

2007 APR 13 PM 12:03  
IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE  
APPLICATION OF IDAHO POWER  
COMPANY FOR AUTHORITY TO  
IMPLEMENT POWER COST  
ADJUSTMENT (PCA) RATES FOR  
ELECTRIC SERVICE FROM JUNE 1,  
2007 THROUGH MAY 31, 2008

CASE NO. IPC-E-07-10

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

CELESTE SCHWENDIMAN

1 Q. Please state your name and business address.

2 A. My name is Celeste Schwendiman, and my  
3 business address is 1221 West Idaho Street, Boise, Idaho.

4 Q. By whom are you employed and in what  
5 capacity?

6 A. I am employed by Idaho Power Company (the  
7 Company) as a Senior Pricing Analyst in the Pricing and  
8 Regulatory Services Department.

9 Q. Please describe your educational background.

10 A. I received a Master's Degree in Business  
11 Administration from Northwest Nazarene University and a  
12 Bachelor of Arts Degree in Psychology from Eastern Oregon  
13 University. I have attended the Center for Public Utilities  
14 and National Association of Regulatory Utility  
15 Commissioners' Practical Skills for a Changing Utility  
16 Environment conference, the Current Issues conference, and  
17 the Edison Electric Institute's Electric Advanced Rate  
18 Course.

19 Q. Please describe your work experience with  
20 Idaho Power Company.

21 A. I became employed by Idaho Power Company in  
22 1997 as a Research Assistant II in the Pricing & Regulatory  
23 Services Department. I have been promoted as follows:  
24 February 1998, Entry Analyst; August 1998, Analyst; and July  
25 2001, Senior Analyst. From 1998 through 2004, I assisted in

1 the preparation of the Power Cost Adjustment (PCA) filings.  
2 In 2005 and 2006, I sponsored testimony in the Company's  
3 annual PCA filings. In 2005, I sponsored testimony in case  
4 number IPC-E-05-28, as the Company's revenue requirement  
5 witness in its general rate case and in 2006, I sponsored  
6 testimony in case number IPC-E-06-31, the Company's request  
7 to recover purchased power costs associated with the  
8 Telocaset wind generation project.

9 Q. What is this year's projection of PCA expense?

10 A. The projection of PCA expense for the period April  
11 1, 2007 through March 31, 2008 is \$129,234,632. This amount  
12 is \$28,318,137 more than the \$100,916,495 normalized level of  
13 PCA expense as authorized in Order No. 30035.

14 Q. What is the basis for the projection of April 1,  
15 2007 through March 31, 2008 PCA expense?

16 A. In Order No. 24806, the Idaho Public Utilities  
17 Commission adopted a natural logarithmic function of  
18 projected April through July Brownlee reservoir inflow to  
19 compute the projection of April through March PCA expense.  
20 The equation was updated to be consistent with Order No.  
21 30035. The PCA regression equation is:

$$\begin{aligned} 22 \quad \text{Annual PCA Expense} &= \$1,137,165,252 \\ 23 \quad &\quad - \$70,733,339 * \ln(\text{Brownlee inflow}) \\ 24 \quad &\quad + \$54,632,157 \\ 25 \quad &\quad + \$1,004,538 \end{aligned}$$

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- \$1,900,000

This year's regression was based on the water years used in the calculation of the 2003 test year normalized power supply expense, updated with both costs and reduced power supply expense for the Bennett Mountain power plant as approved through Order No. 29790. Details of the regression equation are contained in Exhibit 1.

Q. What is the source of the constants used in the regression equation?

A. In the regression equation, \$1,137,165,252 is the constant that represents the prediction of annual net power supply expense that would occur if there was zero April through July Brownlee reservoir inflow. For each unit increase in the natural logarithm of the Brownlee reservoir inflow, the projection of annual power supply expense will be reduced by \$70,733,339, the second of the constants in the equation. The other three constants are: \$54,632,157 for energy purchased from Qualifying Facilities (QF), \$1,004,538 for the cloud seeding program expense, and the \$1,900,000 for the associated benefit of the cloud seeding program.

Q. What is the April through July Brownlee reservoir inflow forecast that you used to arrive at the projection of PCA expense?

A. The National Weather Service's Northwest River

1 Forecast Center (NWRFC), in its Official Forecast, released  
2 on April 6, 2007, projected April through July Brownlee  
3 reservoir inflow to be 3.30 million acre-feet. The result  
4 of the equation, updated with the forecast, is \$129,234,632  
5 of net projected PCA expense for the period of April 1, 2007  
6 through March 31, 2008. This amount is \$28,318,137 more  
7 than the normalized level of PCA expense of \$100,916,495.  
8 The forecast information supplied by the NWRFC is contained  
9 on Exhibit 2.

10 Q. You have stated that the projected net PCA expense  
11 exceeds the normalized level of PCA expense by \$28,318,137.  
12 What is the rate adjustment associated with the projected  
13 increase in PCA expense of \$28,318,137 from the normalized  
14 level of PCA expense?

