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IDAHO PUBLIC UTILITIES COMMISSION

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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AUTHORITY) CASE NO. IPC-E-06-7
TO IMPLEMENT POWER COST ADJUST-)
MENT (PCA) RATES FOR ELECTRIC)
SERVICE FROM MAY 31, 2006 THROUGH) COMMENTS OF THE
MAY 31, 2007) COMMISSION STAFF
_____)**

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Donald L. Howell, II, Deputy Attorney General, submits the following comments in response to Order No. 30022, the Notice of Application and Notice of Modified Procedure issued on April 18, 2006.

BACKGROUND

On April 12, 2006, Idaho Power Company filed its annual power cost adjustment (PCA) Application. Since 1993 the PCA mechanism has permitted Idaho Power to adjust its rates upward or downward to reflect the Company's annual "power supply costs." Because of its predominant reliance on hydroelectric generation, Idaho Power's actual cost of providing electricity (its power supply cost) varies from year-to-year depending on changes in Snake River

streamflow and the market price of power. The annual PCA surcharge or credit is combined with the Company's "base rates"¹ to produce a customer's overall energy rate.

In this Application Idaho Power proposes a PCA rate adjustment that reduces annual revenue \$46.8 million below what would be collected under base rates. The Company represents this as a \$123.5 million decrease in revenues from existing PCA rates, or an average reduction in the PCA rates of 19.34%. Exhibit 8. Attachment A to these comments is a graphic that shows the history of Idaho Power's residential energy rates and identifies the PCA component.

STAFF AUDIT AND ANALYSIS

The PCA has three components: 1) a projection component; 2) a true-up component that corrects for the previous years projection error; and 3) a true-up of the previous year's true-up that is a final correction. Set out below are the Staff's comments on the three PCA components.

A. The PCA Projection

The National Weather Service Northwest River Forecast Center in Portland, Oregon, forecasts the April through July Brownlee Reservoir inflow this year to be 8.38 million acre-feet (maf). This is one hundred and thirty-three percent (133%) of the average inflow. A regression equation developed from the results of a power supply model run is used to project "Net Power Supply Costs." See Order No. 24806. Using the forecasted 8.38 maf and the regression equation, Staff calculates Net Power Supply Costs for April 2006 through March 2007, to be \$9,579,741. As authorized by Commission Order, Staff increased the calculated Net Power Supply Costs by expected PURPA qualifying facility purchases of \$54,632,157 and reduced the amount by the expected net benefit of cloud seeding \$895,462 (\$1,004,538-1,900,000) to generate an expected PCA expense of \$63,316,436. See Staff Attachment B. This is \$37.6 million below normal on a total company basis. Staff found that its calculation agreed with Idaho Power's calculation. The calculation of the projection rate component is shown on lines 1 through 6 of Attachment C, where the projection rate component is calculated to be -0.2507 ¢/kWh. Staff's calculation of the projection rate component agrees with Idaho Power's calculation.

¹ Base rates are to be established by the Commission in Idaho Power's pending general rate case (Case No. IPC-E-05-28). All parties in the pending general rate case have urged the Commission to approve a settlement Stipulation to increase base rates by an average of 3.2%.

B. The PCA True-up

Exhibit No. 3 to Idaho Power witness Schwendiman’s testimony illustrates the calculation of the true-up deferral amount. Attachment D is Staff’s calculation of true-up deferral amounts. Staff found no differences in methodology or amounts from those presented by the Company.

As shown on Attachment D, line 62 in the “Totals” column, the true-up amount with interest is a minus \$39,513,704. In rounded numbers it is composed as follows:

<u>ITEM</u>	<u>MILLIONS</u>
Revenues from Last Year’s Projection	\$(48.8)
90 % of Last Year’s Above Normal Power Supply Costs	\$ 21.0
Last Year’s Above Normal PURPA Facilities Costs	\$ (0.5)
Miscellaneous Adjustments (Lines 45, 46, 47, 48)	\$(11.2)
Interest (\$57,730)	\$ 0.0

Total True-up Expense	\$(39.5)

To verify revenues and costs associated with Idaho Power’s true-up deferrals, Staff conducted an audit of all actual revenues and expenses that occurred during the PCA year. These revenues and costs included the cloud seeding program, fuel expenses for coal, fuel expenses for gas, and power purchases and sales. Staff also examined Settlement Agreement Credits for Order No. 29600, IDACORP Energy credits, and the Risk Management operating plans. The following items were significant:

a. Cloud Seeding Program. Idaho Power spent \$1,108,094 in total on the cloud seeding program costs during the prior PCA year. This expense item is subject to the 90/10 sharing.

b. Fuel Expense – Coal. A large portion of Idaho Powers electricity comes from thermal power produced from its coal plants. The three coal plants in operation for Idaho Power are Bridger, Valmy, and Boardman. For the audit period of April 2004 to March 2005, the total coal expense for all plants in operation was \$100,632,189. This is \$5,482,789 higher than the base. This expense item differential is subject to the 90/10 sharing.

