

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-14-14
COMPANY’S APPLICATION TO EXTEND)
ITS ACCUMULATED DEFERRED) NOTICE OF
INVESTMENT TAX CREDITS/REVENUE) PROPOSED SETTLEMENT
SHARING MECHANISM BEYOND 2014)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33123

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. With this Order, the Commission notifies interested persons that a proposed settlement has been filed in this case, summarizes the proposed settlement, and requests that interested persons submit written comments about the case and the proposed settlement by September 29, 2014.

BACKGROUND

In Order No. 32424, the Commission approved a settlement stipulation (2011 Stipulation) under which Idaho Power Company is authorized to either: (1) amortize additional Accumulated Deferred Investment Tax Credits (“ADITC”), or (2) share a portion of its revenues with its Idaho customers. The 2011 Stipulation is set to expire at the end of 2014. *See* Order No. 32424.

On May 30, 2014, the Company applied to the Commission for an Order authorizing the Company to extend the terms of the 2011 Stipulation beyond 2014 and until the Company has accelerated the amortization of \$45 million in ADITC or the Commission otherwise modifies or terminates the 2011 Stipulation’s terms. On June 12, 2014, the Commission issued a Notice of Application and set a 14-day intervention deadline. *See* Order No. 33057. The Idaho Irrigation Pumpers Association and Industrial Customers of Idaho Power then intervened in the case, and settlement discussions ensued between the intervenors, the Company, and Commission Staff.

NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that on September 3, 2014, the Company filed a Settlement Stipulation signed by all parties, and a Motion that asks the Commission to approve the proposed settlement. *See* Motion for Approval of Stipulation. All parties, including Commission Staff, agree that the proposed settlement is fair, just and reasonable and that the Commission should accept it in the public interest. The terms of the proposed settlement are, in summary:

1. Revenue Sharing. If the Company's actual Idaho jurisdictional annual Return on Equity ("ROE") exceeds 10% during the 2015-2019 period, all amounts in excess of a 10% ROE and up to and including a 10.5% ROE would be shared between the Company's Idaho customers and the Company on a 75% and 25% basis, respectively. The customers' share of the Company's Idaho jurisdictional earnings between a 10% ROE and up through a 10.5% ROE will be provided as a rate reduction to become effective at the time of the subsequent year's power cost adjustment. If the Company's actual earned, year-end ROE for the Idaho jurisdiction in any year between 2015-2019 exceeds 10.5%, all amounts in excess of the 10.5% ROE will be shared 50% with Idaho customers as a rate reduction to become effective at the time of the subsequent year's power cost adjustment, 25% with Idaho customers in the form of an offset to amounts in the Company's pension balancing account to reduce the amount that would otherwise need to be collected in rates, and 25% with the Company.

2. ADITC Amortization. The Company may extend its ability to amortize a total of \$45 million of additional ADITC through December 31, 2019, to allow the Company to achieve a maximum actual ROE of 9.5% for the Idaho jurisdiction. The Company may use up to \$25 million of additional amortization of ADITC in each of 2015-2019 so long as the total, cumulative amount of ADITC used during the five-year period does not exceed \$45 million. If the Company amortizes in 2014 a portion of the \$45 million previously authorized by Order No. 32424, the amount of ADITC available for amortization in the 2015-2019 period will be reduced by a corresponding amount. Once the Company has fully amortized the \$45 million of ADITC, revenue sharing as provided in the 2014 Stipulation will cease for the rest of the 2015-2019 period.

3. Change in ROE. If the Commission authorizes a change to the Company's allowed ROE as part of a general rate case proceeding in which the Company seeks a rate change

to become effective before January 1, 2020, the ROE thresholds will automatically be adjusted proportionately on a prospective basis from the date that the newly authorized rates become effective.

4. Staff Audit. The Company will continue to make its year-end earnings results available for audit by the Commission Staff after the filing of the Company's and IDACORP, Inc.'s annual report on Form 10-K with the U.S. Securities and Exchange Commission, which is required to be filed within 60 days after the end of each fiscal year. Staff will audit the Company's earnings and prepare a write-up of its findings for review by the parties during the Company's annual power cost adjustment case.

YOU ARE FURTHER NOTIFIED that documents filed in this case, including Idaho Power's Application, Idaho Power's Motion to Approve Settlement Stipulation, and the Settlement Stipulation, 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. 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, including without limitation *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.*

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 (that is, persons will present their views through written comments) 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 in this matter **must file a written comment in support or opposition with the Commission by September 29, 2014**. The comment must contain a statement of reasons supporting the

comment. Persons desiring a hearing must specifically request a hearing in their written comments and explain why they believe that Modified Procedure should not be used to process this case.

YOU ARE FURTHER NOTIFIED that written comments concerning this matter shall be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary	Lisa D. Nordstrom
Idaho Public Utilities Commission	Regulatory Dockets
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	PO Box 70
	Boise, ID 83707-0070
Street Address for Express Mail:	E-Mail: lnordstrom@idahopower.com
	dockets@idahopower.com
472 W. Washington Street	
Boise, ID 83702-5918	Timothy E. Tatum
	Idaho Power Company
	PO Box 70
	Boise, ID 83707-0070
	E-mail: ttatum@idahopower.com

The 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 "Utility Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company 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.

ORDER

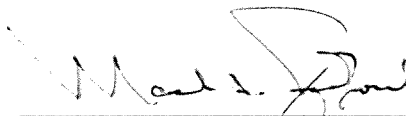
IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons shall have until September 29, 2014 to file written comments.

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

9th



PAUL KJELLANDER, PRESIDENT

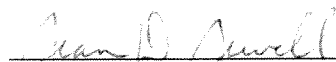


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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