

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-11-19**
AUTHORITY TO CONVERT SCHEDULE 54)
– FIXED COST ADJUSTMENT – FROM A) **NOTICE OF APPLICATION**
PILOT SCHEDULE TO AN ONGOING)
PERMANENT SCHEDULE) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 32668**

YOU ARE HEREBY NOTIFIED that on September 28, 2012, Idaho Power Company filed a pleading requesting Commission approval of a “Specific Fixed-Cost Adjustment Methodology.” The Commission in Order No. 32505 approved the Company’s application to make the fixed-cost adjustment (FCA) a permanent program for residential and small general service customers. The Commission also noted, however, that the FCA as structured is imperfect, particularly in that it “does not isolate or identify changes in cost recovery associated solely with the Company’s energy efficiency programs.” Order No. 32505, p. 6. The Commission directed Staff and other interested parties to continue discussing possible adjustments to the FCA, and directed Idaho Power to file a proposal to adjust the FCA to address the deficiency identified by the Commission. *Id.* The Company’s filing responds to the Commission directive in Order No. 32505 that the Company file within six months “a proposal to adjust the FCA to address the capture of changes in load not related to energy efficiency programs.” Order No. 32505, p. 9.

YOU ARE FURTHER NOTIFIED that Idaho Power in its filing recommends the Commission approve the FCA methodology as currently in place without change because it believes the existing mechanism is the most efficient and appropriate method to eliminate the financial disincentives to pursuing all cost-effective DSM resources. Nonetheless, the Company’s filing includes an adjustment to the FCA mechanism to address the capture of significant changes in load not related to energy efficiency programs. The FCA mechanism currently includes a 3% cap on annual increases over base revenue. The Company proposes to apply a symmetrical cap (plus or minus 2%) on the change in annual use per customer where it

deviates from the historical average annual change in use per customer. Idaho Power Filing, p. 5. The Company contends that a capping mechanism based on changes in use per customer “would adequately respond to the Commission’s previously stated desire to address the capture of changes in load not related to energy efficiency programs without unduly compromising the effectiveness of the FCA.” *Id.* The Company requests the Commission issue an Order approving a specific FCA methodology no later than March 29, 2013.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201-204. 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 any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission **within 45 days of the service date of this Notice**. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Idaho Power at the addresses reflected below:

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Lisa D. Nordstrom
Julia A. Hilton
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

E-Mail: lnordstrom@idahopower.com
jhilton@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 parties may file reply comments (if necessary) **no later than 14 days after the close of the initial comment period.**

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

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-501, 61-502, and 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments within 45 days of the service date of this Notice.

IT IS FURTHER ORDERED that reply comments (if necessary) may be filed no later than 14 days after the initial comment period.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of October 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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