BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-25-11
COMPANY'S APPLICATION FOR)
AUTHORITY TO IMPLEMENT FIXED)
COST ADJUSTMENT ("FCA") RATES) ORDER NO. 36617
FOR ELECTRIC SERVICE FROM JUNE)
1, 2025 THROUGH MAY 31, 2026)
)

On March 14, 2025, Idaho Power Company ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting an order authorizing the Company to implement Fixed Cost Adjustment ("FCA") rates for electric service from June 1, 2025, through May 31, 2026, and to approve the Company's corresponding Schedule 54, FCA.

On April 11, 2025, the Commission issued a Notice of Application and Notice of Modified Procedure, setting comment and reply comment deadlines. Order No. 36539. Commission Staff ("Staff") filed comments. No comments were filed by the public or the Company.

Having reviewed the record in this case we now issue this Final Order approving the Company's FCA filing rates for electric service from June 1, 2025, through May 31, 2026, and approving the Company's proposed Schedule 54.

BACKGROUND

The FCA is a rate adjustment mechanism designed to break the link between the energy a utility sells and the revenue it collects to recover fixed costs¹ of providing service, thus decoupling the utility's revenues from its customers' energy usage. This decoupling removes a utility's incentive to increase sales to increase revenue and profits and encourages energy conservation. It only applies to Residential and Small General Service ("R&SGS") customers.

THE APPLICATION

The Company proposed a \$40,657,141, or 5.28 percent, decrease for Residential and Small General Service("R&SGS") customers. Application at 1. The Company represented that if the FCA was approved as filed, a typical Residential customer using 950 kilowatt-hours ("kWh") per month would see an approximate \$6.35 decrease to their monthly bill. *Id.* at 1-2.

ORDER NO. 36617

¹ "Fixed costs" are a utility's costs to provide service, such as infrastructure and customer service, which do not vary with energy use, output, or production, and remain relatively stable between rate cases.

The Company stated that the proposed FCA is \$2,936,821 for the Residential class and \$114,953 for the Small General Service class, for a total amount of \$3,051,774.04, which would be less than the current FCA deferral balance authorized to collected in customers' rates. *Id.* at 7.

The Company proposed a rate adjustment for the R&SGS classes to credit the fixed costs that were over-collected through actual billed energy charges during the year. *Id.* at 7-8. The Company's proposal would lead to an updated FCA rate of 0.0503 cents per kWh for the Residential class and 0.0614 cents per kWh for the Small General Service class for the June 1, 2025, through May 31, 2026, FCA period. *Id.* at 8.

STAFF COMMENTS

Staff reviewed the Company's Application and calculations of its R&SGS FCA rates, along with the Company's workpapers and supporting testimony. Staff Comments at 2. Staff recommended the Commission approve the Company's proposed Schedule 54 as filed, and accept the FCA deferral balance of \$3,051,774.04, composed of \$2,936,821 for the Residential class and \$114,953 for the Small General Service Class. *Id*.

Staff audited the components used to calculate the FCA balance and confirmed that they complied with prior Commission Orders and were calculated correctly by the Company. *Id.* at 3. Staff verified the Fixed Cost per Customer and Fix Cost per Energy were updated, consistent with Order No. 36042, Case No. IPC-E-23-11, and that the Use per Customer for new and existing customers for the affected classes were calculated correctly using the appropriate annual kWh sales and customer counts. *Id.* Staff also verified that the FCA forecasted sales were appropriate and aligned with the forecast used in the Company's 2023-2024 Power Cost Adjustment filing. *Id.* at 4.

Staff reviewed the Company's press release and notice that was sent to impacted customers, and Staff believed they met the requirements of Rule 125 of the Commission's Rules of Procedure, IDAPA 31.01.01.125, and provided adequate time for customers to review and respond to the Company's Application. *Id.* at 5.

COMMISSION FINDINGS AND DISCUSSION

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential,

discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the record, including the Application, Company testimony, and Staff comments. Based on its review of the record, the Commission finds it fair, just, and reasonable to approve the Company's requested FCA rates for electric service, effective June 1, 2025, through May 31, 2026, and the corresponding Schedule 54, FCA.

ORDER

IT IS HEREBY ORDERED that the Company's Application is approved as filed. The Company shall implement FCA credit rates for electric service of 0.0506 cents per kWh for Residential class customers, and 0.0614 cents per kWh for the Small General Service class customers, effective June 1, 2025. The Company's proposed Schedule 54 is approved as filed, with an effective date of June 1, 2025.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27th day of May 2025.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez Commission Secretary