15 A. The normalized PCA expense of \$100,916,495,  
16 divided by the normalized system firm sales of 13,497,550  
17 Megawatt-hours, is used to arrive at the normalized base  
18 power cost of 0.7477 cents per kilowatt-hour. For the  
19 period April 1, 2007 through March 31, 2008, the customer-  
20 level projected power cost of serving firm loads is 0.9575  
21 cents per kilowatt-hour which is computed by dividing the  
22 projected net PCA expense of \$129,234,632 by the 13,497,550  
23 Megawatt-hours of normalized system firm sales. The Company  
24 adjusts its rates by 90 percent of the difference between  
25 the customer-level projected power cost of serving firm

1 loads (0.9575 cents per kilowatt-hour) and the normalized  
2 base power cost (0.7477 cents per kilowatt-hour.) Stated in  
3 the form of an equation, this year's computation is  
4  $(.9)(0.9575-0.7477)=0.1888$ . The resulting adjustment is a  
5 0.1888 cents per kilowatt-hour increase from the normalized  
6 base power cost.

7 Q. Please describe the True-Up required from the  
8 comparison of the April 1, 2006 through March 31, 2007  
9 actual results to last year's projections.

10 A. The Deferral Expense Account report for the April  
11 1, 2006 through March 31, 2007 PCA year is attached as  
12 Exhibit 3. This report compares the actual results to last  
13 year's projections, month by month, with the differences  
14 accumulated as the deferral balance. Interest has been  
15 applied to the balance monthly. The balance at the end of  
16 March 2007 was \$42,115,280 as shown on row 80 of Exhibit 3.  
17 The Accounting Department has advised me that the deferral  
18 balance will be amortized during the current PCA year.

19 Q. Are there any non-traditional credits that the  
20 Company has reflected as a benefit to its customers through  
21 the True-Up component of this year's PCA rate?

22 A. Yes. The Company has several non-traditional  
23 inclusions in this year's Deferral Expense Account report.  
24 All of these items are credits, which lower this year's PCA  
25 rate.

1           These items are:

2           1) A credit from the sale of the Company's  
3 emissions allowances in the amount of \$49.7 million as shown  
4 on row 37 of Exhibit 3.

5           2) A credit resulting from the settlement of the  
6 disputed Valmy outage replacement power and a non-recurring  
7 tax credit. The total of the two credits was \$19.3 million  
8 and has been provided to customers through a monthly  
9 adjustment of \$804,167 over a 2-year term (June 2004 through  
10 May 2006.) The final two months of credits total to \$1.6  
11 million and are shown on row 54 of Exhibit 3.

12           3) A credit resulting from the required power  
13 supply expense reduction from the addition of the Bennett  
14 Mountain power plant. Row 55 of the Exhibit 3 reflects the  
15 remaining two months of the reduction to power supply costs.  
16 The total of the last two months was \$7,972.

17           Q. Are there any additional adjustments to the True-  
18 Up balance that the Company proposes at this time?

19           A. Yes. As I stated earlier in my testimony, the  
20 Company recorded a credit of \$49.7 million in the Deferral  
21 Expense Account report related to the after-tax benefit of  
22 selling emissions allowances. By returning benefits from  
23 the sale to the Company's customers, the Company will  
24 realize an Idaho jurisdictional tax benefit of \$27 million.  
25 This amount will be an entry to the June 2007 True-Up of the

1 True-Up balance in next year's Deferral Expense Account  
2 report. The Company proposes that this known benefit be  
3 reflected in this year's True-Up rate. Accordingly, the PCA  
4 True-Up balance of \$42,115,280 has been reduced to  
5 \$15,090,267. The computation of the benefit was derived  
6 from Order No. 30041.

7 Q. What is the True-Up rate given the Company  
8 proposal to capture the tax benefit associated with the sale  
9 of excess emission allowances in this year's PCA?

10 A. This year's True-Up component of the PCA is the  
11 True-Up balance of \$15,090,267, divided by the Company's  
12 projected Idaho jurisdictional sales of 13,475,244 Megawatt-  
13 hours which results in a rate of 0.1120 cents per kilowatt-  
14 hour.

15 Q. What is this year's True-Up of the True-Up rate?

16 A. The Company under-refunded the 2006/2007 PCA True-  
17 Up balance by \$7,941,094 as shown on row 99 of the Deferral  
18 Expense Account report. Dividing the negative \$7,941,094  
19 balance by the projected 2007 Idaho jurisdictional sales of  
20 13,475,244 Megawatt-hours results in negative 0.0589 cents  
21 per kilowatt-hour as the True-Up of the True-Up rate.

22 Q. Taking into consideration all of the above-  
23 described components, what is the resulting PCA rate?

24 A. The Company's PCA rate for the 2007/2008 PCA year  
25 is 0.2419 cents per kilowatt-hour. The rate is comprised



1 of: 1) the 0.1888 cents per kilowatt-hour adjustment for  
2 2007/2008 projected power cost of serving firm loads, 2) the  
3 0.1120 cents per kilowatt-hour for the 2006/2007 True-Up  
4 portion of the PCA, and 3) the negative 0.0589 cents per  
5 kilowatt-hour for the True-Up of the True-Up. The  
6 components used to calculate the 0.2419 cents per kilowatt-  
7 hour are shown in Exhibit 4, the Company's proposed Schedule  
8 55.

