



**IDAHO
POWER**

An IDACORP Company

IDAHO POWER COMPANY
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May 27, 2004 IC
UTILITIES COMMISSION

BARTON L. KLINE
Senior Attorney

John R. Hammond, Jr.
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Dismissal of Case Nos. IPC-E-01-02 and 01-08
Codes of Conduct for Idaho Power Doing Business
With Affiliates

Dear John:

On several occasions we have discussed the idea of dismissing the above-referenced cases because they have become moot. You had indicated that there may be some basis to support dismissal but you wanted to discuss the matter further with your client.

I have enclosed a draft Motion To Dismiss For Mootness for the -02 case. I hope it will make it easier for us to focus on the remaining issues in these cases. I have only prepared the Motion To Dismiss For Mootness for the case relating to IE because it seems so obvious that the case has become moot. The other case (-08) deals with the few remaining Idaho Power affiliates, most of which have very few touch points with Idaho Power. In addition, those touch points are covered by inter-company agreements which Staff auditors have reviewed several times. In any event, I am hopeful that the attached draft Motion will help us move our discussions forward. With all of the regulatory matters the Commission is currently dealing with, it would be nice to get a couple of old dockets cleared out.

After you have had a chance to review the enclosure, please give me a call so we can discuss this matter further.

Very truly yours,

Barton L. Kline

BLK:jb
Enclosure

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DRAFT #1
5/26/04

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)	CASE NO. IPC-E-01-02
APPROVAL OF A PROPOSED STATEMENT)	
OF POLICY AND CODE OF CONDUCT)	MOTION TO DISMISS
COVERING TRANSACTIONS BETWEEN)	FOR MOOTNESS
IDAHO POWER COMPANY AND IDACORP)	
ENERGY SOLUTIONS LP, AN AFFILIATED)	
COMPANY)	
_____)	

COMES NOW, Idaho Power Company ("Idaho Power" or "the Company"),
by and through its attorneys, and in accordance with RP 056, hereby moves the
Commission for an Order dismissing this case with prejudice because it has become
moot. The basis for this Motion is as follows:

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 its affiliate IDACORP Energy Solutions,

LLP ("IES"). IES subsequently changed its name to "IDACORP Energy" and IES and IDACORP Energy will hereinafter referred to collectively as "IE."¹

In Order No. 28596, the Commission stated that the Statement of Policy and Code of Conduct submitted with the Company's Application required further development and the opportunity for public input. In Order No. 28596, the Commission directed Idaho Power to make a formal filing within thirty (30) days of a proposed policy and code of conduct for affiliate relationships. In the interim, the Commission found it reasonable that the Company and IE conduct relationships between themselves in accordance with the Statement of Policy and Code of Conduct outlined in the Company's Application.

On January 18, 2001, Idaho Power made the compliance filing discussed in Order No. 28596 and requested that the Commission approve a proposed Statement of Policy and Code of Conduct covering transactions between Idaho Power and IE. On March 5, 2001, in Order No. 28649, the Commission bifurcated the Company's Application into two separate proceedings. In this case, Case No. IPC-E-01-02, the Commission would consider the Statement of Policy and Code of Conduct between Idaho Power and IE. Under Case No. IPC-E-01-08, the Commission would consider the Code of Conduct that would be applicable to other IDACORP subsidiaries and Idaho Power affiliates that would be engaged in non-utility, non-power transactions with Idaho Power. Subsequently, the Commission approved petitions to intervene in this case filed by Astaris, LLC, Power Development Associates, LLC and the Industrial Customers of Idaho Power.

¹ Idaho Power is and IES and IE were wholly-owned subsidiaries of IDACORP, Inc. The activities of IES and IE were not regulated by the Commission except for transactions with Idaho Power.

