

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-06-33
OF IDAHO POWER COMPANY FOR AN)
ACCOUNTING ORDER TO COMPLY WITH) NOTICE OF APPLICATION
SFAS 158 REGARDING TREATMENT OF)
PENSION AND POSTRETIREMENT) NOTICE OF
BENEFIT OBLIGATIONS) MODIFIED PROCEDURE
)
)
) **ORDER NO. 30223**
)

On December 18, 2006, Idaho Power Company (“Idaho Power” or “Company”) filed an Application for an order authorizing the Company to record certain pension and postretirement costs in accordance with certain recent changes implemented by the Financial Accounting Standards Board (FASB). This Commission has the jurisdiction over such request pursuant to *Idaho Code* § 61-524.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power seeks an order authorizing the Company to: (1) record, as a regulatory asset or regulatory liability, the cumulative financial impact resulting from the Company’s implementation of Statement of Financial Accounting Standards (SFAS) 158, and (2) record on an ongoing basis, as a regulatory asset or a regulatory liability, an amount equal to the changes in the SFAS 158 related balances. The Company states that this will not materially affect the current level of pension and postretirement costs or cost of capital calculations included in the Company’s revenue requirement.

YOU ARE FURTHER NOTIFIED that the Company currently accounts for pension and postretirement benefits in accordance with SFAS Nos. 87, 88, 106, and 132(R). SFAS 158 requires companies with at least one employer defined benefit plan to (1) recognize that funded status of a benefit plan in its statement of financial position, and (2) recognize as a component of other comprehensive income, net of tax, the actuarial gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost pursuant to SFAS No. 87. SFAS 158 thus requires companies to recognize and account for pension and other postretirement benefit plans differently than they have been. These changes affect pension assets and liabilities and other comprehensive income, but do not affect the

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company's income statement. "Other comprehensive income" is a component of equity that is used in general rate cases to determine Idaho Power's revenue requirement. Idaho Power states that unless the Application is approved, the changes demanded by SFAS 158 will affect the calculation of its revenue requirement in future rate cases.

YOU ARE FURTHER NOTIFIED that the Company states that it is ready to comply with SFAS 158. It further states that this standard will affect capitalization ratios used by regulatory bodies, credit rating agencies, and covenants of debt financings. Thus, the Company seeks approval by this Commission to record the effect of the adoption of the standard, allowing other comprehensive income to be deferred as a regulatory asset or liability. The Company does not intend by this Application to request any approval regarding future ratemaking treatment or to change the current cost recovery of SFAS 87 or SFAS 106 expenses.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Application in this case and has preliminarily determined that the public interest in this matter may not require a hearing to consider the issues presented, and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.210-204. 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 the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in this case is twenty-one (21) days from the service date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Idaho Public Utilities Commission
Commission Secretary
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
472 W. Washington Street
Boise, Idaho 83702-5983

Barton L. Kline, Senior Attorney
Monica Moen, Attorney II
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: bkline@idahopower.com
mmoen@idahopower.com

John R. Gale
Vice President, Regulatory Affairs
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: rgale@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's Website at www.puc.idaho.gov under "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If written comments or protests are received 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 based on the written comments before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* § 61-524.

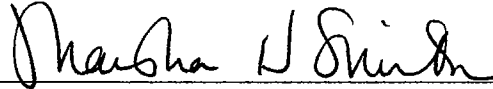
ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power Company be processed by Modified Procedure, IDAPA 31.01.01.201-204. Persons interested in submitting written comments in this matter must do so no later than twenty-one (21) days from the service date of this Order.

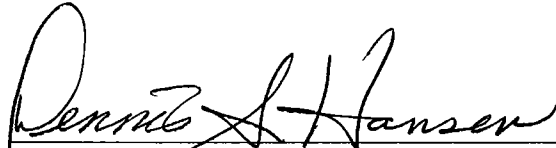
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th day of January 2007.



PAUL KJELLANDER, PRESIDENT

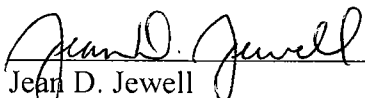


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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