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

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| IN THE MATTER OF THE 1996 COMPLIANCE FILING OF IDAHO POWER COMPANY AS REQUIRED BY IPUC ORDER NO. 26216 ISSUED IN CASE NO. IPC-E-95-11. | )  )  )  )  )  )  )  )  ) | CASE NO. IPC-E-97-5  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on April 1, 1997, the Idaho Power Company (Idaho Power; Company) in Case No. IPC-E-97-5 made a com­pliance filing with the Idaho Public Utilities Commission (Commission).  The filing consists of documentation of the Company’s earnings for the year 1996.  The Company’s compliance filing is a result of Order No. 26216 issued by the Commission in Case No. IPC-E-95-11 on October 20, 1995.  Pursuant to the Settlement Agreement adopted by the Commission in that case, Idaho Power is permitted to accelerate the amortization of its Accumulated Deferred Investment Tax Credit if the Company’s current earnings fall below 11.5% on year end common equity.  In addi­tion, the Company is required to refund 50% of all earnings above an 11.75% return on year end common equity.

Idaho Power reports that for the year 1996 the Company earned a return on common equity of 12.55% for its Idaho jurisdiction.  As calculated by the Company, this is equivalent to a customer shared amount of $4,890,518.  In computing the amount of revenue available for determining the reduction in the Company’s rates however, Idaho Power submits that the appropriate revenue available for refund is $3,474,622.  This lower amount is calculated by deducting from the revenue attributable to refund ($4,890,518) the interest attributable to Demand Side Management (DSM) deferrals for the year 1996 ($1,415,896).

The Company contends that it is inappropriate to include interest earned on the 1996 Demand Side Management deferred balance in the revenues attributable for refund since this balance has not yet been reviewed or approved by the Commission.  The DSM deferrals are attributed to the following Commission Orders and DSM programs:

Order No. 24913Commercial Lighting Energy Efficiency Program

Order No. 23724Industrial Conservation Program

Order Nos. 24408, 23454Conservation Program for Manufactured Homes

Order No. 24858Irrigation Conservation Program

Order No. 22893Design Excellence Award Program

The Company maintains that the status quo can be retained for all parties—the Commission, Idaho Power, and the Company’s customers, by simply deducting the interest attributable to the 1996 DSM interest from the earnings calculation and reducing the outstanding balance by an equal amount.

A second alternative, Idaho Power suggests, is to include the interest earned on the DSM balances.  In so doing, however, the Company contends that the Commission would be approving the amount of interest charged prior to reviewing the balances included in the DSM deferral.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-97-5.  The Commission has preliminarily determined that the public interest in this matter 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.

YOU ARE FURTHER NOTIFIED that the Commission may 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 and the Commission’s use of Modified Procedure in Case No. IPC-E-97-5 is Friday, May 9, 1997.  Persons desiring a hearing must specifically request a hearing in their written protest 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 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-97-5 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYLARRY D.  RIPLEY, ESQ.

IDAHO PUBLIC UTILITIES COMMISSIONIDAHO POWER COMPANY

PO BOX 83720PO BOX 70

BOISE, IDAHO  83720-0074BOISE, IDAHO 83707

Street Address for Express Mail:JOHN R. GALE, MANAGER

PRICING & REGULATORY SERVICES

472 W WASHINGTON STIDAHO POWER COMPANY

BOISE, IDAHO  83702-5983PO BOX 70

BOISE, IDAHO 83707

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-97-5 can be reviewed at the Commission’s office and at the principal corporate office of the Idaho Power Company during regular business hours.  Idaho Power’s corporate offices are located at 1221 West Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this                  day of April 1997.

Myrna J. Walters

Commission Secretary

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 18, 1997