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2014 MAY -8 PM 4:10

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-14-03
AUTHORITY TO IMPLEMENT FIXED COST)	
ADJUSTMENT RATES FOR SERVICE FROM)	COMMENTS OF THE
JUNE 1, 2014 THROUGH MAY 31, 2015.)	COMMISSION STAFF
_____)	

The Staff of the Idaho Public Utilities Commission comments as follows on Idaho Power Company's Application to implement Fixed Cost Adjustment (FCA) rates for electric service effective June 1, 2014 through May 31, 2015.

I. BACKGROUND

On March 14, 2014, Idaho Power Company (the "Company") applied to the Commission for an order allowing the Company to increase its FCA rates for electric service provided from June 1, 2014 through May 31, 2015. The FCA enables the Company to separate its fixed-cost revenues from its volumetric energy sales. It lets the Company recover its fixed costs of delivering energy—as established in its most recent general rate case—when energy sales and revenue have decreased below prescribed per-customer levels. The FCA rates are identified in tariff Schedule 54 and apply to the residential and small-general-service customer classes.

The FCA functions by first identifying an authorized fixed-cost recovery amount for the residential and small-general-service customer classes. This amount is a product of the number of customers in each class multiplied by the fixed-cost per customer rate, which is established as