9 Q. How does the new PCA rate of 0.2419 cents per  
10 kilowatt-hour compare to the existing PCA rate?

11 A. The 2007/2008 PCA rate of 0.2419 cents per  
12 kilowatt-hour is 0.6108 cents per kilowatt-hour greater than  
13 the negative 0.3689 cents per kilowatt-hour PCA rate  
14 currently in place for all customers. Schedules for each  
15 customer class, updated with the 2007/2008 PCA rate, are  
16 attached as Exhibit 5.

17 Q. Does that conclude your testimony?

18 A. Yes.

19

IDAHO POWER COMPANY

CASE NO. IPC-E-07-10

TESTIMONY

OF

CELESTE SCHWENDIMAN

EXHIBIT NO. 1

PCA REGRESSION DERIVATION

obs.	year	runoff	ln(runoff)	npdc	predicted y
1	1928	6,660,488	15.71	\$ 24,676,670	\$ 25,824,544
2	1929	3,383,945	15.02	\$ 51,400,550	\$ 74,774,064
3	1930	2,680,257	14.80	\$ 98,704,610	\$ 90,211,178
4	1931	2,195,847	14.60	\$ 106,654,530	\$ 104,327,586
5	1932	4,597,987	15.34	\$ 72,326,160	\$ 52,085,957
6	1933	4,164,069	15.24	\$ 80,966,490	\$ 59,047,461
7	1934	2,330,769	14.66	\$ 129,962,490	\$ 100,093,636
8	1935	3,032,333	14.92	\$ 103,099,200	\$ 81,481,295
9	1936	4,959,005	15.42	\$ 67,137,980	\$ 46,689,478
10	1937	2,925,640	14.89	\$ 67,103,260	\$ 84,014,892
11	1938	6,822,575	15.74	\$ 12,582,700	\$ 24,123,287
12	1939	3,757,156	15.14	\$ 69,071,320	\$ 66,321,001
13	1940	4,161,283	15.24	\$ 60,875,870	\$ 59,094,815
14	1941	3,736,691	15.13	\$ 64,348,900	\$ 66,707,343
15	1942	4,836,089	15.39	\$ 32,792,900	\$ 48,464,794
16	1943	3,024,815	16.02	\$ 19,316,090	\$ 4,336,270
17	1944	3,291,366	15.01	\$ 57,262,790	\$ 76,683,246
18	1945	4,643,867	15.35	\$ 10,989,970	\$ 51,333,663
19	1946	6,789,646	15.72	\$ 25,244,370	\$ 24,988,324
20	1947	5,178,770	15.46	\$ 35,035,940	\$ 43,622,311
21	1948	5,778,546	15.57	\$ 23,175,660	\$ 35,871,033
22	1949	5,306,979	15.48	\$ 36,070,300	\$ 41,892,507
23	1950	6,373,426	15.67	\$ 16,037,210	\$ 28,940,215
24	1951	6,443,611	15.68	\$ 19,201,870	\$ 28,165,546
25	1952	10,272,230	16.14	\$ 22,386,040	\$ (4,821,301)
26	1953	5,894,428	15.59	\$ 28,282,800	\$ 34,466,591
27	1954	5,479,740	15.52	\$ 55,888,500	\$ 39,626,530
28	1955	3,456,000	15.06	\$ 35,457,560	\$ 72,230,809
29	1956	7,788,058	15.87	\$ 19,432,180	\$ 14,761,418
30	1957	7,771,260	15.87	\$ 15,302,080	\$ 14,914,142
31	1958	7,406,335	15.82	\$ 37,513,780	\$ 18,316,175
32	1959	3,789,767	15.15	\$ 54,126,500	\$ 65,709,720
33	1960	4,218,730	15.26	\$ 74,800,720	\$ 58,125,007
34	1961	3,065,597	14.94	\$ 92,706,460	\$ 80,709,573
35	1962	4,433,230	15.30	\$ 39,988,120	\$ 54,617,023
36	1963	4,530,163	15.33	\$ 43,723,060	\$ 53,087,115
37	1964	5,525,141	15.52	\$ 11,620,340	\$ 39,042,943
38	1965	8,391,765	15.94	\$ 13,750,660	\$ 9,480,508
39	1966	3,469,492	15.06	\$ 82,509,090	\$ 71,955,217
40	1967	4,676,331	15.36	\$ 21,418,010	\$ 50,840,914
41	1968	3,332,063	15.02	\$ 32,520,440	\$ 74,814,011
42	1969	6,787,323	15.73	\$ 33,280,620	\$ 24,489,714
43	1970	6,105,965	15.62	\$ 7,930,880	\$ 31,972,625
44	1971	10,246,610	16.14	\$ 5,968,460	\$ (4,644,661)
45	1972	7,785,381	15.86	\$ 15,798,240	\$ 15,241,466
46	1973	3,861,620	15.17	\$ 15,664,680	\$ 64,381,185
47	1974	9,567,549	16.07	\$ 23,958,150	\$ 205,516
48	1975	8,032,582	15.90	\$ 4,532,920	\$ 12,574,725
49	1976	7,168,628	15.79	\$ 34,217,360	\$ 20,623,599
50	1977	2,118,298	14.57	\$ 98,808,340	\$ 106,854,718
51	1978	5,057,794	15.44	\$ 7,057,020	\$ 45,294,245
52	1979	3,861,850	15.17	\$ 63,119,230	\$ 64,376,971
53	1980	5,830,780	15.58	\$ 17,400,240	\$ 35,234,517
54	1981	4,160,499	15.24	\$ 55,367,200	\$ 59,108,133
55	1982	9,273,023	16.04	\$ 7,471,330	\$ 2,417,177
56	1983	9,934,443	16.11	\$ (7,500,140)	\$ (2,456,237)
57	1984	11,353,603	16.25	\$ (8,611,450)	\$ (11,901,069)
58	1985	5,509,033	15.52	\$ 29,152,060	\$ 39,249,467
59	1986	8,412,897	15.95	\$ 1,142,030	\$ 9,302,613
60	1987	3,000,589	14.91	\$ 95,211,690	\$ 82,225,658
61	1988	2,487,374	14.73	\$ 97,196,640	\$ 96,493,898
62	1989	4,281,227	15.27	\$ 63,697,890	\$ 57,084,833
63	1990	2,375,083	14.87	\$ 111,588,920	\$ 85,247,888
64	1991	2,672,257	14.80	\$ 115,492,320	\$ 90,422,600
65	1992	1,866,885	14.44	\$ 131,741,330	\$ 116,791,284
66	1993	6,004,054	15.61	\$ 32,097,810	\$ 33,163,153
67	1994	2,494,387	14.73	\$ 96,876,490	\$ 95,294,735
68	1995	6,578,715	15.70	\$ 25,213,410	\$ 26,697,804
69	1996	3,063,851	15.90	\$ 24,305,020	\$ 12,299,908
70	1997	10,019,530	16.12	\$ 16,708,150	\$ (3,059,477)
71	1998	3,382,375	15.94	\$ 8,758,430	\$ 9,555,480
72	1999	7,679,720	15.85	\$ 20,743,440	\$ 15,752,270
73	2000	4,269,779	15.27	\$ 78,188,370	\$ 57,274,238
74	2001	2,382,545	14.68	\$ 119,660,270	\$ 98,539,538
75	2002	3,306,419	15.01	\$ 117,688,370	\$ 75,360,496
averages		5,438,108	15.41	\$ 47,005,199	\$ 47,005,199