c. Fuel Expense – Gas. Idaho Power owns two gas-fired combustion turbine generating plants. The Danskin and Bennett Mountain Power Plants are both located near Mountain Home and account for 100% of gas usage. The total variable gas and gas transportation expense

amounted to \$3,987,581 for the PCA period. This expense item is \$730,981 over the base and the difference is subject to the 90/10 sharing.

d. Power Purchases and Sales. During the PCA year ending March 31, 2006, the Company sold surplus power totaling \$211,248,247, while total power purchases (excluding PURPA contracts) were \$188,243,754. When applying the 90% sharing percentages to the net sales of \$23,004,493, customers will receive a benefit of \$20,704,044 over the next 12 months. Staff reviewed the power purchases and sales in conjunction with the Company's Risk Management Operating Plans. Our analysis did not find any transaction that was not reasonable or did not follow the Risk Management Committee's recommendations. These transactions were made with an assortment of credit-worthy partners on a timely basis, and there were no transactions conducted with an Idaho Power affiliate.

e. IdaCorp Energy Credit. In Order No. 29446, Case No. IPC-E-01-16 (PHASE II), the Commission accepted the terms of a stipulation between Commission Staff, Idaho Power, and various customer groups, including the Industrial Customers of Idaho Power, J.R. Simplot Company, Idaho Retailers Association, and Micron Technology. The stipulation credited Idaho customers approximately \$10 million from May 2003 through December 2005. The credit was a separate line item in the PCA calculation with 100% of the benefit going to Idaho customers. The monthly amount of \$166,667 is included in this year's PCA filing for 9 months, ending in December 2005. The total amount of the credit included in this year's PCA filing is \$1,500,000.

f. Settlement Agreement (Order No. 29600). In a Stipulation involving Idaho Power and the Commission Staff, both parties agreed on a single comprehensive settlement amount to resolve several outstanding issues. Case No. IPC-E-04-9. The parties proposed that the expense adjustment rate for growth (EARG) component in the PCA would continue at the existing value, 16.84 mills per kWh, until the next general revenue requirement case in which the Company resets the base rates for PCA computation purposes. Idaho Power also agreed to provide a \$19.3 million revenue credit to Idaho Power Customers in the Company's PCA. This revenue credit would be a separate \$804,167 monthly line item for the months June 2004 through May 2006 in the PCA true-up calculation and includes interest from June 1, 2004 at the PCA carrying charge rate of one percent (1%). The Commission approved the Stipulation in Order No. 29600 issued in September 2004. Staff verified that all settlement components of the Stipulation were incorporated in this PCA Application. The Company has included the proper credit for customers in the amount of \$9,650,000 through March 2006.

g. Bennett Mountain Credit. In Order No. 29790, Case No. IPC-E-05-10, the Commission approved recovery of Bennett Mountain power plant costs and required that the related reduction in power supply expense be included in the Company's 2006-2007 PCA. The Company has included the proper monthly amount to reflect the reduction in power supply costs resulting from the Bennett Mountain power plant. The credit began in June 2005 and is reflected in the Company's filing for 10 months. This credit totals \$39,858 and is not subject to the 90/10 sharing.

C. The PCA True-up of the True-up

The true-up amount set for recovery in last year's PCA case (IPC-E-05-15) was \$49,472,607 and the rate calculated to recover that amount was 0.3973 ¢/kWh. At the Company's request, the overall PCA rate was not increased last year. This resulted in an effective PCA true-up rate of 0.1751 ¢/kWh which was expected to under recover the true-up amount by approximately \$28.3 million. Including interest considerations, the approved rate under recovered the true-up amount by \$24,513,298. As shown on Attachment C, line 13, this amount is used to calculate the true-up of the true-up PCA rate component of 0.1931 ¢/kWh. This is the same rate the Company calculated.

PCA RATES

The Staff's calculated PCA rate reduction of -0.3689 ¢/kWh is the sum of the three components listed above ($-0.2507 + -0.3113 + 0.1931 = -0.3689$). This rate is shown on Attachment C, line 16. These are the same rates included in the Company's filing.

Attachment E shows the average reduction from base rates by class and Attachment F shows the average reduction from existing rates by class. In both of these attachments the percentage decrease to larger customers is substantially more than the average decrease. When large power supply costs increase rates, larger customers receive larger than average PCA increases. This results because large customers have lower rates than smaller customers and an equal cents per kWh increase makes a larger percentage difference to them than it does to smaller customers whose base rates are higher.

CONSUMER ISSUES

Idaho Power filed its PCA Application on April 12, 2006. Customers were notified of the Application by bill stuffers and a press release. The bill stuffers were mailed with customers' monthly billings beginning on April 26th and ending May 24th.

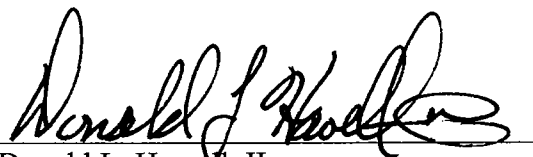
Both the customer notice and press release comply with the notice requirements of IDAPA 31.21.02.102. Customers were given until May 12th to file comments regarding the proposed decrease in rates.

