(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 PROPOSED TARIFF REVISIONS TO ITS MORE OPTIONS FOR POWER SERVICE (MOPS II) PILOT PROGRAM | )  )  )  )  )  )  )  )  )  )  ) | CASE NO. WWP-E-98-3  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/  PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on February 6, 1998, the Idaho Public Utilities Commission (Commission) in Order No. 27351, Case No. WWP-E-97-11, approved the MOPS II Pilot, a two year program that allows a portion of The Washington Water Power Company’s (Water Power; Company) residential and commercial electric customers in Hayden (including Hayden Lake), Idaho (5,570 customers; 10.6 aMw) to choose from a menu or portfolio of energy service alternatives.

On March 25, 1998, Water Power filed an Application with the Commission requesting approval of proposed revisions to the approved pilot.  Specifically, four revisions are proposed:

First a different rate design for the renewable power option is included.  The “dollar per block” of wind or wood power is proposed to be replaced with a “per kilowatt hour” rate design.  The proposed revisions add four renewable options to new Schedules 3 (residential), 13 (general service), 23 (large general service) and 33 (pumping service).  These options are:

a.25% mix of wood power priced at 0.3425¢/kWh above embedded power costs

b.25% mix of wind power priced at 0.5¢/kWh above embedded power costs

c.100% wood power priced at 1.37¢/kWh above embedded power costs

d.100% wind power priced at 2.0¢/kWh above embedded power costs

The second revision caps the monthly and annual market rate at 2.65¢ per kWh, or approximately 10% above the traditional rate.  This cap is intended to remove some level of customer risk.  The Company reports that short-term electric markets have recently turned upward.  Accordingly, if a customer were to sign up today for either the monthly or annual rate, that customer would have a rate higher than Water Power’s traditional rate.  To remove some level of risk, the Company believes that caps (as contained in adjustable rate mortgages) may offer some degree of customer comfort and, thus, increase participation.  These caps are contained in Special Condition 12 of each monthly and annual market schedule.

The third and fourth revisions are procedural.  Existing Schedule 17 is reformatted into new Schedules 15-18.  Lastly, the Company requests that the implementation date be delayed from May 1, 1998 to July 1, 1998, so as to allow time to administer the above changes, and that the two year ending date and associated accounting time tables be extended from April 30, 2000 to June 30, 2000.

The Company reports that there is no rate change associated with this filing unless elected by participating customers.  Any revenue from the monthly and annual market rates that is above the Company’s embedded production costs, the Company states, will be tracked and used to offset lost margins.  The Company further states that all incremental revenue from the renewable resource rates will be passed on to the underlying generating resource as described in its original MOPS II filing.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company’s Application and proposed tariff revisions.  The Commission has preliminarily found that the public interest regarding implementation of the proposed changes to the Company’s MOPS II Pilot may not require a hearing to consider the issues presented and that the Application may be processed under Modified Procedure, ie. 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 will 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-98-3 is Friday, April 24, 1998.  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 the Application and proposed revisions to the Company’s MOPS II Pilot have been filed with the Commission and are available for public inspection during regular business hours at the Commission office and at the Idaho offices of the Washington Water Power Company.  Written comments concerning this Application shall 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 83720THE WASHINGTON WATER POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 3727

SPOKANE, WA 99220-3727

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

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

DATED at Boise, Idaho this day of April 1998.

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 2, 1998