(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 AND REVENUE SHARING RATE FOR ELECTRIC SERVICE TO CUSTOMERS IN THE STATE OF IDAHO FOR THE PERIOD OF MAY 16, 1997 THROUGH  MAY 15, 1998 | )  )  )  )  )  )  )  )  ) | CASE NO. IPC-E-97-6  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE |

YOU ARE HEREBY NOTIFIED that on April 15, 1997, the Idaho Power Company (Idaho Power; Company) filed an Application for approval of tariff Schedule 55 implementing the Company’s Power Cost Adjustment (PCA) at the rate of -0.1552¢ per kWh; for approval of tariff Schedule 56 implementing revenue sharing in the amount of $3,474,622, and; related tariffs incorporating these adjustments for the period May 16, 1997 through May 15, 1998.

According to the Company’s Application, the PCA for the period May 16, 1997 through May 15, 1998 consist of:  (1) 90 percent of the difference between the projected power cost and the Commission’s approved base power cost and (2) the true-up of the 1996/1997 power cost.  The Company states that the projected power cost was computed in compliance with Commission Order No. 24806 by inserting the National Weather Service National River Forecast Center’s projection of 9.46 million acre feet of April through July Brownlee streamflow runoff into the Commission adopted equation for projecting PCA expenses.  The resulting projected power cost of $ 27,967,163 equates to a cost of 0.2012¢ per kWh.  This cost is 0.2921¢ per kWh lower than the Commission’s approved base of 0.4933¢ per kWh.  By Commission Order No. 25880, Idaho Power contends, the Company is authorized to adjust rates by 90 percent of the 0.2921¢ per kWh difference or 0.2629¢ per kWh.

The true-up component of the PCA is 0.1077 resulting primarily, Idaho Power states, from increased expenses associated with QF purchases.  The difference between the projected power cost and the base power cost and the true-up combined to produce a PCA for the period May 16, 1997 through May 15, 1998 of the -0.1552¢ per kWh.  The change in the PCA to -0.1552¢ per kWh from the existing -0.1635¢ per kWh currently in effect, results in an increase to existing rates of 0.0083¢ per kWh.

YOU ARE FURTHER NOTIFIED that in compliance with Commission Order No. 26216 issued in Case No. IPC-E-95-11, the Commission approved the implementation of a revenue sharing mechanism in the event that Idaho Power’s earnings exceeded a return on common equity of 11.75 percent for the Idaho jurisdiction calculated on an annual basis.  Idaho Power states that it has earlier filed its calculation of earnings for the year 1996 reflecting a revenue decrease of $3,474,622 or $4,890,518 depending upon how interest attributable to demand-side management deferrals for the year 1996 are accounted for.  In its 1996 earnings compliance filing, Idaho Power recommended a refund to the Company’s Idaho jurisdictional customers of $3,474,622.

Idaho Power requests that the tariff filing implementing the PCA rate of -0.1552¢ per kWh and the tariff filing implementing a revenue decrease of $3,474,622 by a uniform percentage decrease of approximately 0.75 percent be permitted to become effective May 16, 1997.

YOU ARE FURTHER NOTIFIED that the Company’s Application, along with the testimony and exhibits of witness Gregory W. Said, is available for inspection during normal business hours at the offices of the Idaho Public Utilities Commission.

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 by Monday, May 5, 1997.  The comment must contain a statement of reasons supporting the comment.  Persons desiring a hearing must specifically request a hearing in their written comments.  Written comments concerning this application shall be mailed to the Commission and the Applicant 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:

GREGORY W. SAID

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 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.

DATED at Boise, Idaho this                  day of April 1997.

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 22, 1997