RESOLUTION OF IPC-IE ISSUES

In February and March 2001, Idaho Power filed Applications for authority to increase its rates under its Power Cost Adjustment ("PCA") rate schedule. These Applications were separately docketed as Case No. IPC-E-01-07 ("the -7 Case") and Case No. IPC-E-01-11 ("the -11 Case") and processed as a joint case. In Order No. 28731, the Commission separated a number of the issues identified for investigation in the -7 and -11 cases into a third case, which was docketed as IPC-E-01-16 ("the -16 Case").

At this point, because the issues relating to the operating relationship between Idaho Power and IE were being addressed in the -16 Case, further proceedings in this case were suspended pending the final resolution of the -16 Case. This suspension was *de facto*; no Commission order suspending the case was sought or issued.

In response to a Joint Motion by the parties in the -16 Case, the Commission issued Order No. 28831 on August 24, 2001, which further bifurcated the issues in the -16 Case into Phase 1 and Phase 2. Testimony and exhibits relating to the Company's trading practices (hedging), transmission and wheeling charges, Mid-C pricing and weighted average pricing (on a prospective basis from March 1, 2001) were presented in hearings held on August 28-30, 2001, in Phase 1. All of the other issues identified for review in the -16 Case, i.e., Idaho Power's approach to hedging and risk management strategies, additional compensation to Idaho Power for transmission system and other system resource usage by IE, and a question of whether the transfer prices for both day-ahead and real-time transactions between Idaho Power and IE

approved in Commission Order No. 28852 should be modified on a prospective basis, were assigned to Phase 2.

Numerous workshops to discuss settlement of Phase 2 were held in 2001, 2002 and 2003. On February 17, 2004, the Company and numerous other parties filed a Settlement Stipulation and Joint Motion For Acceptance of Settlement with the Commission. Idaho Power requests that the Commission take administrative notice of the above-referenced Joint Motion and Settlement Stipulation.

In Order No. 29446, the Commission accepted the proposed Settlement Stipulation submitted with the Joint Motion and determined that the proposed Settlement Stipulation was a fair, just and reasonable settlement of the outstanding issues in the -16 Case, thereby bringing the -16 Case to a final conclusion.

In the summer of 2002, IDACORP decided to withdraw from the wholesale power marketing business and began winding up IE's power marketing business. As of the date of this pleading, IDACORP has sold IE's assets, discharged IE's employees and IE has ceased to operate as a going concern. IE's remaining activities consist primarily of defending several pending lawsuits.

PRAYER FOR RELIEF

As a result of the closing of IE and resolution of all issues arising out of or relating to Idaho Power's business transactions with IE in the -16 Case, there is no need for the Commission to further consider a Statement of Policy or Code of Conduct to cover transactions between Idaho Power and IE. There will be no future transactions between Idaho Power and IE. The issues originally intended to be addressed in this proceeding are moot. "A case becomes moot when 'the issues presented are no longer

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the ____ day of May, 2004, I served a true and correct copy of the within and foregoing MOTION TO DISMISS FOR MOOTNESS upon the following named parties by the method indicated below, and addressed to the following:

John R. Hammond, Jr.	_____	Hand Delivered
Deputy Attorney General	_____	U.S. Mail
Idaho Public Utilities Commission	_____	Overnight Mail
472 W. Washington Street	_____	FAX
P.O. Box 83720		
Boise, Idaho 83720-0074		
Ronald L. Williams	_____	Hand Delivered
Ronald L. Williams, P.C.	_____	U.S. Mail
P.O. Box 2128	_____	Overnight Mail
Boise, Idaho 83701-2128	_____	FAX
Conley Ward	_____	Hand Delivered
Givens Pursley LLP	_____	U.S. Mail
277 N. 6th Street, Suite 200	_____	Overnight Mail
P.O. Box 2720	_____	FAX
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Peter J. Richardson	_____	Hand Delivered
Molly O'Leary	_____	U.S. Mail
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P.O. Box 1849		
Eagle, Idaho 83616		

BARTON L. KLINE.