

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-08-02
POWER FOR AN ACCOUNTING ORDER TO)	
ESTABLISH A REGULATORY ASSET)	ORDER NO. 30583
)	

On April 11, 2008, Rocky Mountain Power, a division of PacifiCorp, filed an Application for an accounting order authorizing the Company to establish a regulatory asset for a payment made to the owner of a generation facility. The \$8.7 million payment gives PacifiCorp an exclusive opportunity to negotiate for the purchase of all tangible and intangible assets, contracts, permits and other rights associated with the generation facility. The payment also is a deposit toward the total purchase price.

On May 1, 2008, the Commission issued a Notice of Application and Notice of Modified Procedure to establish a period for interested parties to file comments. Written comments were filed only by Commission Staff.

The Company's request in this filing is limited to the exclusivity payment. The Company did not ask for approval of any term or condition relating to the transaction, or for recognition that the acquisition of the plant is reasonable and prudent. The Company will record the exclusivity payment in Account 182.3 (Other Regulatory Assets). The total purchase price will ultimately be credited to "Electric Plant in Service" and will be included in rates only after all approvals are completed and the proper rate treatment has been determined by the Commission. Until the amount is included in the "Electric Plant in Service" account it will remain on the Company's books as a regulatory asset. The Commission has previously determined that an account similar to this should not accrue any interest. (See Case No. AVU-E-07-10, Order No. 30492.)

The Company maintains that acquiring the facility is consistent with its current generating portfolio, its IRP and the industry's general direction of new generation. The prudence of the acquisition will be part of a more extensive review of the generating facility acquisition prior to the investment being included in rate base in a future rate case. Allowing the

Company to defer the exclusivity payment permits the total cost of the facility and the prudence of all the costs to be reviewed by the Commission in a future rate proceeding.

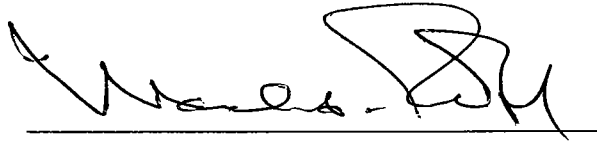
Based on the record in this case, the Commission approves Rocky Mountain Power's Application for an accounting order authorizing the Company to establish a regulatory asset for a payment made for the right to an exclusive period to negotiate with a third party for the purchase of a generating facility. The cost of the exclusivity payment must be booked to a regulatory asset account and remain separate from the Electric Plant in Service account until the facility is owned by the Company, and the regulatory asset will not accrue any interest or carrying charges. The exclusivity payment will not be considered in a ratemaking proceeding until such time as the total cost of the facility is considered in a future rate case. The Commission will review the prudence and proper ratemaking treatment for the total cost of the facility when the Company proposes these costs be included in rates.

ORDER

IT IS HEREBY ORDERED that Rocky Mountain Power's Application for authorization to establish a regulatory asset for an \$8.7 million payment toward acquisition of a generating facility is approved. The payment must be booked to a regulatory asset account and remain separate from the Electric Plant in Service account until the facility is owned by the Company, and the regulatory asset will not accrue interest or carrying charges.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of June 2008.



MACK A. REDFORD, PRESIDENT

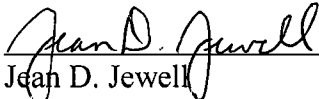


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

bls/O:PAC-E-08-02_ws2