As of the preparation of these Comments, the Commission had received no comments from customers.

PCA RECOMMENDATIONS

Staff's review identified no adjustments to the Company's calculations. Staff recommends that the Commission approve the PCA rates as filed by the Company. Staff recommends that these PCA rates become effective June 1, 2006.

Respectfully submitted this 12th day of May 2006.



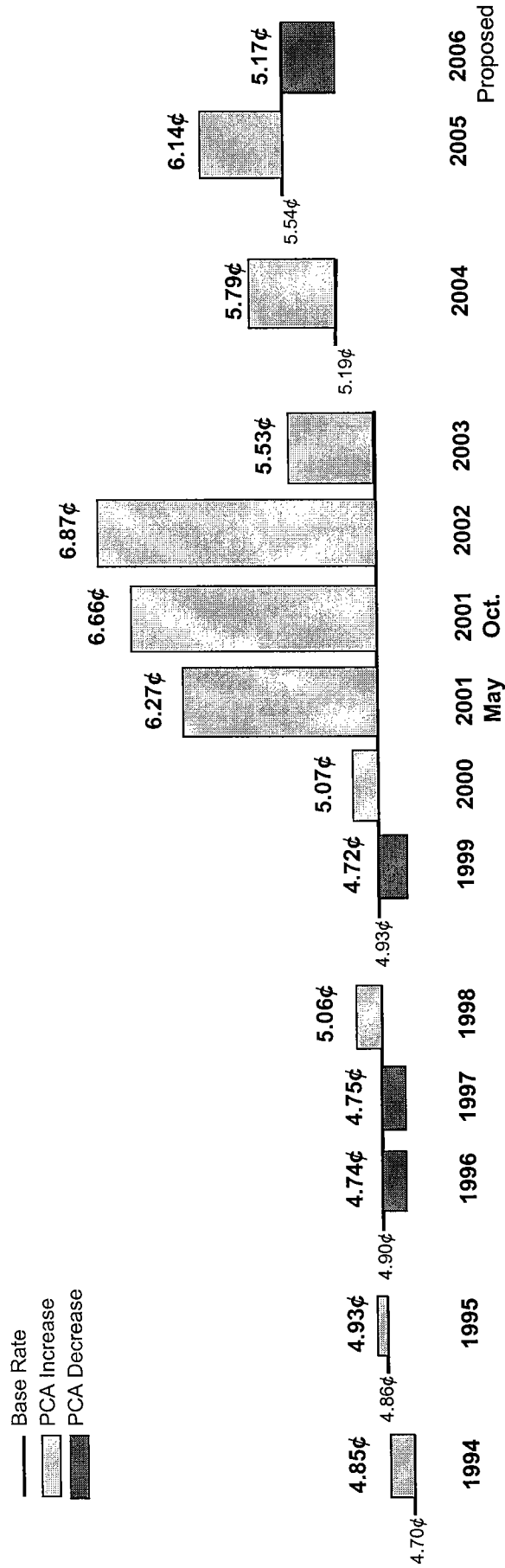
Donald L. Howell, II
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Technical Staff: Keith Hessing
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i:umisc/comments/ipce06.7dhkhklsdempbab