regression statistics	
multiple r	0.8664
r square	0.7506
adjusted r square	0.7472
standard error	18,484,402
observations	75
anova	
	df
regression	1
residual	73
total	74
coefficients	
intercept	1,137,165,252
x variable 1	(70,733,339)

IDAHO POWER COMPANY

CASE NO. IPC-E-07-10

TESTIMONY

OF

CELESTE SCHWENDIMAN

EXHIBIT NO. 2



**Water Supply**  
**Seasonal Volume Forecasts**  
**(BRN11) SNAKE - BROWNLEE DAM**

[\[Click for Normal and Adjustments\]](#)

**The Official Statistical Water Supply forecast is issued between the middle of December and July 1st  
 Ensemble Predicted forecast are issued weekly. A comparison continues to be made  
 between the two forecasts through the end of September.**

**SNAKE - BROWNLEE DAM (BRN11)**  
**Forecasts for WY 2007**

Official Forecast (Regression) <small>Issued: 2007-04-05 (precip)</small>				ESP Forecasts <small>Issued: 2007-04-02</small>					Obs Flow From					
Period	Forecast (KAF)	% of Average	5% Forecast	95% Forecast	30yr (1971-2000) Average	Max of Record	Min of Record	Forecast Period	90% Exceedance Probability	70% Exceedance Probability	50% Exceedance Probability	30% Exceedance Probability	10% Exceedance Probability	Start of Period To 4/2/2007
APR-JUL	3300.0	52	5458.0	1142.0	6313.0	12754.0	1793.0	APR-JUL	3439.9	3558.9	3655.1	3880.0	4262.0	0.0
APR-SEP	4690.0	60	6848.0	2532.0	7801.0	14758.0	2547.0	APR-SEP	4712.2	4841.0	4984.5	5178.6	5606.4	0.0
JAN-JUL	5840.0	55	7998.0	3682.0	10700.0	19082.0	3945.0	JAN-JUL	5976.9	6095.9	6192.1	6417.0	6799.0	2537.0
APR-AUG	3660.0	52	5818.0	1502.0	6992.0			APR-AUG	4046.1	4165.0	4271.1	4483.0	4885.8	0.0
JAN-AUG	6190.0	54	8348.0	4032.0	11380.0			JAN-AUG	6583.1	6702.0	6808.1	7020.0	7422.8	2537.0

