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LISA D. NORDSTROM
Lead Counsel
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May 14, 2015

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-15-05
2015-2016 Fixed Cost Adjustment Rates – Idaho Power Company's Reply
Comments

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Reply Comments.

Very truly yours,



Lisa D. Nordstrom

LDN:csb
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-15-05
AUTHORITY TO IMPLEMENT FIXED COST)	
ADJUSTMENT RATES FOR SERVICE)	IDAHO POWER COMPANY'S
FROM JUNE 1, 2015, THROUGH MAY 31,)	REPLY COMMENTS
2016.)	
)	

On March 13, 2015, Idaho Power Company ("Idaho Power" or "Company") applied to the Idaho Public Utilities Commission ("Commission") for an order allowing the Company to increase its Fixed Cost Adjustment ("FCA") rates for electric service provided from June 1, 2015, through May 31, 2016. The total FCA balance the Company is proposing to collect from the Residential and Small General Service customers is \$16,881,710.40.

While Staff recommends approval of the FCA rates as proposed in its Comments filed on May 7, 2015, the Company disagrees with Staff's assertion that the FCA and demand-side management ("DSM") are not closely related. Staff Comments at 4. Staff

notes that the past seven years have resulted in the FCA being a surcharge to customers. Staff Comments at 3. The Company believes that this seven-year trend is a direct result of the Company's commitment to pursue and acquire cost-effective DSM. The Company's cumulative energy savings attributable to its DSM programs have nearly doubled since 2010. Idaho Power also supports DSM activities that promote energy codes and standards, engages in many activities that increase energy efficiency awareness and education, as well as encourages customers to use energy efficiently. Energy savings from DSM contribute to the reduced use per customer. The FCA was designed to increase as use per customer decreases. It is reasonable that as the Company's cumulative energy savings have increased, weather-normalized use per customer has continued to decline and, in turn, the FCA results in a surcharge to customers. This aligns with the intent of the FCA, which is to remove the financial disincentive for the Company to pursue DSM.

Staff verified the Company correctly calculated the FCA deferral balance and recommends the Commission approve the proposed FCA rates to become effective June 1, 2015. *Id.* at 6. The Company likewise requests the Commission approve the FCA rates as filed.

Respectfully submitted this 14th day of May 2015.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 14th day of May 2015 I served a true and correct copy of IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Karl T. Klein
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington (83702)
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Christa Beary, Legal Assistant