AVERAGE RESIDENTIAL ENERGY RATES FOR IDAHO POWER COMPANY

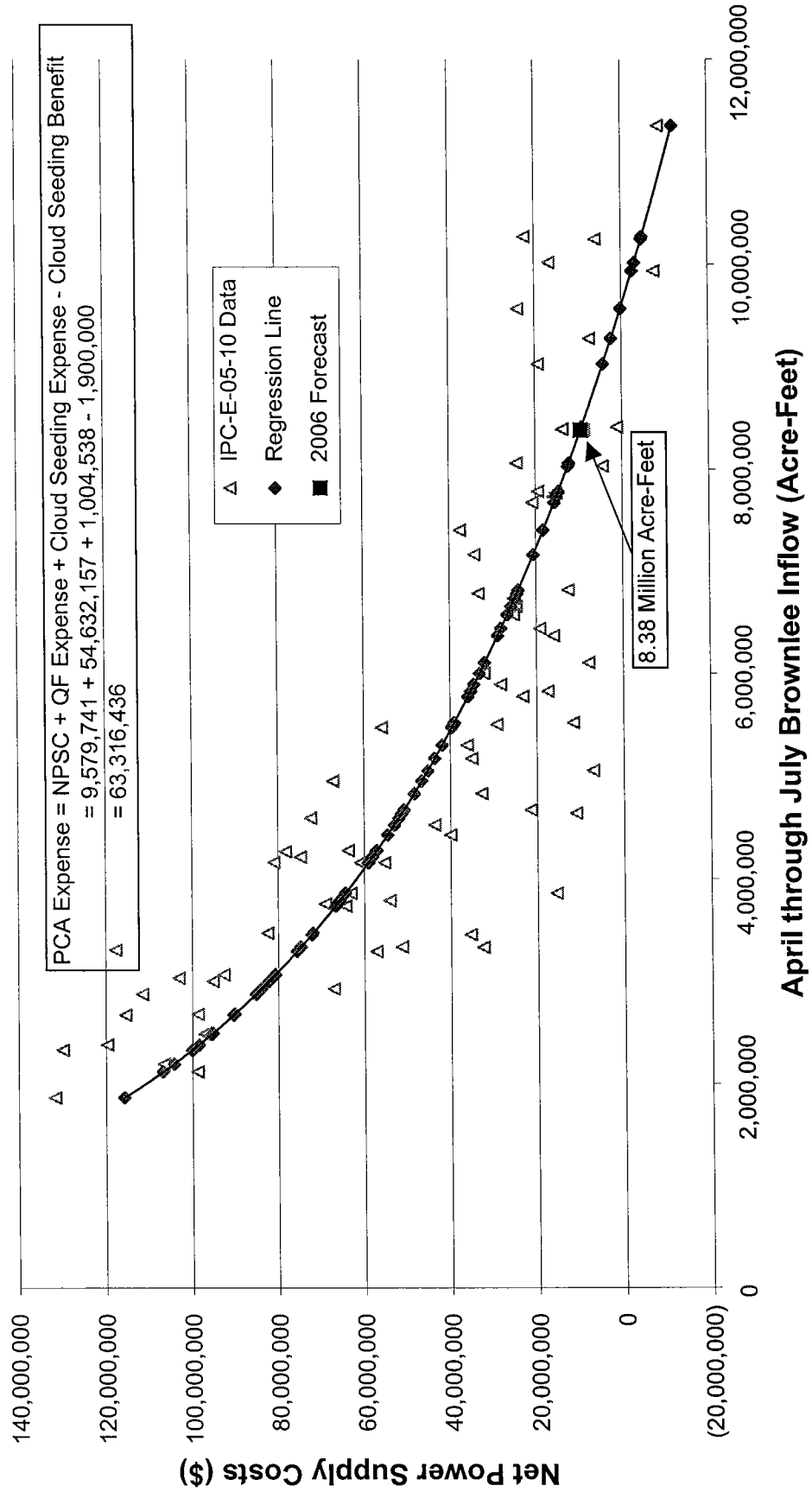
Cents per Kilowatt-hour



Attachment A
Case No. IPC-E-06-7
Staff Comments
05/12/06

IDAHO POWER'S 2006 PCA PROJECTION

IPC-E-06-07 Fourteenth Annual PCA



2006-2007 PCA - Fourteenth Annual

IPC-E-06-07
Staff Case

(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Line</u>	<u>Description</u>	<u>Units</u>	<u>Base</u>	<u>Forecast</u>	<u>Difference</u>	<u>Rate</u>
1	<u>Projection 2006-2007:</u>					
2	PCA Expense	(\$)	100,916,459	63,316,436	(37,600,023)	
3	Normalized System Firm Sales	(MWh)	13,497,550	13,497,550		
4	Energy Rate	(¢/kWh)	0.74767	0.46910	-0.27857	
5	Sharing Percentage	(%)			90%	
6	Energy Rate Difference	(¢/kWh)			-0.25071232	(0.2507)
7						
8						
9			(\$)	(MWh)	(\$/MWh)	(¢/kWh)
10						
11	<u>True-Up of 2005-2006:</u>		(39,513,704)	12,695,163	-3.112500722	(0.3113)
12						
13	<u>True-Up of the True-Up:</u>		24,513,298	12,695,163	1.930916366	0.1931
14						
15	<u>PCA Rates:</u>					
16	PCA Rate Adj. From Base	(¢/kWh)				(0.3689)
17	PCA Rate Currently in Effect	(¢/kWh)				0.6039
18	Difference - Last Year to This Year	(¢/kWh)				(0.9728)
19						
20	<u>Expected PCA Revenues:</u>					
21			Rate	Energy	Revenue	
22			(\$/MWh)	(MWh)	(\$)	
23	Forecast Revenue		(2.507)	12,695,163	(31,826,774)	
24	True Up Revenue		(3.113)	12,695,163	(39,513,695)	
25	True Up of True Up Revenue		1.931	12,695,163	24,513,090	
26	Total		(3.689)		(46,827,378)	
27						
28	Note: Negative rates and amounts indicate benefits to ratepayers.					

