

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-05-3
OF PACIFICORP FOR APPROVAL OF A)
NEW, VOLUNTARY RENEWABLE ENERGY) NOTICE OF APPLICATION
BULK-PURCHASE OPTION TARIFF.)
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **NOTICE OF COMMENT/PROTEST**
) **DEADLINE**
)
) **ORDER NO. 29731**
)

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on February 22, 2005, PacifiCorp dba Utah Power & Light Company filed an Application with the Commission requesting approval of a new renewable energy tariff, Schedule 73 – New Wind, Geothermal and Solar Power Rider – Bulk-Purchase Option. Under the proposed program, PacifiCorp would offer non-residential customers the ability to make bulk renewable energy purchases at a reduced rate. According to PacifiCorp, the proposed program would provide businesses with a less expensive alternative to the “Blue Sky” option that is currently available. The renewable energy purchases resulting from the proposed program would be in addition to those PacifiCorp will make under the Company’s Integrated Resource Plan.

The proposed program is similar to the standard “Blue Sky” option currently offered to residential and non-residential customers as authorized by the Commission in August 2003. *See* Order No. 29329; Electric Service Schedule No. 70. Under the standard Blue Sky option, customers are charged a premium to purchase newly developed wind, geothermal, and solar power energy. PacifiCorp uses the revenues raised from the Blue Sky program to operate and market the program and to purchase either bundled renewable energy or tradable renewable credits (TRCs). TRCs, also known as green tags, green certificates, tradable renewable certificates, and renewable energy credits, are created when a renewable energy facility generates

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/PROTEST DEADLINE
ORDER NO. 29731

electricity. TRCs represent the amount of renewable kilowatt/hours sent to grid, displacing less environmentally friendly energy.

Although nearly 700 of Idaho residential customers have signed up for the Blue Sky program since April 2004, only 10 non-residential customers are enrolled in the program. According to PacifiCorp, the biggest obstacle to increasing non-residential participation is the price of the program. The proposed bulk-purchase program is an effort to present these non-residential customers with an alternative for bulk purchases of renewable energy.

Under the standard Blue Sky option, customers are charged \$1.95 per 100-kilowatt-hour block of renewable energy. The customers may enter or leave the Blue Sky program at any time. Customers may also choose the number of blocks of renewable energy to purchase and such purchases are not dependent on the amount of energy used. In contrast to the standard Blue Sky program, the proposed bulk-purchase option requires a minimum one-year enrollment commitment and annual purchase of 121.2 megawatt-hours (121,200 kWh or 1,212 blocks/year or 101 blocks per month). Customers with multiple sites within PacifiCorp's Idaho service territory would be able to aggregate their purchases to meet the minimum purchase amount.

The Company estimates that the cost of the program includes a fixed annual cost of \$1,500 per customer (\$125 per month), plus \$7.00 per MWh (\$0.70 per 100 kWh block) purchased. The fixed cost is designed to cover costs associated with program management, customer contract, enrollment processing, fulfillment costs, materials/tools and mailings specific to this option. Fixed costs associated with development, advertising and public relations are not included to be consistent with the standard Blue Sky program. The charge of \$0.70 per block is based on the cost to purchase renewable energy (e.g., wind power tags can be purchased for \$7/MWh). Thus, the minimum annual proposed charges for the bulk-purchase option is \$2,348.40 (\$1,500 fixed cost and \$848.40 for the 1,212 MWh) or \$195.70 per month.

Currently, PacifiCorp offers this bulk-purchase option in Oregon and Utah. In addition, PacifiCorp has recently received approval to offer a bulk-purchase option in Washington and Wyoming.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Application in this case and has preliminarily determined that the public interest in this matter

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/PROTEST DEADLINE
ORDER NO. 29731

may not require a hearing to consider the issues presented, and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.210 – 204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of modified procedure and stating why modified procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to PacifiCorp's Application and the use of Modified Procedure in this case is twenty-eight (28) days from the service date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address For Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Bob Lively
PacifiCorp
201 S. Main Street, Suite 2300
Salt Lake City, UT 84140
E-mail: bob.lively@pacificorp.com

Lisa D. Nordstrom
PacifiCorp Office of the General Counsel
825 NE Multnomah, Suite 1800
Portland, OR 97232
E-mail: lisa.nordstrom@pacificorp.com

These 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 "Comments and Questions" icon, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to the Applicant 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 may consider the matter on its merits and may enter its Order without a formal hearing. If written comments or protests are received within the

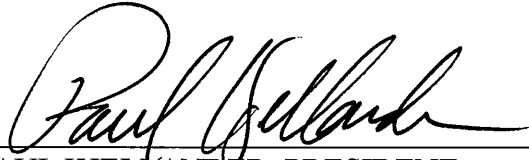
deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written comments before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission's website, www.puc.idaho.gov by clicking on "File Room" and "Electric Cases."

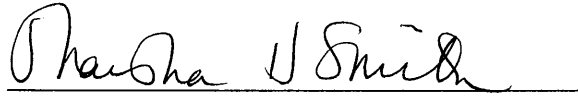
ORDER

IT IS HEREBY ORDERED that the Application of PacifiCorp be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than twenty-eight (28) days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *16th* day of March 2005.



PAUL KJELLANDER, PRESIDENT

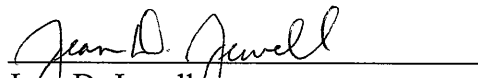


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:PACE0503_kdp

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/PROTEST DEADLINE
ORDER NO. 29731