

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER )**  
**COMPANY'S APPLICATION FOR ) CASE NO. IPC-E-12-13**  
**AUTHORITY TO SHARE REVENUES WITH )**  
**CUSTOMERS IN CONFORMANCE WITH ) NOTICE OF APPLICATION**  
**ORDER NOS 30978 AND 32424 )**  
**) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 32492**

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On March 2, 2012, Idaho Power Company applied for authority to share revenues with customers based on year-end 2011 financial results. The Company's rate-sharing proposal has two components: (1) PCA Sharing, which reduces net rates by \$27,098,897 and reduces rates for all customer classes by 3.25% relative to current base revenues, or by 3.21% in total billed revenues; and (2) "Pension Balancing Account Sharing," which results in a \$20,324,173 net reduction to the pension balancing account. Application at 4 and 6. The Company proposes that the rate changes take effect on June 1, 2012, to coincide with the effective date to be reflected in the 2012 Power Cost Adjustment (PCA) application. The Company asks that the Commission process this matter by Modified Procedure.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that in 2010 and 2011, the Commission approved settlement stipulations between Idaho Power, Commission Staff, and other parties that require Idaho Power to share certain revenues with customers. *See* Order Nos. 30978 and 32424. The first Order requires the Company to provide customers with 50% of any earnings above a 10.5% year-end return on equity (ROE). The second Order requires the Company to provide an additional customer benefit; specifically, the Company must book 75% of its share of its Idaho jurisdictional 2011 year-end ROE above 10.5% as an offset against amounts in the Company's pension balancing account that otherwise would be collected in rates. With this Application, the Company seeks to share revenues as required by these Orders. Application at 1-3.

YOU ARE FURTHER NOTIFIED that, according to the Application, the Company calculates its year-end, 2011 Idaho jurisdictional ROE to be 12.55%. *Id.* at 3. The Company

says the amount above 10.5% equals \$33,007,182. *Id.* at 4. The Company proposes to share this amount with customers in two ways.

First, as required by Order No. 30978, the Company proposes to proportionally allocate 50% of this amount to customer classes. After tax gross-up, this 50% amount results in customers receiving a total, \$27,088,897 rate reduction. *Id.* at 4. For the Company's four special contract customers (Micron, Simplot, Department of Energy (INL), and Hoku Materials), the Company proposes to provide a flat, dollar-per-month credit on billed invoices for the usage months of June 2012 through May 2013. *Id.* at 5-6. For all other rate classes, the Company proposes to include allocated revenue-sharing benefits as part of the 2012 PCA filing. *Id.* at 5.

Second, as required by Order No. 32424, the Company proposes to provide customers with 75% of its remaining 50% share by reducing the Company's pension balancing account by that amount. After tax gross-up, this amount is \$20,324,173. The Company proposes to apply this \$20 million to the pension balancing account to offset expenses that would otherwise be collected through rates. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Company's news release and customer notice say the Company's proposal will decrease average billed rates by 3.21%, with the revenue impact by class being: Residential, (3.17%); Small General Service, (3.16%); Large General Service, (3.25%); Large Power, (3.26%); and Irrigation, (3.25%). *See* News Release at 3-4; Customer Notice at 1-2.

YOU ARE FURTHER NOTIFIED that the Company says it did not file a tariff schedule as part of this proceeding to avoid potential confusion created by filing a partially updated PCA tariff (Schedule 55) as part of this Application, and then an updated tariff schedule with the 2012 PCA application in mid-April. The Company says it cannot provide a complete Schedule 55 now that reflects both revenue-sharing amounts and updated PCA rates for the June 2012 through May 2013 rate period because the 2012 PCA rate will not be filed until mid-April 2012. Application at 7.<sup>1</sup>

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<sup>1</sup> By not including proposed tariff sheets with this Application as required by Rule 121.01(a), Idaho Power impliedly asks the Commission to waive that requirement. Based on the Company's representations in this and the next paragraph, the Commission finds it is unnecessary for the Company to include the proposed tariff sheets with its Application in this case. Accordingly, the Commission waives that Rule 121.01(a) requirement under the circumstances of this case. *See* Rule 13 (Commission may permit deviation from these rules when it finds compliance with them is unnecessary).

YOU ARE FURTHER NOTIFIED that the Company notes that it has filed the proposed revenue-sharing amounts as an exhibit in this case. The Company says its 2012 PCA application, to be filed in mid-April 2012 requesting an effective date of June 1, 2012, will include the new electric rate schedule containing the revenue-sharing amounts. *Id.* The Company also says it will make an appropriate, compliance filing when final orders are received on all proposals to change rates effective June 1, 2012. *Id.*

YOU ARE FURTHER NOTIFIED that the Company says it will keep its Application open for public inspection at its Idaho offices, and that it will notify customers through a press release and bill inserts, with the last notice to be sent on April 23, 2012. *Id.* at 8.

### 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 through .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 opposition with the Commission **no later than May 4, 2012**. 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 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

Lisa D. Nordstrom  
Julia A. Hilton  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
E-mail: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
[jhilton@idahopower.com](mailto:jhilton@idahopower.com)

Matt Larkin  
Greg Said  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
E-mail: [mlarkin@idahopower.com](mailto:mlarkin@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 the Company may file reply comments (if necessary) by **May 11, 2012**.

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, supporting workpapers 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 other workpapers are 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 matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-307, 61-313, 61-503 and 61-622. 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.*

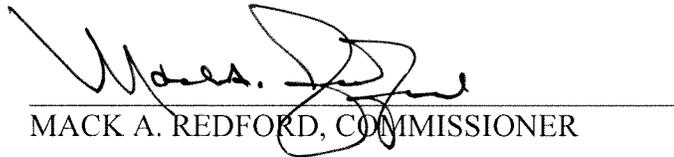
**ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and parties may file written comments by May 4, 2012, and the Company may file written reply comments, if necessary, by May 11, 2012.

IT IS FURTHER ORDERED that the Company's Application need not include proposed tariff sheets as required by Rule 121.01(a). The Commission waives that requirement under Rule 13 for purposes of this proceeding.

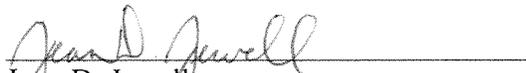
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup> day of March, 2012.

  
PAUL KJELLANDER, PRESIDENT

  
MACK A. REDFORD, COMMISSIONER

  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:IPC-E-12-13\_kk