Select for Verification Plots



- Water Supply Forecast Information Map Summary
- ESP Water Supply ESP Natural
- Peak flow
- Description Verification
- Inputs Precipitation Temperature Snow Runoff
- Descriptive Information Summary Schedule
- Fast Locations Publications
- Return Home Menu



IDAHO POWER COMPANY

CASE NO. IPC-E-07-10

TESTIMONY

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EXHIBIT NO. 3

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		April	May	June	July	August	September	October	November	December	January	February	March	Totals
1 Power Cost Adjustment														
2 April 2006 thru March 2007														
3														
4 PCA Revenue		862,931	881,064	1,074,252	1,273,977	1,295,480	1,168,367	996,812	912,336	1,021,056	1,096,401	1,032,663	971,533	12,586,872
5 Normalized Idaho Jurisdictional Sales		4,288	4,288	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)	(2,507)
6 PCA Component Rate		3,700,248	3,778,002	(2,693,150)	(3,193,860)	(3,247,768)	(2,929,096)	(2,499,008)	(2,287,226)	(2,559,787)	(2,748,677)	(2,588,866)	(2,435,633)	(19,704,842)
7 Revenue														
8														
9 Load Change Adjustment														
10 Actual Firm Load - Adjusted	Mwh	987,134	1,252,090	1,455,481	1,751,828	1,546,516	1,213,236	1,098,789	1,142,940	1,346,182	1,382,283	1,106,621	1,089,553	15,372,653
11 Normalized Firm Load	Mwh	974,066	1,142,316	1,395,617	1,567,783	1,482,896	1,185,594	1,090,868	1,122,464	1,274,108	1,265,091	1,092,645	1,078,723	14,662,171
12 Load Change	Mwh	13,068	109,774	59,864	184,045	63,620	27,642	17,921	20,476	72,074	117,192	13,976	10,830	710,482
13 Expense Adjustment (@ 16.84)		(220,065)	(1,848,594)	(1,008,110)	(3,099,318)	(1,071,361)	(465,491)	(301,790)	(344,816)	(1,213,726)	(1,973,513)	(235,356)	(182,377)	(11,964,517)
14														
15 Actual Non-QF PCA		(220,065)	(1,848,594)	(1,008,110)	(3,099,318)	(1,071,361)	(465,491)	(301,790)	(344,816)	(1,213,726)	(1,973,513)	(235,356)	(182,377)	(11,964,517)
16 Expense Adjustment		0	0	0	0	0	0	0	0	0	62,500	0	0	62,500
17 Water Lease Purchases		62,223	60,860	25,381	18,559	23,731	42,983	45,175	58,725	120,999	57,852	173,868	114,227	804,603
18 Cloud Seeding Program		5,546,615	6,095,688	7,741,233	10,085,118	10,880,041	10,919,871	9,801,716	10,224,908	9,815,731	10,253,901	9,431,155	9,736,944	110,532,921
19 Fuel Expense-Coal		73,786	221,367	336,649	1,319,234	587,423	125,246	(6,289)	164,780	49,806	0	151,429	99,939	3,123,369
20 Danskin-Gas		132,815	580,697	1,060,247	592,883	0	478,756	260,328	662,445	139,155	530,042	11,446	609,723	5,058,538
21 Bennett Mountain-Gas		18,805,367	21,235,507	21,621,438	32,424,611	27,710,694	17,680,017	10,081,382	11,368,260	21,860,906	21,841,568	11,930,081	10,322,075	224,881,906
22 Non-Firm Purchases		(33,649,301)	(22,745,928)	(16,169,244)	(7,089,391)	(12,918,832)	(17,442,355)	(13,612,384)	(7,761,189)	(17,822,923)	(20,984,875)	(14,089,689)	(21,263,175)	(205,529,286)
23 Surplus Sales		(11,248,561)	3,599,597	13,607,594	34,251,696	25,211,696	11,339,026	6,268,139	14,373,113	12,949,947	9,807,475	7,372,955	(562,644)	126,970,033
24 Total Non-QF														
25														
26 BASE		7,108,200	6,800,600	6,342,000	8,714,200	8,720,308	8,448,908	8,726,408	8,442,408	8,726,608	8,453,508	7,372,808	7,282,408	95,138,364
27 Fuel Expense-Coal		264,800	278,500	275,700	279,600	280,800	264,700	272,300	264,400	273,100	272,200	257,500	273,600	3,257,200
28 Danskin-Gas		0	0	406,100	253,200	256,700	20,900	22,400	6,100	99,700	51,100	26,300	51,800	1,194,300
29 Bennett Mountain-Gas		28,000	664,100	2,715,400	3,166,600	2,765,200	479,300	35,800	603,000	841,100	387,500	84,000	72,800	11,842,800
30 Non-Firm Purchases		0	0	0	0	0	0	0	167,423	167,423	167,423	167,423	167,423	1,004,538
31 Cloud Seeding Expense		0	0	0	0	0	0	0	0	0	0	0	0	(1,900,000)
32 Cloud Seeding Benefit		0	0	0	0	0	0	0	0	0	0	0	0	(64,162,300)
33 Surplus Sales		(9,187,500)	(6,566,900)	(4,831,500)	(2,542,200)	(3,601,100)	(5,736,200)	(5,012,200)	(1,419,600)	(3,443,800)	(5,889,800)	(7,776,100)	(8,155,400)	(64,162,300)
34 Net 90% Items		(1,786,500)	1,176,300	4,907,700	9,871,400	8,421,908	3,477,608	3,895,464	7,747,064	6,347,464	3,125,264	(184,736)	(624,036)	46,374,902
35														
36 Change From Base		(9,462,061)	2,423,297	8,699,894	24,380,296	16,789,788	7,861,418	2,372,674	6,626,048	6,602,483	6,682,210	7,557,690	61,392	80,585,131
37 Emission Allowance Sales Credit		0	0	(49,712,488)	0	0	0	0	0	0	0	0	0	(49,712,488)
38 Subtotal		(9,462,061)	2,423,297	(41,012,595)	24,380,296	16,789,788	7,861,418	2,372,674	6,626,048	6,602,483	6,682,210	7,557,690	61,392	30,882,642
39														
40 Sharing Percentage		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
41 Idaho Allocation		94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%
42														
43 Non-QF Deferral		(6,013,419)	2,052,290	(34,733,566)	20,647,673	14,219,272	6,657,835	2,009,418	5,611,600	5,591,643	5,659,164	6,400,608	51,993	26,154,510
44														
