

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF IDAHO POWER COMPANY'S REQUEST</b>	)	<b>CASE NO. IPC-E-12-12</b>
<b>FOR AUTHORIZATION TO IMPLEMENT</b>	)	
<b>FIXED COST ADJUSTMENT (FCA) RATES</b>	)	<b>NOTICE OF APPLICATION</b>
<b>FOR SERVICE EFFECTIVE JUNE 1, 2012</b>	)	
<b>THROUGH MAY 31, 2013</b>	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 32491</b>

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YOU ARE HEREBY NOTIFIED that on March 2, 2012, Idaho Power Company filed an Application requesting authorization to implement fixed-cost adjustment (FCA) rates for service effective June 1, 2012 through May 31, 2013. In March 2007, the Commission approved the implementation of a three-year FCA pilot program for residential (Schedules 1, 3, 4 and 5) and small general service (Schedule 7) customers. In October 2009, the Company filed an application to convert the FCA from a pilot to a permanent program. The Commission denied the Company's request and extended the pilot program for an additional two-year period. The Company has pending before the Commission another application to make the FCA a permanent program for residential and small service customers. Case No. IPC-E-11-19.

YOU ARE FURTHER NOTIFIED that the FCA mechanism enables Idaho Power to separate, or decouple, recovery of certain fixed costs from its volumetric energy sales. The FCA provides a surcharge or credit when fixed-cost recovery per customer varies above or below a Commission-established base. Thus, the FCA provides for a mechanism to recover the difference between the fixed costs actually recovered by the Company through rates and the fixed costs authorized for recovery in the Company's most recent general rate case.

YOU ARE FURTHER NOTIFIED that the FCA works the same for both the residential and small general service classes. For each class, the actual number of customers is multiplied by the fixed-cost per customer rate (FCC), which is established as part of the Company's allowed revenue requirement in a general rate case. This calculation establishes the allowed fixed-cost recovery amount, which is compared to the amount of fixed costs actually recovered by Idaho Power. The fixed costs actually recovered is determined by the Company's weather normalized sales for each class multiplied by the fixed-cost per energy rate (FCE) as

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established in the Company's most recent rate case. The difference between the allowed fixed-cost amount and the actual fixed-cost amount recovered establishes the fixed-cost adjustment for each customer class.

YOU ARE FURTHER NOTIFIED that the Company's Application states that the FCA shows a balance of \$8,837,352.59 for the residential class and a balance of \$1,478,574.74 for the small general service class, for a total amount of \$10,315,927.33. Thus, the current FCA surcharge does not allow the Company to fully recover the total fixed-cost amount. Accordingly, the Company is proposing an FCA increase of \$1,159,520 for both the residential and small general service classes. The Company is proposing a combined rate increase for both customer classes of 0.28% over current rates. This equates to a new FCA rate of 0.2028 cents per kilowatt-hour for the residential class and 0.2597 cents per kilowatt-hour for the small general service class.

#### **NOTICE OF MODIFIED PROCEDURE**

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 twenty-one (21) days from 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

Jason B. Williams  
Lisa D. Nordstrom  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
Email: [jwilliams@idahopower.com](mailto:jwilliams@idahopower.com)  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

Zachary L. Harris  
Greg Said  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
E-mail: [zharris@idahopower.com](mailto:zharris@idahopower.com)  
[gsaid@idahopower.com](mailto:gsaid@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](http://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 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 have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://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 21 days of the service date of this Order.

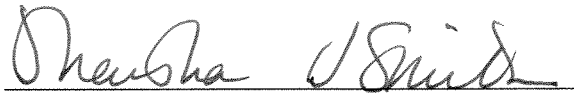
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup> day of March 2012.



PAUL KJELLANDER, PRESIDENT

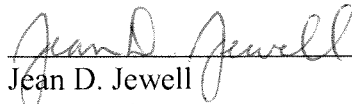


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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