

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF TARIFF ADVICE NO.)
12-13 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-12-28
AUTHORITY TO UPDATE SCHEDULE 89.)
) ORDER NO. 32808
)

On November 28, 2012, Idaho Power Company filed Tariff Advice No. 12-13 with the Commission seeking authority to update Schedule 89 with a backdated effective date of January 1, 2012. Staff recommended the tariff advice be suspended and the case be processed by Modified Procedure. See IPUC Rule of Procedure 134.02 (a “tariff advice not suspended or approved goes into effect thirty (30) days after filing or on the proposed effective date, whichever is later”).

At the Commission’s regularly scheduled December 17, 2012, Decision Meeting the Commission suspended the tariff advice and determined the case should be processed by Modified Procedure. On January 4, 2013, the Commission issued a Notice of Filing and Notice of Modified Procedure and set comment and reply deadlines. Order No. 32708. On March 7, 2013, the Commission issued an Order approving the update to Idaho Power’s Schedule 89 with a backdated effective date of June 1, 2010. Order No. 32758.

On March 27, 2013, Idaho Power filed a Petition for Clarification with the Commission regarding the payment of interest on the amounts payable to Schedule 89 customers as a result of Order No. 32758. By this Order, we authorize the payment of interest on amounts authorized by Order No. 32758 at a rate of one percent.

BACKGROUND

On November 28, 2012, Idaho Power filed Tariff Advice No. 12-13 with the Commission seeking authorization to update its Schedule 89, Unit Avoided Energy Cost for Cogeneration and Small Power Production. Based on previous Commission Orders, the pricing under Schedule 89 is to be adjusted as a result of an Idaho Power general rate case proceeding where net power supply expenses (NPSE) change. Due to extenuating circumstances, Schedule 89 was not updated as part of the Company’s original general rate case compliance filing on December 30, 2011.

Upon the Company's review of Schedule 89 and what triggers its update, the Company concluded that, while the separate events of (1) an update to NPSE and (2) the occurrence of a general rate case proceeding did not occur simultaneously as they had historically, the combined effect of the consecutive occurrences of these individual events had the same effect. The Company proposed to update Schedule 89 as if it were part of the Company's original compliance filing on December 30, 2011, with a backdated effective date of January 1, 2012.

On March 7, 2013, after reviewing the record, including the tariff advice and the comments of interested parties, the Commission approved an update to Idaho Power's Schedule 89 with a backdated effective date of June 1, 2010. Order No. 32758. The Commission recognized that, historically, updates of Schedule 89 were triggered by *both* (1) an update to NPSE and (2) the occurrence of a general rate case proceeding. The Commission found that Case No. IPC-E-09-30 amounted to the functional equivalent of a general rate case. Within the context of that case, the Stipulation entered into by the parties and approved by the Commission provided for an update to Idaho Power's NPSE. Consequently, IPC-E-09-30 should have triggered an update to Schedule 89 that would have become effective on June 1, 2010. The Commission also directed Idaho Power, on a prospective basis, to update its Schedule 89 each time NPSE in base rates changes.

CLARIFICATION

On March 27, 2013, pursuant to Rule 325 of the Commission's Rules of Procedure, Idaho Power filed a Petition for Clarification. Idaho Power seeks clarification as to whether the Commission intended Idaho Power to pay interest on the amounts authorized by Order No. 32758 for rates backdated to June 1, 2010.

Idaho Power notes that, if the Commission determines interest is appropriate, the current customer deposit rate is one percent. Order No. 32684; IDAPA 31.21.01.106. Idaho Power states that it intends to issue payments, without interest, through its normal weekly payment process once Order No. 32758 becomes final and not subject to reconsideration. The Company indicates that it will pay any award of interest separately.

Tamarack Energy Partnership (Tamarack) filed a response to Idaho Power's Petition for Clarification on March 29, 2013. Tamarack maintains that payment of interest in this case is appropriate based on "the incremental benefit accruing to the party that held funds belonging to

another. . .” Response at 3. Tamarack supports interest paid at the rate currently authorized for customer deposits. *See* IDAPA 31.21.01.106.

FINDINGS AND CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power, an electric utility, pursuant to the authority granted by Title 61 of the Idaho Code and the Commission’s Rules of Procedure, IDAPA 31.01.01.000. Rule 325 provides in pertinent part, “Any person may petition to clarify any order, whether interlocutory or final.” IDAPA 31.01.01.325. Idaho Power filed for clarification of Commission Order No. 32758 after a Schedule 89 customer affected by the Commission’s Order requested interest in addition to the amounts authorized by the backdated update to Schedule 89. Petition at 3.

After reviewing the underlying record, Idaho Power’s request for clarification and Tamarack’s response, we find it just and reasonable for Idaho Power to pay interest on the amounts authorized by Order No. 32758 at a rate of one percent. As enumerated by Idaho Power in its Petition, the customer deposit rate authorized by the Commission pursuant to Utility Customer Relations Rule 106, IDAPA 31.21.01.106, is the interest rate most commonly utilized by this Commission in proceedings involving customer refunds and deferred accounts. This interest rate is currently set at one percent. *See* Order No. 32684. Moreover, such an approach appears agreeable to the parties. Consequently, we direct Idaho Power to pay interest on the amounts authorized by Order No. 32758 at a rate of one percent.

ORDER

IT IS HEREBY ORDERED that Idaho Power pay interest on the amounts authorized by Order No. 32758 at a rate of one percent.

THIS IS AN ORDER ISSUED TO CLARIFY A FINAL ORDER. Pursuant to Rule 325 of the Commission’s Rules of Procedure, IDAPA 31.01.01.325, this Order does not suspend or toll the time for the filing of a petition for reconsideration. *See Idaho Code* § 61-626.

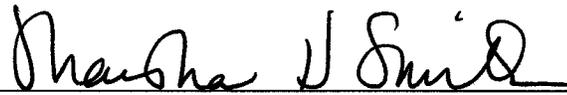
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th
day of May 2013.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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