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

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| IN THE MATTER OF THE JOINT APPLI-CATION OFIDAHO POWER COMPANY AND FMC CORPORATION FOR APPROVAL OF A SPECIAL CONTRACT FOR SERVICE TO FMC CORPORATION AND A REVISED SCHEDULE 28--FMC TARIFF AND FOR APPROVAL OF REVISIONS TO THE POWER COST ADJUSTMENT OF IDAHO POWER COMPANY AS A RESULT OF THE NEW FMC CONTRACT. | ))))))))))) | CASE NO.  IPC-E-97-13NOTICE OF APPLICATIONNOTICE OF MODIFIED          PROCEDUREORDER OF SUSPENSIONORDER NO. 27336 |

On December 31, 1997, Idaho Power Company and FMC Corporation filed a Joint Application and a revised schedule 28 (FMC tariff), to be effective January 1, 1998, requesting that the Commissionapprove a special contract for service to FMC Corporation.  Idaho Power and FMC also seek approval to revise Idaho Power Company’s Power Cost Adjustment.  These revisions are  made necessary by the new FMC contract. After reviewing the Joint Application, the Commission suspends the proposed effective date of the Contract and schedule 28.  This matter will be processed under Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIEDthat Idaho Power and FMC state this negotiated special contract and tariff schedule are necessary to update the parties’ 1973 contract.  The 1973 contract was based on a total Idaho Power hydro system.  Since 1973, Idaho Power has become a mixed hydro/thermal system.  Idaho Power and FMC state that these revisions are necessary to account for the new resources makeup of Idaho Power and at the same time to meet the unique operational characteristics of the FMC phosphate plant.  Idaho Power and FMC state this will not adversely affect existing customers.

YOU ARE FURTHER NOTIFIED that the proposed contract increases rates paid by FMC for the first block of power (120,000 kW) from those paid for the primary power block under the 1973 contract and establishes a floating rate for the energy used under the second block of power.  Under the 1973 contract, energy used under the second block of power was billed at 23 mills/kWh.

YOU ARE FURTHER NOTIFIED that Idaho Power and FMC state that the new FMC contract will require the following changes to the Power Cost Adjustment mechanisms of Idaho Power:

1.The normalized energy included as firm system load and as firm Idaho retail load will be changed to reflect the difference between the current primary amount and the new first block amount.

2.The Idaho retail allocation would be adjusted to reflect item 1 adjustments.

3.The first block energy will be considered as actual firm load on an ongoing basis.

4.The normalized secondary revenue offset will be removed from the Power Cost Adjustment base and replaced with the actual second block energy revenue.

5.The actual secondary revenue offset will be removed from the Power Cost Adjustment base and replaced with the actual second block energy revenue.

  YOU ARE FURTHER NOTIFIED that Idaho Power and FMC also request that Staff conduct a public workshop to determine exactly how Idaho Power’s Power Cost Adjustment should be revised.  Such a workshop will be confined to discussing revisions to Idaho Power’s Power Cost Adjustment.

NOTICE OF MODIFIED PROCEDURE

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 Joint Application may file a written comment in support or opposition with the Commission within sixty (60) days from the date of this Notice.  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 Joint Application shall be mailed to the Commission and the Applicants at the addresses reflected below:

COMMISSION SECRETARYLARRY D. RIPLEY

IDAHO PUBLIC UTILITIES COMMISSIONIDAHO POWER COMPANY

PO BOX 83720P.O. BOX 70

BOISE, IDAHO  83720-0074BOISE, IDAHO  83707

Street Address for Express Mail:CONLEY E. WARD, ESQ.

GIVENS, PURSLEY & HUNTLEY

472 W WASHINGTON STP.O. BOX 2720

BOISE, IDAHO  83702-5983BOISE, IDAHO  83702

These 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.

YOU ARE FURTHER NOTIFIED that the Joint Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices.

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 jurisdiction over this matter pursuant to Idaho Code § 61-307.

YOU ARE FURTHER NOTIFIED that those persons desiring to be served with comments in this proceeding should contact the Commission Secretary in writing no later than ten (10) days from the service date of this Order.  The Commission will create a service list and provide it to interested persons.  Persons filing comments in this proceeding will be required to serve their comments on members of the service list.

FINDINGS OF FACT

After reviewing the Joint Application, the Commission finds that it is sufficiently important and complex to require the Commission investigate the reasonableness of the proposed contract and tariff revisions.  The Commission further finds that it was unable to consider this Joint Application before January 1, 1998, because the proposed effective date has already passed and because of the complexity of the agreement and evidence presented by the Joint Application and other demands on the Commission’s and the Staff’s time.  Consequently, the Commission finds it is necessary to suspend the effect of the revised Contract and schedule 28--FMC tariff that are the subject of the Joint Application for a period of thirty (30) days plus three (3) months, or less if the Commission acts sooner, to allow the Commission time to consider and determine the issues presented in this Joint Application and to hear evidence in this matter, if necessary.

O R D E R

IT IS HEREBY ORDERED that the effect of the revised contract and proposed schedule 28--FMC tariff filed in this matter should be and hereby is, suspended for a period of thirty (30) days plus three (3) months from the proposed effective date of January 1, 1998, or until such time as the Commission may issue an Order accepting or rejecting or modifying the Joint Application in this matter.  All previous tariffs and contracts remain in effect.

IT IS FURTHER ORDERED that this matter be processed under Modified Procedure.  Persons interested in submitting written comments in this matter should do so within sixty (60) days from the date of this Order.

IT IS FURTHER ORDERED that those persons desiring to receive the comments filed in this case must notify the Commission Secretary no later than 10 days from the service date of this Order.  Once the Commission Secretary has received the service requests, she shall issue a Notice of Interested Persons desiring to be served with comments in this case.  Persons submitting comments to the Commission are required to serve those persons on the Commission’s service list.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of January 1998.

                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                       RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

O:ipce9713.cc

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

January 28, 1998