TRUE-UP CALCULATIONS FOR 2005 - 2006

FOR
IDAHO POWER COMPANY PCA
CASE NO. IPC-E-06-07
Staff Case

1			2005	2005	2005	2005	2005	2005	2005
2	DESCRIPTION	Units	APR	MAY	JUN	JUL	AUG	SEPT	OCT
3	PCA Revenue								
4	Normalized Idaho Jurisd. Sales	MWh	862,931	881,064	1,002,040	1,185,074	1,303,702	1,164,116	925,105
5	Forecast Rate	m/KWh	2.499	2.499	4.288	4.288	4.288	4.288	4.288
6	Revenue	\$	2,156,465	2,201,779	4,296,748	5,081,597	5,590,274	4,991,729	3,966,850
7									
8	Load Change Adjustment								
9	Actual System Firm Load - Adjusted	MWh	1,002,528	1,020,216	1,272,295	1,641,692	1,538,801	1,190,787	1,051,573
10	Normalized Firm Load	MWh	974,066	1,142,316	1,258,858	1,491,793	1,424,633	1,179,173	1,055,943
11	Load Change	MWh	28,462	(122,100)	13,437	149,899	114,168	11,614	(4,370)
12	Expense Adjustment (@16.84)	\$	(479,300)	2,056,164	(226,279)	(2,524,299)	(1,922,589)	(195,580)	73,591
13									
14	Non-QF PCA								
15	<u>ACTUAL:</u>								
16	BPA Water Option Agreement	\$	0	0	0	0	0	0	0
17	Cloud Seeding Program	\$	57,788	256,201	0	0	0	0	0
18	Fuel Expense - Coal	\$	6,527,289	7,516,168	8,878,317	9,168,717	8,963,765	9,093,240	8,374,911
19	Fuel Expense - Danskin	\$	0	114,958	114,108	191,888	90,274	(639,672)	285,872
20	Fuel Expense - Bennett Mountain	\$	333,725	169,001	654,700	1,480,609	450,682	(875,540)	6,783
21	Non-Firm Purchases	\$	6,098,341	7,500,338	11,234,832	24,198,870	24,146,513	14,710,413	7,477,280
22	Surplus Sales	\$	(5,434,762)	(18,370,968)	(14,206,066)	(11,376,337)	(9,360,602)	(12,538,689)	(13,902,800)
23	Expense Adjustment (@16.84)	\$	(479,300)	2,056,164	(226,279)	(2,524,299)	(1,922,589)	(195,580)	73,591
24	Sub-Total	\$	7,103,080	(758,138)	6,449,612	21,139,448	22,368,042	9,554,171	2,315,636
25									
26	<u>BASE:</u>								
27	Fuel Expense - Coal	\$	7,108,200	6,800,600	6,344,900	8,714,800	8,721,300	8,446,500	8,727,700
28	Fuel Expense - Danskin	\$	264,800	278,500	275,700	279,600	280,000	264,800	272,300
29	Fuel Expense - Bennett Mountain	\$	0	0	0	0	0	0	0
30	Non-Firm Purchases	\$	28,000	664,100	2,931,000	3,335,100	2,842,900	480,800	35,700
31	Surplus Sales	\$	(9,187,500)	(6,566,900)	(4,558,900)	(2,385,400)	(3,371,000)	(5,702,300)	(4,982,500)
32	Surplus Sales Adder	\$	0	0	0	0	0	0	0
33	Sub-Total	\$	(1,786,500)	1,176,300	4,992,700	9,944,100	8,473,200	3,489,800	4,053,200
34									
35	Change From Base	\$	8,889,580	(1,934,438)	1,456,912	11,195,348	13,894,842	6,064,371	(1,737,564)
36	Deferral (Shared and Allocated)	\$	7,528,585	(1,638,276)	1,233,859	9,481,340	11,767,542	5,135,916	(1,471,543)
37									
38	QF Deferral								
39	Actual (includes Net Metering)	\$	2,131,025	3,605,364	6,359,151	6,810,850	6,490,347	5,038,841	3,068,572
40	Base	\$	2,815,766	4,160,399	6,508,847	6,702,897	6,422,258	5,081,395	3,792,830
