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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE	)	CASE NO. IPC-E-14-17
COMMISSION'S INQUIRY INTO	)	
IDAHO POWER COMPANY'S FIXED	)	IDAHO CONSERVATION LEAGUE
COST ADJUSTMENT MECHANISM	)	
	)	COMMENTS

The Idaho Conservation League (ICL) recommends the Commission approve this settlement stipulation regarding Idaho Power's Fixed Cost Adjustment (FCA). ICL applauds the Commission for continuing to support one of the longest operating fixed cost mechanisms in the country. While not without controversy, overall the FCA represents good public policy by separating fixed cost recovery from volumetric energy sales. ICL supports this policy because it balances sending price signals to customers through electric rates while ensuring Idaho Power has an opportunity to recover the fixed costs of service. In this settlement, the signatories agree to four key terms that will improve the mechanics of the FCA today and set a reasonable path forward for continued improvements.

ICL supports altering the FCA to use actual billed sales instead of weather normalized sales. The FCA is intended to ensure Idaho Power annually collects no more and no less than the actual fixed costs for that year. Using weather normalized sales data instead of actual sales data frustrates this purpose. Using actual energy sales will allow stakeholders to determine the actual fixed cost recovery and any necessary true-up.

ICL supports Idaho Power's current method for calculating the rate adjustment cap. ICL recommends the Commission endorse this methodology.