45 Actual QF (Includes Net Metering)**		3,294,788	4,457,705	7,097,652	7,782,423	7,165,189	5,608,899	3,919,787	3,123,690	3,218,089	2,401,300	2,133,362	2,117,273	52,320,145
46 Base QF		2,815,766	4,160,399	7,292,829	7,540,664	7,159,661	5,503,788	4,561,853	3,239,593	3,483,863	3,036,410	2,957,595	2,307,604	54,059,005
47 Change From Base		479,022	297,306	(195,177)	241,759	6,528	105,121	(642,066)	(115,903)	(265,774)	(635,110)	(824,233)	(190,331)	(1,738,860)
48														
49 Sharing Percentage		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
50 Idaho Allocation		94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%	94.1%
51														
52 QF Deferral		450,759	279,764	(183,661)	227,495	6,142	98,919	(604,184)	(109,065)	(250,094)	(597,639)	(775,604)	(179,101)	(1,636,267)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Power Cost Adjustment		April	May	June	July	August	September	October	November	December	January	February	March	Totals
1														
2	April 2006 thru March 2007													
53														
54	Settlement Agreement (IPUC Order 29600)	\$ (804,167)	(804,167)	0	0	0	0	0	0	0	0	0	0	(1,606,333)
55	Bennett Mountain Credit (IPUC Order 29790)	\$ (3,986)	(3,986)	0	0	0	0	0	0	0	0	0	0	(7,972)
56														
57	Total Deferral	\$ (12,071,061)	(2,254,100)	(32,224,078)	24,069,029	17,473,183	9,685,850	3,904,241	7,789,761	7,901,336	7,810,203	8,213,890	2,308,525	42,606,780
58														
59														
60	Principal Balances													
61														
62	Beginning Balance ***	\$ 0	(12,071,061)	(14,325,161)	(46,549,239)	(22,480,210)	(5,007,027)	4,678,823	8,583,064	16,372,825	24,274,162	32,084,364	40,298,255	
63														
64	Amount Deferred	\$ (12,071,061)	(2,254,100)	(32,224,078)	24,069,029	17,473,183	9,685,850	3,904,241	7,789,761	7,901,336	7,810,203	8,213,890	2,308,525	42,606,780
65														
66	Ending Balance	\$ (12,071,061)	(14,325,161)	(46,549,239)	(22,480,210)	(5,007,027)	4,678,823	8,583,064	16,372,825	24,274,162	32,084,364	40,298,255	42,606,780	
67														
68	Interest Balances													
69														
70	Accrual thru Prior Month	\$ 0	0	(30,179)	(515,182)	(737,922)	(792,238)	(807,259)	(795,562)	(774,106)	(733,193)	(672,508)	(592,297)	
71														
72	Monthly Interest Rate **	0	0	0	0	0	0	0	0	0	0	0	0	
73														
74	Monthly Interest Inc/(Exp)	\$ 0	(30,178)	(35,813)	(116,373)	(56,201)	(12,518)	11,697	21,458	40,932	60,685	80,211	100,746	64,647
75	Prior Month's Interest Adjustments	\$ 0	(1)	(449,190)	(106,367)	1,884	(2,503)	0	(1)	(20)	0	0	51	(556,147)
76	Total Current Month Interest	\$ 0	(30,179)	(485,003)	(222,740)	(54,317)	(15,021)	11,697	21,457	40,912	60,685	80,211	100,797	(491,500)
77														
78	Interest Accrued to date	\$ 0	(30,179)	(515,182)	(737,922)	(792,238)	(807,259)	(795,562)	(774,106)	(733,193)	(672,508)	(592,297)	(491,500)	
79														
80	Balance in All Accounts	\$ (12,071,061)	(14,355,339)	(47,064,420)	(23,218,132)	(5,795,266)	3,871,563	7,787,502	15,598,720	23,540,969	31,411,856	39,705,958	42,115,280	42,115,280
81														
82	True-Up of True-Up	\$ 24,513,298	(16,657,056)	(18,272,531)	(19,264,713)	(17,680,714)	(16,606,605)	(15,161,489)	(14,029,878)	(12,938,940)	(11,689,266)	(10,318,026)	(9,045,605)	24,513,298
83	Adjustments:													
84	2005-06 PCA transfer per Order No. 3004	\$ (39,513,704)	0	0	0	0	0	0	0	0	0	0	0	(39,513,704)
85	Tax settlement true-up per Order No. 2978	\$ 0	0	0	(333,015)	(0)	0	0	0	0	0	0	0	(333,015)
86		\$ 0	0	0	0	0	0	0	0	0	0	0	0	0
87	True-Up of True-Up Balance	\$ (15,000,406)	(16,657,056)	(18,272,531)	(19,597,728)	(17,680,714)	(16,606,605)	(15,161,489)	(14,029,878)	(12,938,940)	(11,689,266)	(10,318,026)	(9,045,605)	(15,333,421)
88														
89	Monthly Interest Rate	0	0	0	0	0	0	0	0	0	0	0	0	
90														
91	Monthly Interest	\$ (37,501)	(41,643)	(45,661)	(48,994)	(44,202)	(41,517)	(37,904)	(35,075)	(32,347)	(29,223)	(25,795)	(22,614)	(442,496)
92														
93	Monthly Collection	\$ 1,619,149	1,573,833	946,500	(1,966,009)	(1,118,311)	(1,486,632)	(1,169,515)	(1,126,013)	(1,282,021)	(1,400,463)	(1,298,217)	(1,127,125)	(7,834,823)
94														
95	Monthly Collection Applied To Interest	\$ (37,501)	(41,643)	(45,661)	(48,994)	(44,202)	(41,517)	(37,904)	(35,075)	(32,347)	(29,223)	(25,795)	(22,614)	
96														
97	Monthly Collection Applied To Balance	\$ 1,656,650	1,615,476	992,181	(1,917,014)	(1,074,109)	(1,445,116)	(1,131,611)	(1,090,938)	(1,249,674)	(1,371,240)	(1,272,421)	(1,104,511)	(7,392,327)
98														
99	Ending True-Up of the True-Up Balance	\$ (16,657,056)	(18,272,531)	(19,264,713)	(17,680,714)	(16,606,605)	(15,161,489)	(14,029,878)	(12,938,940)	(11,689,266)	(10,318,026)	(9,045,605)	(7,941,094)	(7,941,094)
100														
101	* Negative amounts indicate benefit to the ratepayers.													
102	** Interest rate changed per IPUC Order 29932.													
103	***QF for September is understated by \$286 and will be corrected in October													