41									
42	Change From Base	\$	(684,741)	(555,035)	(149,696)	107,953	68,089	(42,554)	(724,258)
43	Deferral (Allocated)	\$	(644,341)	(522,288)	(140,864)	101,584	64,071	(40,043)	(681,526)
44									
45	Intervenor Funding	\$	0	0	0	0	0	0	0
46	Credit From IDACORP Energy	\$	(166,667)	(166,667)	(166,667)	(166,667)	(166,667)	(166,667)	(166,667)
47	Settlement Agreement (ON 29600)	\$	(804,167)	(804,167)	(804,167)	(804,167)	(804,167)	(804,167)	(804,167)
48	Bennett Mtn. Credit (ON 29790)	\$	0	0	(3,986)	(3,986)	(3,986)	(3,986)	(3,986)
49	Total Deferral (-6+36+43+45+46+47+48)	\$	3,756,946	(5,333,176)	(4,178,571)	3,526,508	5,266,520	(870,676)	(7,094,739)
50									
51	Principal Balances								
52	Beginning Balance	\$	0	3,756,946	(1,576,230)	(5,754,801)	(2,228,293)	3,038,227	2,167,551
53	Amount Deferred	\$	3,756,946	(5,333,176)	(4,178,571)	3,526,508	5,266,520	(870,676)	(7,094,739)
54	Ending Balance	\$	3,756,946	(1,576,230)	(5,754,801)	(2,228,293)	3,038,227	2,167,551	(4,927,189)
55									
56	Interest Balances								
57	Accrual thru Prior Month	\$	0	56	6,287	3,660	(5,935)	(9,504)	(4,545)
58	Interest @ 2% per Year	\$	0	6,262	(2,627)	(9,591)	(3,714)	5,064	3,613
59	Prior Month's Interest Adj.	\$	56	(31)	0	(4)	145	(105)	(10)
60	Total Current Month Interest	\$	56	6,231	(2,627)	(9,595)	(3,569)	4,959	3,603
61	Interest Accrued to Date	\$	56	6,287	3,660	(5,935)	(9,504)	(4,545)	(943)
62	Balance (True-Up & Interest)	\$	3,757,003	(1,569,943)	(5,751,141)	(2,234,228)	3,028,722	2,163,005	(4,928,131)
63									
64	True-Up of the True-Up								
65	True-Up Revenues								
66	True Up Rates	¢/kWh	0.3707	0.3707	0.4024	0.4024	0.4024	0.4024	0.4024
67	Actual Idaho Sales	kWh	840,704,656	939,127,871	1,054,848,703	1,325,929,728	1,309,551,663	1,137,579,165	975,839,218
68	Total	\$	3,164,039	3,002,187	2,701,380	2,176,780	2,406,699	2,173,844	1,723,273
69									
70	Beginning Balance	\$	36,921,564	33,568,138	44,081,500	41,453,589	39,345,898	37,004,775	34,892,606
71	Adjustments per ON 29793								
72	Fuel Expense Adjustment	\$	(250,506)	0	0	0	0	0	0
73	Intervenor Funding	\$	0	(45,675)	0	0	0	0	0
74	Irrigation Lost Revenues ON 29669	\$	0	13,482,882	0	0	0	0	0
75	Sub-Total	\$	36,671,058	47,005,345	44,081,500	41,453,589	39,345,898	37,004,775	34,892,606
76	Interest @ 2% per Year	\$	61,118	78,342	73,469	69,089	65,576	61,675	58,154
77	Revenue Applied to Interest	\$	61,118	78,342	73,469	69,089	65,576	61,675	58,154
78	Revenue Applied to Balance	\$	3,102,921	2,923,845	2,627,910	2,107,691	2,341,123	2,112,169	1,665,118
79	True-Up of the True-Up Balance	\$	33,568,138	44,081,500	41,453,589	39,345,898	37,004,775	34,892,606	33,227,488
80									
81	Note: Negative amounts indicate benefit to ratepayers								

