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

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| IN THE MATTER OF THE PETITION OF THE WASHINGTON WATER POWER COMPANY FOR AN ORDER TERMINATING ITS POWER COST ADJUSTMENT (PCA) MECHANISM. | )  )  )  )  )  )  )  ) | CASE NO. WWP-E-98-4  NOTICE OF FILING  NOTICE OF INTERVENTION           DEADLINE  NOTICE OF PREHEARING           CONFERENCE  ORDER NO. 27464 |

YOU ARE HEREBY NOTIFIED that on April 1, 1998 the Washington Water Power Company (Water Power; Company) filed a Petition in Case No. WWP-E-98-4 for an order terminating its Power Cost Adjustment (PCA) mechanism.  Water Power requests that the Commis­sion issue its order terminating the PCA within sixty days from the filing of its petition.

The Company cites two reasons for termination:

1.  The PCA mechanism overvalues surplus hydro generation during high stream flow periods.

2.  The PCA is only approved in the state of Idaho, representing only 31.40% of the Company’s total electric power cost.

Water Power is proposing to terminate the PCA by ceasing PCA deferral entries and reversing the deferred rebate balance in the balancing account at the time the PCA is terminated.  At March 31, 1998, the deferred rebate balance in the balancing account amounted to $4,797,000.  Water Power is proposing to continue the two existing rebates until they expire on May 31, 1998 and August 31, 1998 respectively.  No true-up would be made for any over-rebated or under-rebated amounts.

Water Power’s PCA mechanism was first established in Case No. WWP-E-88-3, Order No. 22816 issued October 31, 1989 and has been extended, modified and clarified in a number of subsequent cases.  Since the inception of the PCA in October 1989, the Company’s customers in the state of Idaho have received five rebates and three surcharges.  Two of the rebates are currently in effect.

Water Power’s PCA is used to track changes in revenues and costs associated with variations in hydroelectric generation, secondary prices, and changes in power contract revenues and expenses.  The mechanics of a PCA rate adjustment are well defined in the Commission’s 1989 PCA Order No. 22816.

YOU ARE FURTHER NOTIFIED that although the Company has requested that this matter be processed pursuant to Modified Procedure (i.e., by written submission rather than by hearing), the Commission has determined that a formal hearing is required.

YOU ARE FURTHER NOTIFIED that any person desiring to intervene in Case No. WWP-E-98-4 for the purpose of becoming a party, i.e., to present evidence, to acquire the rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission’s Rules of Procedure, IDAPA 31.01.01.072-073.  The deadline for filing a Petition to Intervene in Case No. WWP-E-98-4 is Friday, May 8, 1998.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties’ rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that a prehearing conference in Case No. WWP-E-98-4 for the purposes of reviewing case status, identifying issues and establishing further procedure is scheduled for TUESDAY, MAY 12, 1998, COMMENCING AT 10:00 A.M. IN THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO (208) 334-0300.

YOU ARE FURTHER NOTIFIED that the Petition in Case No. WWP-E-98-4 can be reviewed at the Commission’s office and at the Idaho offices of The Washington Water Power Company during regular business hours.

YOU ARE FURTHER NOTIFIED that discovery is available in Case No. WWP-E-98-4 pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.221-234.

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 all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act.  Persons needing the help of a sign language interpreter or other assistance of the kind that the Commission is obligated to provide under the Americans with Disabilities Act in order to participate in or to understand the testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing.  The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION

PO BOX 83720

BOISE, IDAHO  83720-0074

(208) 334-0338  (TELEPHONE)

(208) 334-3151  (TEXT TELEPHONE)

(208) 334-3762  (FAX)

YOU ARE FURTHER NOTIFIED that all communications with respect to this Application should be served upon the following representatives of The Washington Water Power Company:

RON McKENZIEDAVID MEYER, ESQ.

THE WASHINGTON WATER POWER COMPANYPAINE HAMBLEN COFFIN BROOKE

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PO BOX 3727717 W SPRAGUE AVE, STE 1200

SPOKANE, WA 99220-3727SPOKANE, WA 99201-3505

Attorney  for The Washington Water Power Company

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

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:WWP-E-98-4.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 17, 1998