IDAHO POWER COMPANY

CASE NO. IPC-E-07-10

TESTIMONY

OF

CELESTE SCHWENDIMAN

EXHIBIT NO. 4

SCHEDULE 55  
POWER COST ADJUSTMENT

APPLICABILITY

This schedule is applicable to the electric energy delivered to all Idaho retail Customers served under the Company's schedules and Special Contracts. These loads are referred to as "firm" load for purposes of this schedule.

BASE POWER COST

The Base Power Cost of the Company's rates is computed by dividing the Company's power cost components by firm kWh load. The power cost components are the sum of fuel expense and purchased power expense (including purchases from cogeneration and small power producers), less the sum of off-system surplus sales revenue. The Base Power Cost is 0.7477 cents per kWh.

PROJECTED POWER COST

The Projected Power Cost is the Company estimate, expressed in cents per kWh, of the power cost components for the forecasted time period beginning April 1 each year and ending the following March 31. The Projected Power Cost is 0.9575 cents per kWh.

TRUE-UP AND TRUE-UP OF THE TRUE-UP

The True-up is based upon the difference between the previous Projected Power Cost and the power costs actually incurred. The True-up of the True-up is the difference between the previous years approved True-Up revenues and actual revenues collected. The total True-up is 0.0531 cents per kWh.

POWER COST ADJUSTMENT

The Power Cost Adjustment is 90 percent of the difference between the Projected Power Cost and the Base Power Cost plus the True-ups.

The monthly Power Cost Adjustment applied to the Energy rate of all metered schedules and Special Contracts is 0.2419 cents per kWh. The monthly Power Cost Adjustment applied to the per unit charges of the nonmetered schedules is the monthly estimated usage times 0.2419 cents per kWh.

EXPIRATION

The Power Cost Adjustment included on this schedule will expire May 31, 2008.

