

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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| <b>IN THE MATTER OF THE APPLICATION OF</b> | ) |                            |
| <b>IDAHO POWER COMPANY FOR AUTHORITY</b>   | ) | <b>CASE NO. IPC-E-03-5</b> |
| <b>TO IMPLEMENT A POWER COST</b>           | ) |                            |
| <b>ADJUSTMENT (PCA) RATE FOR ELECTRIC</b>  | ) |                            |
| <b>SERVICE FROM MAY 16, 2003 THROUGH</b>   | ) | <b>ORDER NO. 29258</b>     |
| <b>MAY 15, 2004.</b>                       | ) |                            |

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On April 15, 2003, Idaho Power Company filed an Application to decrease its electric rates under the annual Power Cost Adjustment (PCA) mechanism first approved by the Commission in 1993. In Order No. 29243, the Commission approved the rates proposed in the Company's Application (with one adjustment) effective May 16, 2003, subject to refund and interest. In addition, the Commission set a prehearing conference to schedule six disputed issues valued at approximately \$5.1 million for evidentiary hearing. These six issues include: 1) pricing of real-time transactions between Idaho Power and IDACORP Energy (IE); 2) recovery of IE-Tri State Transmission costs; 3) Company sharing of the anticipated FERC settlement; 4) continuance of payment for IE management contract benefits; 5) the proper amount of normalized energy to compute the true-up rate; and 6) the proper amount of normalized energy to compute the rates to be paid on PCA amounts deferred from the prior PCA period. Order No. 29243 at 10.

**PREHEARING CONFERENCE**

At the prehearing conference on May 30, 2003, the parties discussed how to proceed on the contested issues identified above. The following parties entered appearances: Idaho Power Company, Commission Staff, the Idaho Irrigation Pumpers Association, and the Industrial Customers of Idaho Power. The Commission had granted the Company, Staff and the Idaho Irrigation Pumpers Association party status in Order No. 29243. The Industrial Customers of Idaho Power timely filed a Petition to Intervene on May 28, 2003. Idaho Power stated at the prehearing conference that it did not object to the intervention of the Industrial Customers in this proceeding.

Although the Commission had intended to immediately set a date for an evidentiary hearing at the prehearing conference, the parties proposed an alternative with the hope that an evidentiary hearing could be avoided. The participants agreed that four of the six disputed issues

identified in Order No. 29243 should be moved to Case No. IPC-E-01-16. These four issues are: 1) pricing of real-time transactions between Idaho Power and IE; 2) recovery of IE-Tri State Transmission costs; 3) Company sharing of the anticipated FERC settlement; and 4) continuance of payment for IE management contract benefits. Because real-time affiliate pricing, transmission costs, and resolution of outstanding IE matters are already part of the settlement discussions pending in Case No. IPC-E-01-16, the parties felt it would be more efficient to consolidate these issues under that case number. These four issues will next be discussed in a settlement workshop at **9 a.m. on June 23, 2003 at the offices of Idaho Power Company** in Case No. IPC-E-01-16.

As for the remaining two issues involving the proper amount of normalized energy to calculate true-up and class deferral rates, the parties indicated that it may be possible to settle them by agreement in lieu of an evidentiary hearing. Idaho Power agreed to submit a settlement proposal to the parties no later than June 6, 2003. Once they have engaged in further settlement discussions, the parties agreed to submit a resolution to the Commission if one is reached. If they cannot agree on a settlement, the parties will formulate a hearing schedule to be filed with the Commission so that a formal Notice of Hearing may be issued.

**Commission Findings:** Because we find they have a direct and substantial interest in this proceeding, we grant the Industrial Customers' Petition to Intervene in Case No. IPC-E-03-5 pursuant to Commission Rules of Procedure 74 and 75.

To further explore the possibility of settlement and achieve a quicker resolution than may be available through an evidentiary hearing, the Commission finds it reasonable to move the following four issues to Case No. IPC-E-01-16 for further proceedings: 1) pricing of real-time transactions between Idaho Power and IE; 2) recovery of IE-Tri State Transmission costs; 3) Company sharing of the anticipated FERC settlement; and 4) continuance of payment for IE management contract benefits. The remaining two issues involving the proper amount of normalized energy to calculate true-up and class deferral rates shall continue under Case No. IPC-E-03-5.

Although we support further settlement discussions if the potential for an equitable resolution exists, the Commission urges the parties to move expeditiously so that these matters can be resolved in a timely manner.

## **ORDER**

IT IS THEREFORE ORDERED that the Petition to Intervene filed by the Industrial Customers of Idaho Power is granted. All parties in this proceeding serve all papers hereafter filed in this matter on all parties of record. This Intervenor is represented by the following for purposes of service:

Peter J. Richardson  
Richardson & O'Leary  
99 East State Street, Suite 200  
PO Box 1849  
Eagle, Idaho 83616

IT IS FURTHER ORDERED that proceedings regarding 1) the proper amount of normalized energy to compute the true-up rate, and 2) the proper amount of normalized energy to compute the rates to be paid on PCA amounts deferred from the prior PCA period will continue under Case No. IPC-E-03-5.

IT IS FURTHER ORDERED that proceedings regarding 1) pricing of real-time transactions between Idaho Power and IE; 2) recovery of IE-Tri State Transmission costs; 3) Company sharing of the anticipated FERC settlement; and 4) continuance of payment for IE management contract benefits will proceed separately under Case No. IPC-E-01-16.

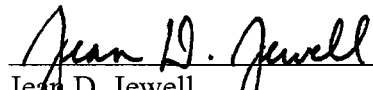
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 5<sup>th</sup>  
day of June 2003.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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