TRUE-UP CALCULATIONS FOR 2005 - 2006

FOR
IDAHO POWER COMPANY PCA
CASE NO. IPC-E-06-07
Staff Case

1			2005	2005	2006	2006	2006	
2	DESCRIPTION	Units	NOV	DEC	JAN	FEB	MAR	TOTALS
3	PCA Revenue							
4	Normalized Idaho Jurisd. Sales	MWh	885,609	965,920	1,043,993	968,236	909,048	12,096,838
5	Forecast Rate	m/KWh	4.288	4.288	4.288	4.288	4.288	
6	Revenue	\$	3,797,491	4,141,865	4,476,642	4,151,796	3,897,998	48,751,234
7	Load Change Adjustment							
9	Actual System Firm Load - Adjusted	MWh	1,137,344	1,354,735	1,244,146	1,124,755	1,139,815	14,718,687
10	Normalized Firm Load	MWh	1,079,817	1,220,489	1,207,127	1,032,883	1,040,475	14,107,573
11	Load Change	MWh	57,527	134,246	37,019	91,872	99,340	611,114
12	Expense Adjustment (@16.84)	\$	(968,755)	(2,260,703)	(623,400)	(1,547,124)	(1,672,886)	(10,291,160)
13	Non-QF PCA							
15	ACTUAL:							
16	BPA Water Option Agreement	\$	0	0	0	0	0	0
17	Cloud Seeding Program	\$	0	414,022	140,182	137,597	102,305	1,108,094
18	Fuel Expense - Coal	\$	7,798,142	7,902,700	9,468,720	8,178,162	8,762,059	100,632,189
19	Fuel Expense - Danskin	\$	377,898	314,726	24,885	88,089	29,016	992,041
20	Fuel Expense - Bennett Mountain	\$	759	523,632	44,790	480	205,921	2,995,540
21	Non-Firm Purchases	\$	12,196,111	32,754,148	22,190,694	13,292,649	12,443,565	188,243,754
22	Surplus Sales	\$	(7,728,267)	(15,037,170)	(33,421,590)	(32,412,950)	(37,458,046)	(211,248,247)
23	Expense Adjustment (@16.84)	\$	(968,755)	(2,260,703)	(623,400)	(1,547,124)	(1,672,886)	(10,291,160)
24	Sub-Total	\$	11,675,887	24,611,354	(2,175,719)	(12,263,097)	(17,588,065)	72,432,211
25	BASE:							
27	Fuel Expense - Coal	\$	8,445,200	8,727,000	8,460,000	7,371,000	7,282,200	95,149,400
28	Fuel Expense - Danskin	\$	264,700	272,800	272,500	257,500	273,400	3,256,600
29	Fuel Expense - Bennett Mountain	\$	0	0	0	0	0	0
30	Non-Firm Purchases	\$	610,900	884,100	397,900	88,700	77,700	12,376,900
31	Surplus Sales	\$	(1,414,700)	(3,357,300)	(5,811,600)	(7,681,800)	(8,074,900)	(63,094,800)
32	Surplus Sales Adder	\$	0	0	0	0	0	0
33	Sub-Total	\$	7,906,100	6,526,600	3,318,800	35,400	(441,600)	47,688,100
34	Change From Base							
35	Change From Base	\$	3,769,787	18,084,754	(5,494,519)	(12,298,497)	(17,146,465)	24,744,111
36	Deferral (Shared and Allocated)	\$	3,192,633	15,315,978	(4,653,308)	(10,415,597)	(14,521,342)	20,955,787
37	QF Deferral							
39	Actual (includes Net Metering)	\$	2,095,280	2,315,598	2,792,655	2,707,472	2,497,723	45,912,878
40	Base	\$	2,204,739	2,193,531	2,164,012	2,073,610	2,292,773	46,413,057
41	Change From Base							
42	Change From Base	\$	(109,459)	122,067	628,643	633,862	204,950	(500,179)
43	Deferral (Allocated)	\$	(103,001)	114,865	591,553	596,464	192,858	(470,669)
44	Intervenor Funding							
45	Intervenor Funding	\$	0	0	0	0	0	0
46	Credit From IDACORP Energy	\$	(166,667)	(166,666)	0	0	0	(1,500,000)
47	Settlement Agreement (ON 29600)	\$	(804,167)	(804,167)	(804,167)	(804,167)	(804,167)	(9,650,000)
48	Bennett Mtn. Credit (ON 29790)	\$	(3,986)	(3,986)	(3,986)	(3,986)	(3,986)	(39,858)
49	Total Deferral (-6+36+43+45+46+47+48)	\$	(1,682,679)	10,314,159	(9,346,550)	(14,779,081)	(19,034,634)	(39,455,973)
50	Principal Balances							
52	Beginning Balance	\$	(4,927,189)	(6,609,867)	3,704,291	(5,642,258)	(20,421,340)	
53	Amount Deferred	\$	(1,682,679)	10,314,159	(9,346,550)	(14,779,081)	(19,034,634)	(39,455,973)
54	Ending Balance	\$	(6,609,867)	3,704,291	(5,642,258)	(20,421,340)	(39,455,973)	
55	Interest Balances							
57	Accrual thru Prior Month	\$	(943)	(9,155)	(20,191)	(14,016)	(23,419)	
58	Interest @ 2% per Year	\$	(8,212)	(11,016)	6,174	(9,404)	(34,036)	(57,488)
59	Prior Month's Interest Adj.	\$	0	(20)	1	1	(276)	(242)
60	Total Current Month Interest	\$	(8,212)	(11,036)	6,175	(9,403)	(34,312)	(57,730)
61	Interest Accrued to Date	\$	(9,155)	(20,191)	(14,016)	(23,419)	(57,730)	
62	Balance (True-Up & Interest)	\$	(6,619,022)	3,684,100	(5,656,274)	(20,444,758)	(39,513,704)	(39,513,704)
63	True-Up of the True-Up							
65	True-Up Revenues							
66	True Up Rates	¢/kWh	0.4024	0.4024	0.4024	0.4024	0.4024	
67	Actual Idaho Sales	kWh	890,496,444	1,005,408,010	1,078,920,738	1,016,643,093	954,795,701	12,529,844,990
68	Total	\$	1,568,690	1,889,864	1,988,372	1,739,243	1,776,360	26,310,731
69	Beginning Balance							
70	Beginning Balance	\$	33,227,488	31,714,178	29,877,170	27,938,593	26,245,915	416,271,416
71	Adjustments per ON 29793							
72	Fuel Expense Adjustment	\$	0	0	0	0	0	(250,506)
73	Intervenor Funding	\$	0	0	0	0	0	(45,675)
74	Irrigation Lost Revenues ON 29669	\$	0	0	0	0	0	13,482,882
75	Sub-Total	\$	33,227,488	31,714,178	29,877,170	27,938,593	26,245,915	429,458,117
76	Interest @ 2% per Year	\$	55,379	52,857	49,795	46,564	43,743	
77	Revenue Applied to Interest	\$	55,379	52,857	49,795	46,564	43,743	715,764
78	Revenue Applied to Balance	\$	1,513,310	1,837,007	1,938,577	1,692,679	1,732,617	25,594,967
79	True-Up of the True-Up Balance	\$	31,714,178	29,877,170	27,938,593	26,245,915	24,513,298	24,513,298
80	Note: Negative amounts indicate benefit to ratepayers							

