



Case No: IPC-E-19-16

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Idaho Power's PCA proposal would decrease rates

BOISE (April 29, 2019) – The Idaho Public Utilities Commission is accepting written comments on an Idaho Power proposal that would decrease rates.

The [proposal](#) would lower the company's Power Cost Adjustment (PCA) mechanism by 3.49 percent for residential customers, effective June 1.

That equates to a monthly savings of \$3.35 for the typical residential customer who uses 950 kilowatt-hours (kWh) per month.

In place since 1993, the PCA is a cost-recovery tool that passes on to customers the benefits and costs of providing energy to its customers.

It is adjusted each spring to reflect the actual power-supply costs incurred by the company over the previous year. Those costs can vary significantly from year to year based on hydroelectric generation, market prices for energy, fuel costs, and other factors, and they typically represent one-fourth to one-third of the company's annual costs of providing service to nearly 560,000 customers.

The PCA has two main components: a forecast and true-up. The forecast projects the company's anticipated power-supply costs, and the true-up balances those forecasted costs with the actual costs incurred by the company over the previous 12 months.

In its application, Idaho Power said last year's power-supply costs were lower than projected, primarily due to water conditions that were better than expected and lower-than-expected natural gas costs. Forecasted power-supply costs for the coming year are also less than they were last year, mainly due to an expected increase in the sale of surplus energy.

The Commission is accepting comments on the company's proposal through May 15.

The PCA proposal is one of four rate adjustments before the Commission with a proposed effective date of June 1.

If all are approved in full, the combined impact to residential customers would be a rate decrease of 0.65 percent. That equates to a decrease of 59 cents per month for the typical residential customer.

Here's a look at each of the proposed rate adjustments:

In February, the company requested Commission approval to revise the [Energy Efficiency Rider](#) from 3.75 percent of base rate revenues to 2.75 percent of base rate revenues.

In March, Idaho Power proposed a 0.11-percent increase to customer rates in order to recover costs associated with its exit from operations at the [North Valmy](#) coal-fired power plant.

The company's [Fixed Cost Adjustment](#) proposal, also filed in March, would raise rates for residential customers by 3.64 percent for residential and small general service customers.

Go [here](#) to submit a comment related to the PCA proposal. Or go to the Commission's web site, www.puc.idaho.gov, click on the "Case Comment Form" under the "Electric" heading. Please be sure to include the case number, IPC-E-19-16.

Comments can also be submitted via mail, to P.O. Box 83720, Boise, ID 83720-0074 or by fax, (208) 334-3762.

All documents filed in this case, including Idaho Power's [application](#), can be found [here](#), or at the Commission's web site, www.puc.idaho.gov. Click on "Open Cases" under the "Electric" heading and scroll down to case number IPC-E-19-16.