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

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| IN THE MATTER OF THE APPLICATION OF THE WASHINGTON WATER POWER COM­PANY FOR APPROVAL OF A TEMPORARY TARIFF, SCHEDULE 26,  EXPERIMEN­TAL DIRECT ACCESS DELIVERY SERVICE. | )  )  )  )  )  )  )  )  ) | CASE NO. WWP-E-96-2  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE  NOTICE OF COMMENT/    PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on May 7, 1996, The Washington Water Power Company (Water Power; Company; WWP) filed an Application with the Idaho Public Utilities Commission (Commission) for approval of a proposed Schedule 26, Experimental Direct Access Delivery Service tariff.  The proposed tariff, the Company contends, is a controlled program of limited duration which would provide valuable experience on how customer choice and competition will affect all stakeholders.

The Schedule 26 tariff will provide the Company’s Schedule 25 extra large general service customers the opportunity to voluntarily transfer up to one-third of their load from Schedule 25 to Schedule 26, and to choose an alternate supplier to provide capacity and energy services for that portion of their load.  The Company reports that it has 11 Idaho customers on Schedule 25 with loads ranging from 1.3 to 7.8 average megawatts (aMw), and a total load of 33 aMw.  This represents approximately 14% of Water Power’s Idaho electric retail load.

As proposed, the Schedule 26 tariff would not affect the rates for other customer classes during or after the experimental period (July 1, 1996 – August 31, 1998).  The Company is not requesting any special accounting treatment associated with the proposed tariff.  During the experimental period, the Company is proposing to absorb all the lost margin associated with loads being served on Schedule 26.  Following the experimental period, the Company will provide an evaluation report to the Commission.

The proposed Schedule 26 tariff includes the following major elements:

•effective dates – July 1, 1996 through August 31, 1998

•60 day prior written notice requirement to initiate/terminate service

•minimum 90-day service term

•termination of Schedule 26 service ends eligibility for remainder of experimental period

•capacity and energy amounts may be changed after 12-months of service

•capacity and energy amounts may not exceed one-third of the customers average peak demand and total energy as billed under Schedule 25 during the period July 1995 – June 1996.

•scheduling and delivery information, including load shape

•amount of energy and capacity delivered by alternate supplier would be deemed “first through the meter” for monthly billing purposes

•WWP to provide all ancillary services necessary to provide uninterrupted service to customer (incl. scheduling, balancing, load following, and generating reserves)

•pricing and termination provisions re:  nondelivery of contractual capacity and energy by alternate supplier

Water Power is proposing a Schedule 26 tariff rate of 1.430¢/kWh.  This rate provides the customer with transmission, distribution, A&G, scheduling, balancing, load following and generating reserves.  These costs and services will be referred to by the Company as “delivery costs” and “delivery services.”  The Company’s filing details the derivative components of the Schedule 26 rate.  Per Company calculation, the average Schedule 25 customer who takes service under the Schedule 26 tariff will reduce their power bill to the extent that they can purchase capacity and energy from an alternate supplier for less than 1.546¢/kWh.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. WWP-E-96-2.  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.

YOU ARE FURTHER NOTIFIED that although the Company’s Application in Case No. WWP-E-96-2 is limited in scope, the Commission solicits comments as to the perceived reasonableness and/or value of fashioning an experimental program or market test for other customer classes.

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. WWP-E-96-2 is June 18, 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 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. WWP-E-96-2 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYTHOMAS D. DUKICH, MANAGER

IDAHO PUBLIC UTILITIES COMMISSIONRATES AND TARIFF ADMINISTRATION

PO BOX 83720WASHINGTON WATER POWER CO

BOISE, IDAHO  83720-0074PO BOX 3727

SPOKANE, WA 99220

Street Address for Express Mail:

DAVID J.  MEYER

472 W WASHINGTON STCOUNSEL FOR WASHINGTON

BOISE, IDAHO  83702-5983   WATER POWER COMPANY

717 W SPRAGUE, STE 1200

SPOKANE, WA 99204

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. WWP-E-96-2 can be reviewed at the Commission’s office and at the Idaho offices of The Washington Water Power Company during regular business hours.

DATED at Boise, Idaho this                  day of May 1996.

                                                                                                                                      RALPH NELSON, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/N:WWP-E-96-2.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 22, 1996