

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY) **CASE NO. PAC-E-10-04**
MOUNTAIN POWER FOR APPROVAL OF)
AN ACCOUNTING ORDER RECORDING) **NOTICE OF APPLICATION**
CERTAIN POST-RETIREMENT)
PRESCRIPTION DRUG COSTS AS A) **NOTICE OF**
REGULATORY ASSET) **MODIFIED PROCEDURE**
)
)
) **ORDER NO. 31088**

On April 2, 2010, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain” or “Company”) filed an Application with the Idaho Public Utilities Commission (“Commission”), pursuant to *Idaho Code* §§ 61-301, 61-307, 61-622, and 61-623, for approval of an accounting order authorizing the Company to record a regulatory asset associated with tax benefits previously reflected in rates that will no longer be realized for certain costs incurred for post-retirement prescription drug coverage as the result of the Patient Protection and Affordable Care Act (“Act”).

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Rocky Mountain’s Application for an accounting order was spurred by the passage of the Act on March 23, 2010. The Act contains provisions for a federal subsidy for employers offering post-retirement prescription drug coverage to its retirees. According to Rocky Mountain, the Act changes the deductibility of certain costs incurred for post-retirement prescription drug coverage. Prior to the Act, employers were allowed to deduct the entire cost of providing the coverage, even though a portion is offset by the subsidy. The Act eliminates the current rule permitting deduction of the portion of the expense that is offset by the subsidy.

YOU ARE FURTHER NOTIFIED that Rocky Mountain requests authorization for the recording of a regulatory asset to FERC Account 182.3 (Other Regulatory Assets) and a credit to FERC Account 410.1 (Deferred Tax Expense) in order to recover the Idaho portion of tax benefits previously reflected in rates that will no longer be realized as the result of the Act.

YOU ARE FURTHER NOTIFIED that Rocky Mountain proposes that the aforementioned regulatory asset should be amortized over a period of four years beginning January 1, 2011, and reflect the amortization expense in the Company's next general rate case.

YOU ARE FURTHER NOTIFIED that Rocky Mountain estimates \$30 million in system-wide OPEB (Other Post-Employment Benefit) related costs associated with the change in law.

YOU ARE FURTHER NOTIFIED that Rocky Mountain attributes approximately \$11.4 million of that amount to the first quarter of the 2010 calendar year resulting, when amortized and grossed-up for tax effects, in a revenue requirement impact of approximately \$18.5 million on a total company basis and amortized over four years. The Company estimates that Idaho's share of the regulatory asset is approximately \$1.0 million.

YOU ARE FURTHER NOTIFIED that Rocky Mountain does not request a final Commission decision regarding rate recovery in this filing.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than June 10, 2010**. 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 Rocky Mountain Power 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 83702-5918

Ted Weston
Manager, Idaho Regulatory Affairs
Rocky Mountain Power
201 South Main Street, Ste. 2300
Salt Lake City, UT 84140
E-Mail: Ted.Weston@PacifiCorp.com

Daniel Solander
Senior Counsel
Rocky Mountain Power
201 South Main Street, Ste. 2300
Salt Lake City, UT 84140
E-Mail: Daniel.Solander@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 Rocky Mountain Power 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 will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that Rocky Mountain's Application seeking Commission approval for an accounting order has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is posted on the Commission's web site at www.puc.idaho.gov and may be viewed by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-301, 61-307, 61-622, and 61-623. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*


ORDER

IT IS HEREBY ORDERED that Rocky Mountain Power's Application be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than June 10, 2010.

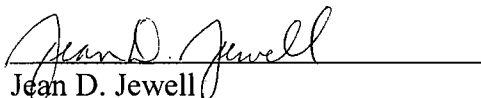
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th day of May 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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