IPC-E-06-07
 Idaho Power Company
 Summary of Revenue Impact
 State of Idaho

Normalized 12-Months Ending December 31, 2005
 6/1/06 Base to 6/1/06 PCA

Line No	Tariff Description	(1) Rate Sch. No.	(2) 2005 Avg. Number of Customers	(3) 2005 Sales Normalized (kWh)	(4) 06/01/06 Base Revenue	(5) 06/01/06 PCA Adjustment	(6) Total Revenue	(7) Average \$/kWh	(8) Percent Change
<u>Uniform Tariff Rates:</u>									
1	Residential Service	1/4/5	359,802	4,503,865,230	266,728,029	(16,614,759)	250,113,270	5.553	-6.23%
2	Small General Service	7	30,899	218,605,825	16,039,937	(806,437)	15,233,500	6.968	-5.03%
3	Large General Service	9	20,998	3,227,118,622	130,354,522	(11,904,841)	118,449,681	3.670	-9.13%
4	Dusk to Dawn Lighting	15	-	5,933,906	938,956	(21,890)	917,066	15.455	-2.33%
5	Large Power Service	19	115	2,056,658,504	63,551,457	(7,587,013)	55,964,444	2.721	-11.94%
6	Agricultural Irrigation Service	24/25	15,085	1,574,100,117	71,787,672	(5,806,855)	65,980,817	4.192	-8.09%
7	Unmetered General Service	40	2,310	16,202,707	873,387	(59,772)	813,615	5.021	-6.84%
8	Street Lighting	41	129	18,704,636	1,954,043	(69,001)	1,885,042	10.078	-3.53%
9	Traffic Control Lighting	42	<u>72</u>	<u>7,842,173</u>	<u>270,087</u>	<u>(28,930)</u>	<u>241,157</u>	<u>3.075</u>	<u>-10.71%</u>
10	Total Uniform Tariffs		429,410	11,629,031,720	552,498,090	(42,899,498)	509,598,592	4.382	-7.76%
<u>Special Contracts:</u>									
11	Micron	26	1	673,760,250	17,917,747	(2,485,502)	15,432,245	2.290	-13.87%
12	J R Simplot	29	1	187,632,199	4,645,190	(692,175)	3,953,015	2.107	-14.90%
13	DOE	30	<u>1</u>	<u>204,738,943</u>	<u>5,162,162</u>	<u>(755,282)</u>	<u>4,406,880</u>	<u>2.152</u>	<u>-14.63%</u>
14	Total Special Contracts		3	1,066,131,392	27,725,099	(3,932,959)	23,792,140	2.232	-14.19%
15	Total Idaho Retail Sales		429,413	12,695,163,112	580,223,189	(46,832,457)	533,390,732	4.202	-8.07%

Base Revenue excludes amount associated with the one-year tax adjustment authorized by Order No. 29789. The adjustment expires May 31, 2006.

IPC-E-06-07

Idaho Power Company
Summary of Revenue Impact

State of Idaho

Normalized 12-Months Ending December 31, 2005
6/1/05 Base plus 6/1/05 PCA to 6/1/06 PCA

Line No	Tariff Description	(1) Rate Sch. No.	(2) 2005 Avg. Number of Customers	(3) 2005 Sales Normalized (kWh)	(4) 06/01/05 Base + PCA Revenue	(5) 06/01/06 PCA Adjustment	(6) Total Revenue	(7) Average \$/kWh	(8) Percent Change
<u>Uniform Tariff Rates:</u>									
1	Residential Service	1/4/5	359,802	4,503,865,230	285,606,461	(43,840,624)	241,765,837	5.368	-15.35%
2	Small General Service	7	34,310	296,650,388	22,522,482	(2,885,815)	19,636,667	6.619	-12.81%
3	Large General Service	9	17,587	3,149,074,058	140,099,975	(30,634,192)	109,465,783	3.476	-21.87%
4	Dusk to Dawn Lighting	15	-	5,933,906	974,791	(57,725)	917,066	15.455	-5.92%
5	Large Power Service	19	115	2,056,658,504	73,983,627	(20,007,174)	53,976,453	2.624	-27.04%
6	Agricultural Irrigation Service	24/25	15,085	1,574,100,117	79,067,338	(15,333,309)	63,734,029	4.049	-19.39%
7	Unmetered General Service	40	2,310	16,202,707	971,235	(157,620)	813,615	5.021	-16.23%
8	Street Lighting	41	129	18,704,636	2,005,926	(181,959)	1,823,967	9.751	-9.07%
9	Traffic Control Lighting	42	72	7,842,173	308,992	(76,289)	232,703	2.967	-24.69%
10	Total Uniform Tariffs	429,410	11,629,031,719	605,540,827	(113,174,707)	492,366,120	4.234	-18.69%	
<u>Special Contracts:</u>									
11	Micron	26	1	673,760,250	21,425,926	(6,554,340)	14,871,586	2.207	-30.59%
12	J R Simplot	29	1	187,632,199	5,633,041	(1,825,286)	3,807,755	2.029	-32.40%
13	DOE	30	1	204,738,943	6,237,195	(1,991,700)	4,245,495	2.074	-31.93%
14	Total Special Contracts	3	1,066,131,392	33,296,162	(10,371,326)	22,924,836	2.150	-31.15%	
15	Total Idaho Retail Sales	429,413	12,695,163,111	638,836,989	(123,546,033)	515,290,956	4.059	-19.34%	

Base Revenue excludes amount associated with the one-year tax adjustment authorized by Order No. 29789. The adjustment expires May 31, 2006.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 12TH DAY OF MAY 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-06-07, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

BARTON L KLINE
MONICA MOEN
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070

GREGORY W SAID
DIRECTOR, REVENUE REQUIREMENT
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070


SECRETARY