

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-10-06
AUTHORITY TO INCREASE ITS RATES)	
DUE TO THE INCLUSION OF ADVANCED)	NOTICE OF APPLICATION
METERING INFRASTRUCTURE (AMI))	
INVESTMENT IN RATE BASE)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	NOTICE OF
)	COMMENT/PROTEST DEADLINE

YOU ARE HEREBY NOTIFIED that on March 15, 2010, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to implement a 0.41% uniform increase in rates due to the inclusion of Advanced Metering Infrastructure (AMI) investment in rate base. The Company's filing is accompanied by workpapers and supporting testimony.

BACKGROUND

In Order No. 30726 issued on February 12, 2009, in Case No. IPC-E-08-16, the Company was granted a Certificate of Public Convenience and Necessity (Certificate) to install AMI technology throughout its service territory, to accelerate the depreciation of its existing metering infrastructure, and to include the corresponding Operations and Maintenance (O&M) benefits as they occur. In Order No. 30829, in Case No. IPC-E-09-07, the Commission authorized the Company to recover its investment in AMI based on a 2009 test year.

APPLICATION

The proposed increase in rates requested by Idaho Power is the result of including the Company's investment in AMI for a 2010 test year into the Company's rate base/revenue requirement. In its calculations, the Company is reflecting the new investment in AMI and the depreciated metering plant replaced by AMI. The Company also reflects the expenses of accelerated depreciation of the pre-existing metering plant, the reduced O&M expenses due to operating efficiencies that are gained from the AMI deployment, and incremental tax impacts.

The Company investment associated with the installation of AMI grew from \$28,589,837 at year-end 2009 to \$47,348,827 by December 31, 2010. The 13-month average AMI plant in service for the test year is \$38,615,913. The test year indicates a revenue deficiency of \$2,358,085 for the Idaho jurisdiction.

Given the increased challenges associated with raising capital in the financial markets during the present financial crisis, as well as the Company's competing needs for capital investment in other system resources, the Company contends the proposed test year and recovery of the resulting revenue requirement is a necessary component to allow it to continue moving forward with its three-year AMI deployment. The Company represents that its proposal is consistent with its request for a Certificate "to rate base the prudent capital costs of deploying AMI as it is placed in service," (Case No. IPC-E-08-16, Application, p. 11), and the Commission's prior authorization of 2009 AMI investment recovery (\$10,497,354 or 1.83% uniform increase in rates) in Order No. 30829, Case No. IPC-E-09-07.

Idaho Power proposes a uniform percentage increase of 0.41% to base revenues for tariff Schedules 1, 3, 4, and 5 (Residential Customers), Schedule 7 (Small General Service), Schedule 9 (Large General Service – Secondary), Schedule 24 (Agricultural Irrigation Service – Secondary), Schedule 41 (Street Lighting Service – Metered), and Schedule 42 (Control Traffic Signal Lighting Service) effective June 1, 2010, for service provided on and after that date.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-10-06. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

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 Case No. IPC-E-10-06 is **Thursday, May 6, 2010**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may

NOTICE OF APPLICATION

NOTICE OF MODIFIED PROCEDURE

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decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-10-06 should be mailed to the Commission and the Company at the addresses reflected below.

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

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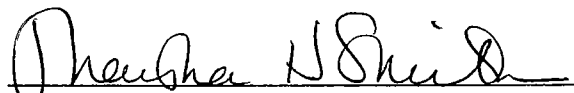
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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments 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 in Case No. IPC-E-10-06 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the principal business of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

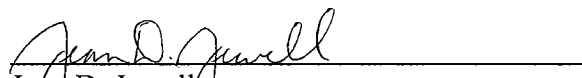
DATED at Boise, Idaho this 5th day of April 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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