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LISA D. NORDSTROM
Lead Counsel
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April 30, 2013

VIA HAND DELIVERY
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-13-10
2013-2014 Power Cost Adjustment ("PCA") – Replacement Pages 14 and 15 to the Direct Testimony of Timothy E. Tatum

Dear Ms. Jewell:

It has come to the attention of Idaho Power Company ("Company") that pages 14 and 15 of the Direct Testimony of Timothy E. Tatum contain an incorrect number. Page 14, line 18 and page 15, line 2 should reflect $7.7 million, not $9.2 million. An original and seven (7) copies of **corrected** pages 14 and 15 are enclosed for filing.

The $9.2 million difference in base level net power supply expenses ("NPSE") described on pages 14 and 15 of Mr. Tatum's direct testimony incorrectly omitted approximately $1.5 million in approved market energy purchases for transmission losses, which are recorded to Federal Energy Regulatory Commission Account 555, Non-PURPA. The inclusion of the $1.5 million in market purchases for transmission losses results in a calculated difference in base level NPSE of $7.7 million on an Idaho jurisdictional basis.

The $9.2 million number was not used in the PCA computations presented in this case. Therefore, this correction does not have any impact on the Company's PCA request. The discussion of the difference in base level NPSE resulting from the Langley Gulch rate adjustment was for informational purposes only.

If you have any questions regarding the enclosed pages or the computational error, please do not hesitate to contact Tim Tatum at (208) 388-5515.

Very truly yours,

Lisa D. Nordstrom

Lisa D. Nordstrom

LDN:csb
Enclosures
cc: Service List (w/encls.)

1221 W. Idaho St. (83702)
P.O. Box 70
Boise, ID 83707

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of April 2013 I served a true and correct copy of the within and foregoing LETTER TO JEAN D. JEWELL DATED APRIL 30, 2013, upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff Karl T. Klein Deputy Attorney General Idaho Public Utilities Commission 472 West Washington (83702) P.O. Box 83720 Boise, Idaho 83720-0074	_X_ Hand Delivered ____U.S. Mail ____Overnight Mail ____FAX _X_ Email karl.klein@puc.idaho.gov
Industrial Customers of Idaho Power Peter J. Richardson Gregory M. Adams RICHARDSON & O'LEARY, PLLC 515 North 27th Street (83702) P.O. Box 7218 Boise, Idaho 83707	____Hand Delivered _X_ U.S. Mail ____Overnight Mail ____FAX _X_ Email peter@richardsonandoleary.com greg@richardsonandoleary.com
Dr. Don Reading 6070 Hill Road Boise, Idaho 83703	____Hand Delivered _X_ U.S. Mail ____Overnight Mail ____FAX _X_ Email dreading@mindspring.com

Christa Bearry

Christa Bearry, Legal Assistant

will suspend the operation of two of its three demand response programs in 2013. What impact does the suspension of the demand response programs have on this year's PCA Forecast?

A. As compared to last year's PCA Forecast, reduced demand response incentive costs are forecast to benefit Idaho customers by approximately $10.1 million on an Idaho jurisdictional basis.

Q. Are there any other factors contributing to the year-over-year difference in required PCA Forecast revenue?

A. Yes. On June 29, 2012, the Langley Gulch combined cycle power plant became operational. On July 1, 2012, the Company was authorized to change its base rates to reflect the incremental revenue requirement associated with the Langley Gulch plant. At the same time, the Company reduced the Base Level NPSE included in base rates by approximately $7.7 million to reflect the economic benefits of this new plant. Because the PCA Forecast represents the difference between the NPSE forecast from the March Operating Plan and the Base Level NPSE recovered in the Company's base rates, this change in Base Level NPSE related to Langley Gulch serves to increase the deviation measured by the PCA Forecast. In other words, when comparing the year-over-year change in the PCA Forecast, one must also consider that the Base Level NPSE was reduced by approximately $7.7 million, resulting in a direct increase to the measured deviation.

IV. HISTORY OF PCA MITIGATION

Q. How does this year's PCA compare to historical PCA rate adjustments?

A. To provide a meaningful comparison of PCA rate adjustments over time, PCA amounts should be compared without the revenue sharing component. While revenue sharing is currently a component of the PCA, it was not a component prior to the 2012-2013 PCA Year; therefore, the inclusion of revenue sharing would not allow for an equivalent comparison across all years.

This year's total PCA amount as measured from Base Level NPSE, excluding revenue sharing, is $165.6 million and represents a year-over-year change of $120.3 million or approximately a 13.1 percent increase over current billed revenue of $915.2 million. Since the inception of the PCA in 1993, the single largest PCA increase was $244.4 million in 2002 associated with the 2002-2003 PCA Year. The second largest year-over-year change in PCA revenue was associated with the PCA approved in 2001, which allowed recovery of an incremental $217.2 million in PCA revenue phased in over two rate adjustments. The first PCA rate adjustment occurred on May 1, 2001, and allowed collection of $168.3