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IDAHO POWER COMPANY  
P.O. BOX 70  
BOISE, IDAHO 83720  
2001 JAN 18 PM 3:40

BARTON L. KLINE  
Senior Attorney

IDAHO PUBLIC  
UTILITIES COMMISSION

January 18, 2001

Ms. Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-01-02  
Idaho Power Company's Application and  
Compliance Filing For Approval of A Proposed  
Statement of Policy and Code of Conduct

Dear Ms. Jewell:

Enclosed herewith for filing with the Commission are an original and seven (7) copies of Idaho Power Company's Application For Approval of a proposed Statement of Policy and Code of Conduct covering transactions between Idaho Power Company and IDACORP Energy Solutions LP, an affiliated company, regarding the above-captioned case.

I would appreciate it if you would return a stamped copy of this transmittal letter for our files.

Very truly yours,

Barton L. Kline

BLK:jb  
Enclosures

BARTON L. KLINE ISB #1526  
Idaho Power Company  
P. O. Box 70  
Boise, Idaho 83707  
Telephone: (208) 388-2682  
FAX Telephone: (208) 388-6936

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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
APPROVAL OF A PROPOSED STATEMENT )  
OF POLICY AND CODE OF CONDUCT )  
COVERING TRANSACTIONS BETWEEN )  
IDAHO POWER COMPANY AND IDACORP )  
ENERGY SOLUTIONS LP, AN AFFILIATED )  
COMPANY )  
\_\_\_\_\_ )

CASE NO. IPC-E-01-02

APPLICATION AND  
COMPLIANCE FILING

COMES NOW, Idaho Power Company ("Idaho Power" or "the Company"), and hereby requests that the Commission issue its Order (1) approving the attached Statement of Policy and Code of Conduct addressing transactions between Idaho Power and its affiliate IDACORP Energy Solutions LP ("IES"), and (2) convening a pre-hearing conference to establish the procedure for consideration of whether other Statements of Policy and Codes of Conduct covering transactions between Idaho Power, its utility customers, and other subsidiaries of Idaho Power's parent company, IDACORP, Inc. should be adopted. This Application is based on the following:

I.

**BACKGROUND**

In Commission Order No. 28596 issued in Case No. IPC-E-00-13 the Commission authorized Idaho Power to enter into an Agreement For Electricity Supply and Management Services ("Agreement") with IDACORP Energy Solutions, LP ("IES"), an affiliate of Idaho Power. In its Application in Case No. IPC-E-00-13, Idaho Power filed a proposed Statement of Policy and Code of Conduct. In Commission Order No. 28596 the Commission approved the Agreement and directed Idaho Power and IES to conduct themselves in accordance with the submitted Code of Conduct. However, in the Order the Commission indicated that they wanted additional public review and discussion of the Statement of Policy and Code of Conduct that Idaho Power had filed in the IES case. In compliance with that directive, Idaho Power has included with this filing, as Attachment "A", a revised Statement of Policy and Code of Conduct.

II.

The attached Statement of Policy and Code of Conduct covering the Idaho Power/IES Agreement has been revised from the original filing to include a number of additions and clarifications requested by the Commission Staff. Idaho Power believes that it represents a reasonable policy that allows Idaho Power and IES to operate efficiently under the approved Agreement and the Stipulation entered in the IPC-E-00-13 case, while at the same time providing Idaho Power's customers with additional commitments and protection against inappropriate actions on the part of either Idaho Power or IES.

### III.

#### **PROPOSAL TO BIFURCATE**

In informal discussions with Commission Staff following the issuance of Order No. 28596, Staff indicated that the Commission also desired to consider whether a Code of Conduct might be desirable to address transactions between Idaho Power, its utility customers, and other subsidiaries of IDACORP, Inc. These subsidiaries provide non-power, non-utility products and services.

Idaho Power believes that a Code of Conduct addressing transactions between Idaho Power and IES when they are undertaking wholesale energy transactions under the Agreement is likely to be subject to very different considerations than a Code of Conduct that would be targeted to transactions between Idaho Power and other IDACORP subsidiaries providing products and services of a non-utility nature. Idaho Power proposes that the Commission bifurcate the proceedings in this case to separately consider the Statement of Policy and Code of Conduct relating to the Idaho Power/IES Agreement and a Code of Conduct to be applicable to such other non-utility, non-power transactions. Idaho Power believes that such a bifurcated process would be much more efficient. Trying to address all possible utility, non-utility and power and non-power transactions under one all-encompassing Code of Conduct docket is likely to be less productive than addressing the immediate Idaho Power/IES affiliate concerns and then proceeding more deliberately with the broader affiliate issues.

III.

NOTICES

Communications with reference to this Application should be sent to the following:

Barton L. Kline  
Senior Attorney  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707

John R. Gale, General Manager  
Pricing and Regulatory Services  
Idaho Power Company  
P.O. Box 70  
Boise, ID 83707

WHEREFORE, Idaho Power requests that the Commission issue its Order as follows:

1. Approving the attached Statement of Policy and Code of Conduct for the Idaho Power/IES Agreement; and
2. Setting a date for a pre-hearing conference at which time participants would establish a schedule for workshops and other procedural steps that could lead to the establishment of a Code of Conduct for transactions between Idaho Power, its customers and other subsidiaries of IDACORP, Inc. if the Commission decides it wants to adopt such Codes of Conduct.

