(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICA­TION OF IDAHO POWER COMPANY FOR AUTHORITY TO IMPLEMENT THE POWER COST ADJUSTMENT RATE FOR ELECTRIC SERVICE TO CUSTOMERS IN THE STATE OF IDAHO FOR THE PERIOD MAY 16, 1996 THROUGH MAY 15, 1997 | )  )  )  )  )  )  )  )  )  )  )  )  ) | CASE NO.  IPC-E-96-5  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE  ORDER NO.  26433 |

YOU ARE HEREBY NOTIFIED that on April 15, 1996, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for approval of Tariff No. 101 implementing a power cost adjustment (PCA) at the rate of -0.1524¢/kWh for the period May 16, 1996 through May 15, 1997.

The Company’s Application is made pursuant to Commission Order No. 24806 issued in Case No. IPC-E-92-25 in which the Commission approved a PCA for Idaho Power to adjust customer rates for variations in the Company’s power supply costs.

The adjustment requested by Idaho Power consists of: (1) 90% of the difference  between the projected power supply costs and the Commission’s approved base power supply costs for Idaho Power and (2) the true-up.  The Company states that the projected power supply costs were computed in compliance with Commission Order No. 24806 by inserting the National Weather Service Northwest River Forecast Center’s projection of 6.75 million acre feet of April through July Brownlee streamflow run-off into the Commission-adopted equation for projecting PCA costs.  The resulting projected power cost of $49,311,491, Idaho Power contends, equates to a cost of 0.3547¢/kWh.  This is -0.1386¢/kWh lower than the Commission approved base of 0.4933¢/kWh.  By Commission Order No. 25880 issued in Case No. IPC-E-94-5, Idaho Power is authorized to adjust rates by 90% of the -0.1386¢/kWh difference or -0.1247¢/kWh.

The true-up component of the PCA is based upon the difference between the previous period’s projected power supply cost and the power supply cost actually incurred adjusted to eliminate the effects of load changes and also adjusted to reflect the Commission authorized cost sharing percentage.  In addition, the true-up also includes 100% of the difference between the base qualifying facility (QF) purchase expense and the QF purchase expense actually incurred.  According to Idaho Power, these computations produce a true-up of -0.0502¢/kWh based upon an over-collection by the Company of $5,393,174 during the April 1995 through March 1996 PCA accounting period.

With this PCA true-up the Company also proposes to correct a computational error that has been made in all previous true-up calculations.  The Company not only proposes to correct the calculation for the 1995/1996 true-up, but to recapture the difference between the correct and incorrect calculation of the 1994/1995 true-up.  The recovery of the incorrectly calculated 1994/1995 true-up is part of the PCA rate in place today.  The Company calculates this portion of its true-up to be 0.0225¢/kWh.  The proposed net true-up is -0.0277¢/kWh.

The difference between the projected power supply cost and the base power supply cost and the true-up combine to produce a PCA for the period May 16, 1996 through May 15, 1997 of -0.1524¢/kWh.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-96-5.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure IDAPA 31.01.01.201-204.  The Commission further finds it reasonable to shorten the standard comment period.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application in Case No. IPC-E-96-5 is Thursday, May 9, 1996.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and may enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-96-5 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYLARRY D. RIPLEY

IDAHO PUBLIC UTILITIES COMMISSIONGREGORY W. SAID

PO BOX 83720IDAHO POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 70

BOISE, ID 83707-0070

Street Address for Express Mail:

472 W. WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-96-5 together with accompanying attachments can be viewed during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and at the general offices of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

O R D E R

IT IS HEREBY ORDERED and the Commission does hereby approve the foregoing scheduling in Case No. IPC-E-96-5.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this              day of April 1996.

                                                                 RALPH NELSON, PRESIDENT

                          MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

JEAN JEWELL

Assistant Commission Secretary

bls/O:IPC-E-96-5.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 26, 1996