

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) **CASE NO. IPC-E-21-39**
COMPANY’S APPLICATION FOR)
MODIFICATION OF THE FIXED COST) **NOTICE OF APPLICATION**
ADJUSTMENT MECHANISM)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
) **ORDER NO. 35242**

On November 10, 2021, Idaho Power Company (“Company”) applied to modify its fixed cost adjustment (“FCA”) mechanism by creating separate, and reduced, fixed cost tracking for new Residential and Small General Service (“R&SGS”) customers added to the Company’s system starting January 1, 2022. The Company requested its Filing be processed by Modified Procedure. The Company proposes this modification to recover costs from its investments in promoting more energy efficient methods.

With this Order the Commission issues notice of the Company’s Application and establishes public comment and Company reply deadlines.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that it has had discussions with the Commission Staff (“Staff”) in compliance with the Idaho Public Utilities Commission (“Commission”) directive that it initiate discussions with interested parties and consider whether the FCA should be modified in advance of the next FCA filing in March, 2022. *See* Order No. 35056, Case No. IPC-E-21-03.

YOU ARE FURTHER NOTIFIED that the Company represents that Staff and the Company still have differing views on what is an appropriate FCA methodology but through discussions have reached consensus on a “middle ground” that would resolve those differences in the near-term.

YOU ARE FURTHER NOTIFIED that although the Company recognizes that a holistic rate design evaluation in a general rate case may identify rate designs that reduce the reliance on the FCA, the Company proposes that the FCA methodology as proposed herein should remain in place until at least 2025, at which time, a formal review of the FCA could occur. The

holistic approach intends to reduce reliance on the FCA through better aligning fixed cost recovery through rate design modifications. The Company believes that this is necessary because the existing two-part rate design for R&SGS customers collects a significant portion of the class's fixed costs through the volumetric energy rates. The Company represents that modifying the two-part design provides an opportunity to reduce FCA reliance without introducing new rate components outside of a general rate case.

YOU ARE FURTHER NOTIFIED that the Company asserts the agreement between the Company, the Commission, and the Commission's Staff ("Staff") has been consistent with promoting cost-effective energy efficiency and DSM.¹

YOU ARE FURTHER NOTIFIED that the Company proposes to modify the FCA by instituting separate, and reduced, fixed cost tracking for new R&SGS customers added to the Company's system starting January 1, 2022. Through this modification, the Company states the authorized level of fixed costs for new customers would exclude generation and transmission related fixed costs and continue to distribute customer-related costs as authorized fixed costs. The Company represents that this change will reduce the amount of FCA facilitated fixed cost recovery associated with investments un-audited and un-reviewed by the Commission.

YOU ARE FURTHER NOTIFIED that the Company is optimistic that the proposed modification will allow a reasonable opportunity for cost recovery by serving new R&SGS customers while still promoting energy efficiency.

YOU ARE FURTHER NOTIFIED that the proposed FCA modifications work identically for both the R&SGS classes. If approved, the Company will bifurcate the authorized FCC and FCE between "existing" and "new" customers. The Company notes that no change is proposed to the authorized FCC for existing customers, and that the proposed FCA modification for new customers modifies the authorized fixed cost per new customer rate to exclude generation and transmission functionalized costs, and is comprised of distribution and customer-fixed costs ("FCC-Dist").

YOU ARE FURTHER NOTIFIED that the Company intends to initiate a docket to explore potential incentive mechanisms that might better align customer and Company interests regarding DSM resource acquisition.

¹ See Order No. 30267 at 13.

YOU ARE FURTHER NOTIFIED that the Company's Filing is available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "ELECTRIC" icon, select "Open Cases," then click on the case number as shown on the front of this document.

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.

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.*

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 that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons must file written comments by December 20, 2021.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission's home page at www.puc.idaho.gov. Click the "Consumers" tab and then "Case Comment Form" and complete the form using the case number as it appears on the front of this document. Comments filed by e-mail must also be e-mailed to the Company at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
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For Idaho Power Company:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, ID 83707
lnordstrom@idahopower.com
dockets@idahopower.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by December 27, 2021.

YOU ARE FURTHER NOTIFIED that if no written comments or protests 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.


ORDER

IT IS HEREBY ORDERED that this case be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201 - .204). Persons must file any written comments by December 20, 2021. The Company must file any reply comments by December 27, 2021.

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th day of November 2021.



PAUL KJELLANDER, PRESIDENT

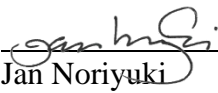


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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