company filed an Application requesting that it be allowed to increase its rate base and rates upon completion of the Langley Gulch power plant. Langley Gulch is a 330 MW natural gas-fired combined-cycle combustion turbine currently under construction near New Plymouth. Certificate No. 486. The Company proposes that the rate base additions and the resulting rate increases become effective July 1, 2012. The Company also proposes that the Application be processed via Modified Procedure.

On March 21, 2012, the Commission issued its Notice of Application and set a deadline for intervention. Order No. 32488. Petitions to intervene were filed by the Industrial Customers of Idaho Power (ICIP); Micron Technology; and the Idaho Irrigation Pumpers Association. These petitions were subsequently granted in Order No. 32503. The Commission’s Notice of Application directed the parties to meet informally to discuss the processing and scheduling of this case. The parties request that the Commission adopt the proposed schedule set out below.

**BACKGROUND AND APPLICATION**

In August 2009, the Commission issued Order No. 30892 granting Idaho Power a Certificate of Public Convenience and Necessity (CPCN) authorizing Idaho Power to construct and operate the Langley plant. The Order also provided the Company with “regulatory assurance” pursuant to *Idaho Code* § 61-541 that the Company would receive rate base treatment for its Langley investment “in the amount of \$396,618,473 at such time as the plant is placed in commercial operation.” Order No. 30892 at 46.

All the parties participated in the informal scheduling conference held on April 10, 2012. The parties agreed that this case could be processed via Modified Procedure and proposed the following schedule:

May 30, 2012

Initial comments due

June 13, 2012

Parties file simultaneous reply comments,  
if necessary

Given the agreement of the parties and our review of the Application, we adopt the proposed schedule set out above.

YOU ARE HEREBY NOTIFIED that in the present Application, Idaho Power maintains that it will incur \$398,133,778 of investment associated with the Langley plant by June 30, 2012. However, the Company is only requesting authority to include \$390,942,172 in rate base at this time. Company witness Timothy Tatum explains in his prefiled testimony that the Company already booked some of its Langley investment in the last rate case to acquire the plant site, water rights, and the necessary property for running water supply lines from the Snake River to the plant. Tatum at 6.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that its annual revenues be increased by \$59,869,823 to recover its capital investment in the Langley plant as well as recover other plant expenses such as depreciation, taxes, and operational costs. Application at 2. The Company proposes to recover this increased annual revenue requirement in rates by a uniform percentage increase of 7.18% to all customer classes (as measured from current rate base revenues), or a 7.1% increase in total current billed revenues. The Application shows the proposed rate increases to the various customer class schedules. See Atchs. 1 and 2.

YOU ARE FURTHER NOTIFIED that the Company has proposed new depreciation rates and lives for the Langley plant equipment in a separate depreciation case, IPC-E-12-08. Persons desiring to comment on the proposed depreciation rates associated with the Langley plant should do so in Case No. IPC-E-12-08. The Company has requested that the depreciation expenses attributable to the Langley plant and equipment be recovered in this case, IPC-E-12-14.

YOU ARE FURTHER NOTIFIED that the Application, exhibits and supporting testimony in this case 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](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," then click on the case number, IPC-E-12-14.

YOU ARE FURTHER NOTIFIED that contemporaneously with the filing of this Langley Gulch Application, Idaho Power also filed two other rate applications: (1) the annual fixed-cost adjustment (FCA) in Case No. IPC-E-12-12; and (2) a request to share \$27 million with customers that it received in 2011 in Case No. IPC-E-12-13. The Company asserts that the revenue sharing case represents an overall average decrease in rates of 3.21%; the FCA case represents in an overall average rate increase of 0.14%; and Langley Gulch will have an overall average rate increase in billed rates of 7.10%. Application at 3. Idaho Power asserts that the cumulative rate impacts of these three cases will result in an increase in billed rates of approximately 4.03%.

### NOTICE OF MODIFIED PROCEDURE

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 through .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 opposition with the Commission **no later than May 30, 2012**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and Idaho Power Company at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Lisa D. Nordstrom  
Julia A. Hilton  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070

E-Mail: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
[jhilton@idahopower.com](mailto:jhilton@idahopower.com)

Courtney Waites  
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Timothy Tatum  
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E-mail: [cwaites@idahopower.com](mailto:cwaites@idahopower.com)  
[gsaid@idahopower.com](mailto:gsaid@idahopower.com)  
[ttatum@idahopower.com](mailto:ttatum@idahopower.com)

All 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](http://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 simultaneously file reply comments no later than June 13, 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 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* §§ 61-502, 61-503, 61-525, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

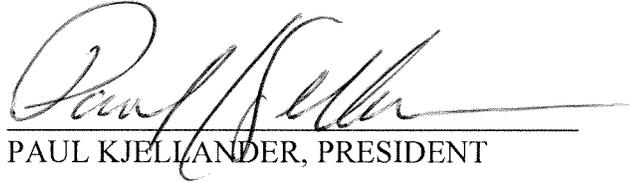
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

**ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and parties may file written comments in this matter no later than May 30, 2012. Parties may file simultaneous reply comments no later June 12, 2012.

IT IS FURTHER ORDERED that parties file an original and seven copies of their written comments with the Commission pursuant to Rule 61.01, IDAPA 31.01.01.061.01.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17<sup>th</sup> day of April 2012.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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