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

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY TO AMEND SCHEDULE 19 TO PROVIDE FOR A SPECIAL CONTRACT OPTION TO CUSTOMERS 10 MW AND ABOVE. | )  )  )  )  )  )  )  ) | CASE NO. IPC-E-96-17  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  ORDER NO.  26617 |

YOU ARE HEREBY NOTIFIED that on August 23, 1996, the Idaho Power Company (Idaho Power; Company) filed an Application for approval of revisions to the Company’s Schedule 19 which provides service for large customers up to 25 MW.  Under the Company’s current tariff, when a customer’s load exceeds 25 MW, special contract arrangements are required.  This special contract provision allows both Idaho Power and its largest customers to customize service provisions to better  suit the requirements of the customer and the Company.  According to Idaho Power, the special contracts permit a separate, individual cost analysis for these customers during revenue requirement proceedings which allows them to be evaluated as individual customer classes.  The Company contends that as the electric industry becomes more competitive, it is increasingly important for Idaho Power to ensure that its largest customers are neither subsidized by nor required to subsidize other customers.  The Company contends that in order to accomplish this cost recognition, it is necessary to move away from a “general” tariff  pricing methodology toward a “special contract services” pricing methodology.  To accomplish this, Idaho Power requests approval of a revised Schedule 19 which includes a provision for optional special contract service for those customers who contract for 10 MW or more of load from the Company.

Idaho Power notes that it potentially has seven customers in its Idaho jurisdiction that could become eligible for the 10 MW provision including J.R. Simplot Company in Caldwell, Hewlett Packard in Boise, the Mountain Home Air Force Base, Lamb Weston in Twin Falls, Ore Ida Foods in Burley, Lamb Weston in American Falls and American Micro Systems in Pocatello.

According to the Company, the purpose of the contract option is to mutually negotiate contracts between Idaho Power and its larger customers.  If the parties fail to come to a special contract agreement, service is continued under Schedule 19.  The starting point for contract negotiations would be the current terms, conditions and prices provided under Schedule 19.  Assuming an agreement is reached, each contract would be submitted to the Commission for approval as is currently required for special contract customers.  Finally, the Company asserts that the new contracts are to be viewed in the context of the general rate freeze and must be entered into voluntarily.  Idaho Power has proposed an effective date of September 23, 1996.  As noted below, the Commission has suspended the effective date of the tariff for a period of five months plus 30 days or until such time as the Commission issues a final order resolving the Company’s application.

YOU ARE FURTHER NOTIFIED that the Application, together with attachments, has been filed with the Commission and are available for public inspection during regular business hours at the Commission offices: 472 W. Washington St., Boise, Idaho.

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 that 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.

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 through -.204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.

YOU ARE FURTHER NOTIFIED that if no written comments 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 written comments with reference to this application should be sent to the following:

COMMISSION SECRETARYLARRY D.  RIPLEY

IDAHO PUBLIC UTILITIES COMMISSIONIDAHO POWER COMPANY

PO BOX 83720Box 70

BOISE, IDAHO  83720-0074Boise, ID 83707

Street Address for Express Mail:JOHN R.  GALE

IDAHO POWER COMPANY

472 W WASHINGTON STBox 70

BOISE, IDAHO  83702-5983Boise, ID 83707

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

O R D E R

IT IS HEREBY ORDERED that due to other demands on the Commission’s time, it is necessary to suspend Idaho Power’s Application in this matter for a period of five months plus thirty days or until such time as a final Order is issued by this Commission resolving the Company’s Application.

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

                                                                                                                                      RALPH NELSON, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm/O:ipce9617.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 19, 1996