IDAHO POWER COMPANY

CASE NO. IPC-E-07-10

TESTIMONY

OF

CELESTE SCHWENDIMAN

EXHIBIT NO. 5

**SCHEDULE 1**  
**RESIDENTIAL SERVICE**  
(Continued)

**RESIDENTIAL SPACE HEATING**

All space heating equipment to be served by the Company's system shall be single-phase equipment approved by Underwriters' Laboratories, Inc., and the equipment and its installation shall conform to all National, State and Municipal Codes and to the following:

Individual resistance-type units for space heating larger than 1,650 watts shall be designed to operate at 240 or 208 volts, and no single unit shall be larger than 6 kW. Heating units of 2 kW or larger shall be controlled by approved thermostatic devices. When a group of heating units, with a total capacity of more than 6 kW, is to be actuated by a single thermostat, the controlling switch shall be so designed that not more than 6 kW can be switched on or off at any one time. Supplemental resistance-type heaters, that may be used with a heat exchanger, shall comply with the specifications listed above for such units.

**SUMMER AND NON-SUMMER SEASONS**

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

**MONTHLY CHARGE**

The Monthly Charge is the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment at the following rates:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$4.00	\$4.00
Energy Charge, per kWh		
First 300 kWh	5.4251¢	5.4251¢
All Additional kWh	6.1060¢	5.4251¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

**Minimum Charge**

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

**PAYMENT**

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 4  
RESIDENTIAL  
ENERGY WATCH  
PILOT PROGRAM (OPTIONAL)  
(Continued)

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGES

The Monthly Charge is the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment at the following rates:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$4.00	\$4.00
Energy Charge, per kWh		
Energy Watch Event hours	20.0000¢	n/a
All other hours	5.4251¢	5.4251¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 5  
RESIDENTIAL SERVICE  
TIME-OF-DAY  
PILOT PROGRAM  
(OPTIONAL)

Summer Season

On-Peak: 1:00 p.m. to 9:00 pm. Monday through Friday, except for Independence Day when it falls on a weekday  
 Mid -Peak: 7:00 a.m. to 1:00 p.m. Monday through Friday, except for Independence Day when it falls on a weekday  
 Off-Peak: 9:00 p.m. to 7:00 a.m. all days and all hours on Saturday, Sunday, and Independence Day.

Non-summer Season

There are no time-of-day blocks in the Non-summer.

MONTHLY CHARGE

The Monthly Charge is the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment at the following rates:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$4.00	\$4.00
Energy Charge, per kWh		
On-Peak	8.3279¢	n/a
Mid-Peak	6.1060¢	n/a
Off-Peak	4.5145¢	n/a
All Non-summer Hours	n/a	5.4251¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 7  
SMALL GENERAL SERVICE  
 (Continued)

MONTHLY CHARGE

The Monthly Charge is the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment at the following rates:

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$4.00	\$4.00
Energy Charge, per kWh		
First 300 kWh	6.5143¢	6.5143¢
All Additional kWh	7.3361¢	6.5143¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Energy Charge, and the Power Cost Adjustment.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

SCHEDULE 9  
LARGE GENERAL SERVICE  
(Continued)

MONTHLY CHARGE (Continued)

<u>SECONDARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$12.00	\$12.00
Basic Charge, per kW of Basic Load Capacity		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$0.62	\$0.62
Demand Charge, per kW of Billing Demand		
First 20 kW	\$0.00	\$0.00
All Additional kW	\$3.59	\$2.97
Energy Charge, per kWh		
First 2,000 kWh	6.8159¢	6.0800¢
All Additional kWh	2.9199¢	2.6047¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

Facilities Charge

None.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Basic Charge, the Demand Charge, the Energy Charge, and the Power Cost Adjustment.

<u>PRIMARY SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$200.00	\$200.00
Basic Charge, per kW of Basic Load Capacity	\$0.89	\$0.89
Demand Charge, per kW of Billing Demand	\$3.54	\$2.96
Energy Charge, per kWh	2.6569¢	2.3795¢
Power Cost Adjustment*, per kWh	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.



SCHEDULE 9  
LARGE GENERAL SERVICE  
 (Continued)

MONTHLY CHARGE (Continued)

Facilities Charge. The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.7 percent.

Minimum Charge. The monthly Minimum Charge shall be the sum of the Service Charge, the Basic Charge, the Demand Charge, the Energy Charge, the Power Cost Adjustment, and the Facilities Charge.

<u>TRANSMISSION SERVICE</u>	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$200.00	\$200.00
Basic Charge, per kW of Basic Load Capacity	\$0.46	\$0.46
Demand Charge, per kW of Billing Demand	\$3.47	\$2.90
Energy Charge, per kWh	2.5939¢	2.3352¢
Power Cost Adjustment*	0.2419¢	0.2419¢

\*This Power Cost Adjustment is computed as provided in Schedule 55.

Facilities Charge

The Company's investment in Company-owned Facilities Beyond the Point of Delivery times 1.7 percent.

Minimum Charge

The monthly Minimum Charge shall be the sum of the Service Charge, the Basic Charge, the Demand Charge, the Energy Charge, the Power Cost Adjustment, and the Facilities Charge.

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.

