

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-16-02
COMPANY'S APPLICATION FOR)	
AUTHORITY TO IMPLEMENT FIXED)	NOTICE OF APPLICATION
COST ADJUSTMENT RATES FOR)	
ELECTRIC SERVICE FROM JUNE 1, 2016)	NOTICE OF
THROUGH MAY 31, 2017)	MODIFIED PROCEDURE
)	
)	ORDER NO. 33488

On March 15, 2016, Idaho Power Company filed an Application asking the Commission for an Order authorizing collection of its Fixed Cost Adjustment (FCA) rates for electric service from June 1, 2016 through May 31, 2017, and to approve changes to tariff Schedule 54, Fixed Cost Adjustment. Idaho Power asks for an effective date of June 1, 2016, and requests that the Commission process the matter by Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that FCA is a rate adjustment mechanism. Using traditional rate design, an electric utility recovers fixed costs¹ through each kilowatt-hour (kWh) sold, and is thus discouraged from reducing sales volume by investing in energy efficiency and demand-side management (DSM). *See* Application at 2. The FCA separates or “decouples” Idaho Power’s fixed-cost revenues from its volumetric energy sales. *Id.* at 3. This decoupling enables the Company to recover its fixed costs to deliver energy – as set in its most recent general rate case – even when energy sales and revenues have decreased. Order No. 33295 at 1; *see* Application at 3.

YOU ARE FURTHER NOTIFIED that Idaho Power’s FCA program was first initiated in 2007 as a pilot program for residential service and small general service customers. Application at 2. In 2012, the Commission approved the Company’s request to make the FCA a permanent program. Order No. 32505. In 2015, the Commission approved a settlement stipulation that changed the FCA calculation methodology by replacing use of weather-

¹ “Fixed costs” are a utility’s costs to provide service that do not vary with energy use, output, or production, and remain relatively stable between rate cases.

normalized data with actual data, to ensure improved accuracy. Order No. 33295 at 5; *see* Application at 3.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes an FCA deferral balance of \$26,897,109 for the residential class, and \$1,157,433 for the small general service class, for a total of \$28,054,542. Application at 4. The proposed FCA deferral balance is an increase above the current FCA deferral balance collected in customers' rates. *Id.* at 4-5. Idaho Power proposes an FCA rate increase of 2.2% from billed revenue for residential and small general service customers. *Id.* at 5. This equates to new FCA rates of 0.5416 cents-per-kWh for the residential class and 0.6875 cents-per-kWh for the small general service class. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power states it will provide notice to its customers as required by Rule 125 by issuing a press release to media in its service area, and through a customer notice distributed in customer bills. *Id.* at 6. The notices in customer bills will be distributed over the course of the current billing cycle, with the last notice being sent on or around April 21, 2016. *Id.*

YOU ARE FURTHER NOTIFIED that the Application, copies of the proposed tariff Schedule 54, Direct Testimony of Zachary L. Harris, and Exhibits 1-6 have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and attachments are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

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 31.01.01.201-204. 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 in opposition with the Commission **by no**

later than May 12, 2016. 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 may be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary	Lisa D. Nordstrom, Lead Counsel
Idaho Public Utilities Commission	Zachary L. Harris, Regulatory Analyst
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	PO Box 70
	Boise, ID 83707-0070
Street Address for Express Mail:	E-mail: lnordstrom@idahopower.com
	dockets@idahopower.com
472 W. Washington Street	zharris@idahopower.com
Boise, ID 83702-5918	

These 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. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Idaho Power may file reply comments, if necessary, **no later than May 19, 2016.**

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* § 61-503. 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.*

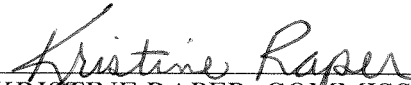
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons shall have until May 12, 2016 to file written comments, and the Company shall have until May 19, 2016 to file a reply, if any.

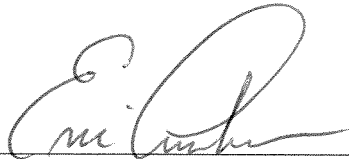
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of March 2016.



PAUL KJELLANDER, PRESIDENT

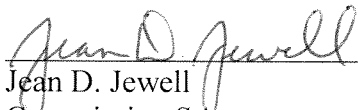


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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