DATED this 18<sup>th</sup> day of January, 2001.



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BARTON L. KLINE  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 18<sup>th</sup> day of January, 2001, I served a true and correct copy of the within and foregoing APPLICATION AND COMPLIANCE FILING upon the following named individuals by the method indicated below, and addressed to the following:

Scott Woodbury, Esq.  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

<input checked="" type="checkbox"/>	Hand Delivered
<input type="checkbox"/>	U.S. Mail
<input type="checkbox"/>	Overnight Mail
<input type="checkbox"/>	FAX



\_\_\_\_\_  
BARTON L. KLINE

**ATTACHMENT "A"**

**STATEMENT OF POLICY AND CODE OF CONDUCT**  
**GOVERNING THE RELATIONSHIP BETWEEN IDACORP ENERGY**  
**AND IDAHO POWER COMPANY**

1. PURPOSE

Idaho Power Company ("Idaho Power") and IDACORP Energy Solutions, LP, dba IDACORP Energy ("IES") have entered into an Electric Supply Management Services Agreement ("Agreement"). Both Idaho Power and IES are wholly owned subsidiaries of IDACORP, Inc. Under the Agreement, IES will, among other things, provide Idaho Power with certain energy supply, management, marketing and brokering services. This Statement of Policy and Code of Conduct is intended to establish guidelines and procedures, which will govern the relationship and transactions between Idaho Power and IES.

The management service provided by IES to Idaho Power is a non-competitive service for which IES may recover its costs through an annual charge. The appropriateness of the charge is subject to regulatory review during revenue requirement proceedings.

2. CODE OF CONDUCT

IES and Idaho Power will comply with the following:

A. Sales of Power. When IES and Idaho Power are engaging in power purchases and sales between themselves, IES and Idaho Power will comply with the following:

1. Purchases and sales of power between IES and Idaho Power will be subject to the transaction reporting requirements specified by the FERC, including existing quarterly compliance filings to the Western Systems Power Pool.

2. Any transmission service provided by Idaho Power to IES, that is not for the express purpose of supplying Idaho Power's native loads, will be provided under Idaho Power's FERC-approved open access transmission tariff.

3. Short-term power purchases and sales between IES and Idaho Power Company that settle within the prompt month or sooner will only be made at market prices.

4. Power purchases and sales that will settle outside the prompt month will be executed by Idaho Power and a third party and may be brokered by IES.

5. Expenses associated with long-term power sales or purchases by Idaho Power will be subject to approval by the Idaho Public Utilities Commission prior to their inclusion in Idaho Power's Power Cost Adjustment.

B. Non-Power Goods and Services. Sales of any non-power goods or services between Idaho Power and IES will be in accordance with the then-current Affiliated Services Agreement between the Parties as provided to the Idaho Public Utilities Commission pursuant to IPUC Order No. 27348. Any non-power goods and services sold by Idaho Power to

IES will be priced at the higher of cost or market value, and any non-power goods and services purchased by Idaho Power from IES will be priced no higher than market value.

C. Brokering of Power. To the extent IES seeks to act as broker in arranging power purchases and sales:

1. IES will offer Idaho Power's power for sale prior to offering power owned or controlled by IES.

2. IES will not accept any fees in conjunction with any brokering services it performs for Idaho Power.

D. Personnel and Records

1. IES shall be a separate legal entity, and to the maximum extent practical, be separated physically from Idaho Power Company. Physical separation will be accomplished by having office space in separate buildings or, if within the same building, by a method such as having offices on separate floors or with separate access

2. IES's books of accounts and records shall be distinguished from Idaho Power Company's books. Idaho Power shall prepare financial statements that are not consolidated with those of IES's. Aggregated information that is not market-sensitive may be transferred to or from Idaho Power Company and to or from IES for corporate financial accounting, control, and reporting purposes.

E. Prohibition on Suggestion of Utility Advantage

1. Idaho Power shall not state in any advertising, promotional materials, or sales efforts that a consumer who purchases services from IES will receive preferential treatment in the provision of utility services or that any other advantage regarding the provision of utility services will accrue to that consumer.

2. Idaho Power personnel shall not specify to any customer or potential customer a preference for any service provided by IES over those of any third party.

3. Idaho Power personnel shall not specify to any customer or potential customer a preference for any service provided by a third party over any service provided by any other third party.

4. Idaho Power shall not require that a consumer purchase any non-utility service from IES as a condition to providing utility services.

F. Complaint Procedure

1. If any customer believes Idaho Power Company has violated the Statement of Policy and Code of Conduct, that customer may file a complaint in writing with Idaho Power Company. Idaho Power Company shall respond in writing to the complaint within 30 business days after receipt of the complaint. Idaho Power Company must offer to meet with the complaining party within 14 days after the response to resolve any remaining issues and must notify the complainant of his or her right to complain to the Commission if not satisfied.

2. Idaho Power Company shall maintain a log of all new, resolved, and pending complaints alleging violations of the Statement of Policy and Code of Conduct and make the log available to the Commission upon request. The log shall include the date each complaint was received, the complainant's name, address, and telephone number, a written description of the complaint, and the resolution of the complaint or reason why the complaint is still pending.