

For additional information, please contact one of the following community relations representatives:

Blake Watson, Boise

208-388-2413, BWatson2@idahopower.com

Ada County cities except Boise & Garden City, Valley & Elmore County communities, Riggins & New Meadows

Bryan Wewers, Boise

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Ada County cities of Boise and Garden City, Gem & Boise County communities

Mark Lupo, Pocatello

208-236-7730, MLupo@idahopower.com

Power, Bannock & Bingham County communities, Salmon service area communities

Dan Olmstead, Twin Falls

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Twin Falls, Jerome, Gooding, Blaine, Minidoka, Cassia, Camas & Lincoln County communities

Mike Ybarguen, Nampa

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Oregon service area, Canyon, Owyhee, Payette, Washington & Adams County communities

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Questions and Answers About Franchise Fees





Franchise Fees



Q. What is a franchise?

A. A municipal franchise authorizes a utility to use city streets and alleys for the location of equipment and facilities. For Idaho Power, this pertains to locating electrical equipment necessary to provide an essential service. Franchise agreements may also restrict a city's right to compete with a utility's service to city residents. A city franchise doesn't grant Idaho Power the right to serve customers. The respective public utilities commissions grant that right.

Q. What is a franchise fee?

A. It is a charge to the utility from the city, and is usually based on a percentage of the utility's gross revenues collected from customers located within the city limits.

Q. What is the length of the term of a franchise agreement?

A. Idaho law sets a minimum of 10 years and a maximum length of 50 years for a franchise agreement, unless the utility agrees otherwise. Oregon has 5 year minimum and a 20 year maximum term length.

Q. Who pays the fee?

A. Ultimately the customer does. Idaho Power serves an administrative role, by collecting the fees and turning the revenues over to the city.

Q. What is the maximum amount a city can impose in franchise fees?

A. In 1995, Idaho law established a 3 percent cap on any new franchise fees imposed on gas, water and electric utilities. Currently, Oregon cities retain discretion on the amount of the fee being imposed.

Q. Why does Idaho law say the fees must be separately itemized on the customer's bill?

A. The customer should know the fee is being imposed by the municipality and not the utility. The utility is collecting the fee as required by the franchise agreement with the city.

Q. Who do I contact for more information?

A. If you have questions about your city's franchise agreement with Idaho Power, contact your city clerk or one of the Idaho Power Community Relations Representatives.