BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE TO CUSTOMERS IN THE STATE OF IDAHO BY INCLUSION OF THE TWIN FALLS PROJECT INVESTMENT AND THE ADDITIONAL SWAN FALLS PROJECT INVESTMENT IN REVENUE REQUIREMENT. | )  )  )  )  )  )  )  )  )  ) | CASE NO. IPC-E-95-5  NOTICE OF APPLICATION  NOTICE OF PREHEARING          CONFERENCE  ORDER NO. 26045 |

YOU ARE HEREBY NOTIFIED that on May 24, 1995, the Idaho Power Company (Idaho Power; Company) filed an Application for authority to increase its rates and charges for electric service in the state of Idaho by $6,309,116 or approximately 1.48% effective June 25, 1995 for service provided on and after August 1, 1995.

The requested general rate increase is the result of Idaho Power’s investment in its Twin Falls hydroelectric project as well as an incremental amount of investment in the Company’s Swan Falls hydroelectric facility.  The majority of the Company’s investment in the Swan Falls facility was recently included in the  Company’s base rates in Order No. 25880, Case No. IPC-E-94-5.  In its Application, the Company states that an additional investment was made in the Swan Falls facility which is now being used to provide utility service and, therefore, should be included in base rates.

With respect to the Company’s investment in the Twin Falls project, the Commission issued Order No. 25021 on July 22, 1993 in Case No. IPC-E-91-4 giving Idaho Power the assurance “that in the ordinary course of events, the Company will be allowed to recover in its revenue requirement, its prudently incurred investment in the Twin Falls upgrade.”  Order No. 25021 at p. 14.  Idaho Power seeks to include an additional $40,886,354 in rate base as its investment in Twin Falls.  It is the purpose of this current proceeding to determine the exact amount of Idaho Power’s “prudently incurred investment” in Twin Falls to include in the Company’s revenue requirement.

The Company proposes to include the power supply benefits of the Twin Falls upgrade by allowing them to flow through the PCA mechanism which is already in place.

Idaho Power states that because the Commission recently made significant changes to the Company’s rate structure and because of the relatively small percentage of increase being requested, the Company proposes to recover the additional revenue requirement at issue in this proceeding through a uniform percentage increase of 1.48% to all existing customer classes and a uniform percentage increase of 1.48% to all existing special contract customers.

YOU ARE FURTHER NOTIFIED that Idaho Power’s total revenue requirement may be an amount other than that proposed by the Company and/or that the spread or allocation or relative increase or decrease in any rate or charge granted in this Application may be other than that proposed by the Company.  The rates of all customers of Idaho Power in the state of Idaho subject to regulation by this Commission, including those governed by special contract, are at issue and subject to change in this proceeding.

YOU ARE FURTHER NOTIFIED that the Company has filed its direct case in this matter consisting of the testimony of its witness along with exhibits and workpapers.  These documents are on file with the Commission Secretary at the Commission’s office where they may be reviewed as a matter of public record during regular business hours.  The Company’s proposed schedule of rates and charges will also be kept open for public inspection at its offices in the state of Idaho.

YOU ARE FURTHER NOTIFIED that all communication with reference to this Application should be sent to the following:

Larry D. Ripley John R. Gale

Idaho Power CompanyIdaho Power Company

PO Box 70PO Box 70

Boise, ID  83707Boise, ID  83707

YOU ARE FURTHER NOTIFIED that the Commission will conduct a prehearing conference in this proceeding on Thursday, June 22, 1995 commencing at 10:00 a.m. at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho for the purpose of scheduling this matter for public hearing.  In addition, the parties are instructed to be generally prepared to discuss how any revenue requirement increase approved by the Commission should be allocated to the Company’s various customer classes and to propose any alternatives they may have to the company’s proposed uniform percentage allocation.

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of becoming a party, i.e., to acquire the right to cross-examine witnesses and to make and argue motions, must file a Petition to Intervene with the Commission Secretary on or before June 15, 1995.

YOU ARE FURTHER NOTIFIED that parties participating in the prehearing conference will be expected to be familiar with the Application and be prepared to discuss both substantive and procedural issues that may arise at the prehearing conference.  Parties may offer to settle or limit discussion of issues presented by the Application at the prehearing conference.

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 the Commission’s Rules of Procedure, IDAPA 31.01.01.

O R D E R

Due to the complexities of this case and other constraints on the Commission’s time, the Commission will not be able to resolve Idaho Power’s requested rate increase on or before the proposed effective date.  Pursuant to Idaho Code § 61-622, the Commission hereby suspends the proposed rates for a period of thirty (30) days plus five (5) months from June 25, 1995, or until such time as the Commission enters an Order accepting, rejecting or modifying the request in this matter.

IT IS HEREBY ORDERED that the proposed schedule of rates and charges submitted by Idaho Power in this matter are suspended for a period of thirty (30) days plus five (5) months from June 25, 1995 or until such time as the Commission enters an Order accepting, rejecting or modifying a request in this matter.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of  June 1995.

                                                            RALPH NELSON, PRESIDENT

                 MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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