

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO EXTEND) **CASE NO. IPC-E-14-14**
ITS ACCUMULATED DEFERRED)
INVESTMENT TAX CREDITS/REVENUE) **NOTICE OF APPLICATION**
SHARING MECHANISM BEYOND 2014)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 33057**

On May 30, 2014, Idaho Power Company applied to the Idaho Public Utilities Commission for an Order authorizing the Company to extend its Accumulated Deferred Investment Credits/Revenue Sharing Mechanism beyond 2014. The Company asks that the case be processed under the Commission's Rules of Modified Procedure, and that a final Order be issued by December 31, 2014.

With this Order, the Commission provides notice of the Application and sets a 14-day intervention deadline. After the intervention deadlines runs, the Commission will issue another Order setting deadlines for interested persons to submit written comments in the case.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company's Application states that in 2011, Commission Order No. 32424 approved a settlement stipulation authorizing the Company either to: (1) amortize additional accumulated deferred investment tax credits ("ADITC"); or (2) share part of the revenues with its Idaho customers. The authority is set to expire at the end of 2014. *Id.* at 1-2. The Company summarizes the stipulation as follows:

1. ADITC Provisions. Through 2014, whenever Idaho jurisdictional return on equity ("ROE") is less than 9.5%, the Company may amortize up to an additional \$45 million in ADITC to achieve an actual ROE of up to 9.5%. No more than \$45 million may be used over the life of the mechanism. To date, the Company has not used any of the \$45 million in additional ADITC. *Id.*

2. Revenue Sharing Provisions. Through 2014, the Company must provide customers with 50% of its earnings attributable to an Idaho jurisdictional ROE of more than 10%

and up to 10.5%. Further, the Company must provide customers with 75% of its earnings above a 10.5% ROE as an offset against amounts in the Company's Pension Balancing Account that the Company otherwise would collect from customers through rates. *Id.*

3. Other Provisions. If the Commission sets a new ROE in a general rate case, the thresholds will be proportionately adjusted. The stipulation uses 10% ROE level for the threshold adjustments. The new ADITC threshold would be 95% of the newly established ROE, and the sharing thresholds would be set at the new ROE for 50% sharing and at 105% of the new ROE for 75% sharing. *Id.* at 2-3.

YOU ARE FURTHER NOTIFIED that the Company says customers have benefits from the stipulated mechanism in several ways. First, the mechanism has provided more than \$93 million in benefits to customers either as a direct offset to rates or as an offset to amounts that would otherwise be collected in future rates. Second, while the Company has not yet used any of the \$45 million of additional ADITC, the Company's ability to do so if needed assures investors and credit rating agencies that the Company has a greater opportunity to achieve its authorized ROE. This, in turn, lowers the Company's cost of capital, affects the rates that customers pay, and affects the Company's access to working capital for short-term financing needs. The Company says it expects to use less than \$5 million of the \$45 million in additional ADITC in 2014, which would leave \$40 million unused. *Id.* at 3-4.

YOU ARE FURTHER NOTIFIED that with this Application, the Company proposes to extend the ADITC/Revenue Sharing mechanism beyond its 2014 expiration date because the mechanism benefits customers and the Company, and because the Company expects \$40 million in additional ADITC to be available in 2014. Specifically, the Company proposes that the Commission extend the mechanism until: (1) the Company has accelerated the amortization of a total of \$45 million in ADITC; or (2) the Commission otherwise modifies or terminates the settlement terms approved in Order No. 32424.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power's representatives in this matter:

Lisa Nordstrom
Regulatory Dockets
Idaho Power Company
PO Box 70
Boise, Idaho 83707
E-mail: lnordstrom@idahopower.com
dockets@idahopower.com

Timothy E. Tatum
Idaho Power Company
PO Box 70
Boise, Idaho 83707
E-mail: ttatum@idahopower.com

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. Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases," and then click on the case number as shown on the front of this document.

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. 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.*, including the Modified Procedure rules referenced below.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to become parties** in this matter to conduct formal discovery or present evidence or cross-examine witnesses at any hearing **must file a Petition to Intervene** with the Commission under Commission Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. The Petition to Intervene must be filed **no later than 14 days from the service date of this Order**. Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.


ORDER

IT IS HEREBY ORDERED that persons desiring to become parties to this case must file a Petition to Intervene no later than 14 days from the service date of this Order.

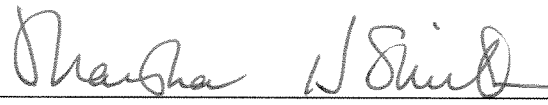
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of June 2014.



PAUL KJELLANDER, PRESIDENT

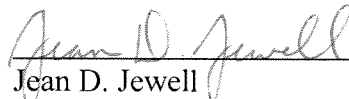


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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