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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

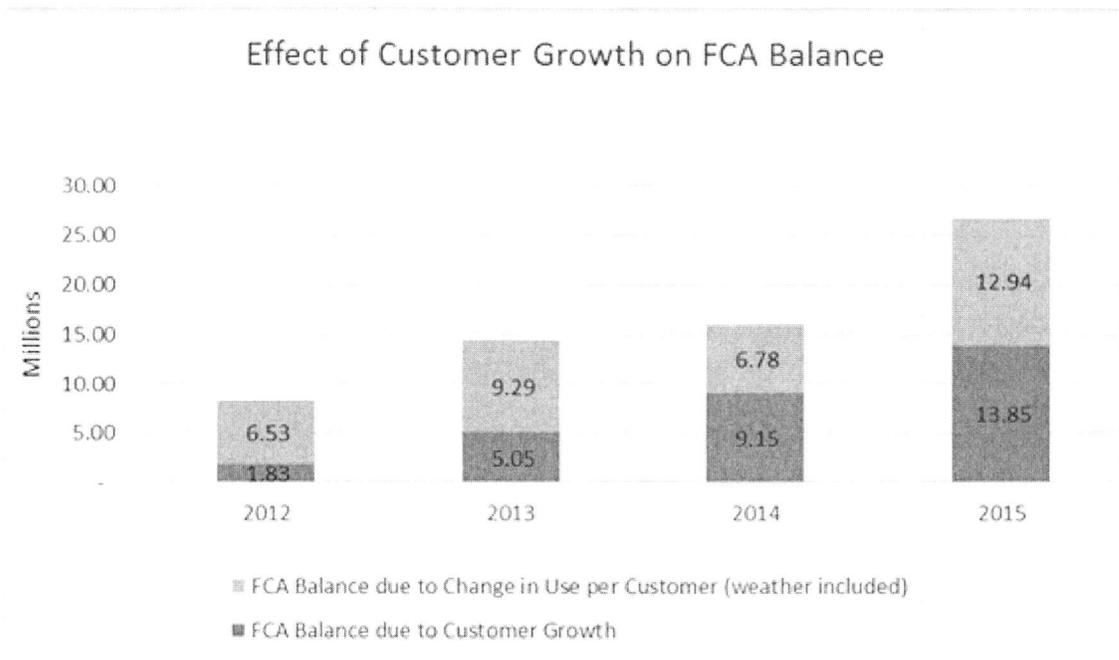
IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR) **CASE NO. IPC-E-16-02**
AUTHORITY TO IMPLEMENT FIXED COST)
ADJUSTMENT RATES FOR ELECTRIC) **ADDENDUM TO COMMENTS OF**
SERVICE FROM JUNE 1, 2016 THROUGH) **THE COMMISSION STAFF**
MAY 31, 2017)

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Daphne Huang, Deputy Attorney General, and submits the following Addendum to its Comments, filed May 12, 2016, correcting an error therein.

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 No. 54, Fixed Cost Adjustment. Staff timely filed Comments per the Commission-ordered deadline, that support the Company's proposal. Idaho Power contacted Staff after reviewing Staff's Comments, and advised that the Comments contain a calculation-error regarding the effect of residential customer growth on the 2015 FCA balance. Staff now files this Addendum to acknowledge and correct the error. The correction does not change Staff's recommendation that the Commission approve the Company's Application. Staff regrets the error and any confusion or inconvenience it may have caused.

The following section from page 3 of Staff Comments (including the chart) is incorrect and should be removed:

Staff analyzed the effect of residential customer growth on the FCA balance and determined that nearly \$14 million of the current \$27 million residential 2015 FCA balance was due to customer growth, rather than declining sales. As illustrated in the following chart, the portion of the FCA balance due to new customers continues to become a larger portion of the FCA balance over time.



Therefore, as customer counts continue to grow, the FCA balance will continue to cause upward pressure on rates each year. In total, the Company has collected \$30 million through the FCA attributed only to new residential customers added to the system since the Company's last general rate case in 2011.

The above italicized section and chart should be replaced with:

Staff analyzed the effect of residential customer growth on the FCA balance and determined that nearly \$14 million in fixed cost revenue requirement has been added due to new customer growth since the last rate case. Most of this increase has been offset by revenue generated from new customer growth. Staff estimates that approximately \$2 million of the

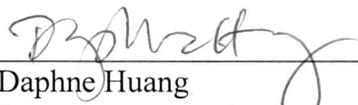
current \$27 million 2015 residential FCA balance is due to customer growth. The remainder is due to declining consumption of existing customers.

Nevertheless, as customer counts continue to grow, total fixed cost recovery will continue to grow larger as will the FCA deferral balance as per customer consumption declines. Any new fixed cost revenue requirement not recovered by fixed cost revenue collected from new customers will be recovered through the FCA.

STAFF RECOMMENDATION

With this correction to Staff Comments, Staff continues to recommend that the Commission approve Idaho Power's Application.

Respectfully submitted this 18th day of May 2016.



Daphne Huang
Deputy Attorney General

Technical Staff: Matt Elam

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 18th DAY OF MAY 2016, SERVED THE FOREGOING **ADDENDUM TO COMMENTS OF THE COMMISSION STAFF** IN CASE NO. IPC-E-16-02, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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