



IDACORP Energy (IE) Agreement and Order No. 28596; and the flexibility of the Company's short-term resource planning. Order No. 28831.

On June 21, 2002, IDACORP announced that it was exiting the energy trading business. As of August 1, 2002, IE no longer provided most of the services envisioned by the Supply and Management Agreement. As a result, the scope of the resolution of the issues in this case will likely be limited to historic transactions rather than any ongoing relationship between Idaho Power and IE.

Since May 2001, the interested parties have participated in several workshops and settlement negotiations regarding the issues in Case No. IPC-E-01-16. The parties reached a settlement agreement regarding the Company's risk management and hedging practices, which the Commission adopted in August 2002. Order No. 29102.

During the process of winding up IE's energy trading business, Idaho Power determined that several wholesale transactions between Idaho Power and IE had been executed without the requisite review and approval of the Federal Energy Regulatory Commission (FERC). Determining the proper pricing and allocation of costs relating to transactions between IE and Idaho Power, FERC approved by final order on May 16, 2003 the purchase prices for ancillary services sold to IE and for real-time energy purchases between Idaho Power and IE.<sup>1</sup> Prior to this date, settlement negotiations between the parties in the instant case were temporarily halted to avoid a duplication of effort.

Now that FERC's investigation is complete and its Order issued, interested parties will resume settlement discussions with the hope of entering into a written stipulation that resolves the issues pending in this case. Any settlement should encompass the following interim and prospective issues: Idaho Power's trading practices (including transmission and wheeling charges, Mid-C or Palo Verde pricing indexes, and pricing for real-time purchases); the pricing and transmission terms of the IDACORP Energy (IE) Agreement and Order No. 28596; and the four issues from Case No. IPC-E-03-5 discussed in the Notice of Expanded Scope section below. Although settlement discussions may also address the Company's codes of conduct that are still

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<sup>1</sup> The Stipulation and Order in FERC Docket No. IN03-9-000 can be found online at [www.ferc.gov/home/IN03-9-000final\\_settlement.pdf](http://www.ferc.gov/home/IN03-9-000final_settlement.pdf) and [www.ferc.gov/home/IN03-9-000Revised.pdf](http://www.ferc.gov/home/IN03-9-000Revised.pdf), respectively.

pending in Case Nos. IPC-E-01-2 and -8, any resolution involving code of conduct issues should be filed separately in their respective case numbers.

#### **NOTICE OF EXPANDED SCOPE**

YOU ARE HEREBY NOTIFIED that at the May 30, 2003 prehearing conference in Case No. IPC-E-03-5, the parties (to wit: Idaho Power Company, Commission Staff, the Idaho Irrigation Pumpers Association, and the Industrial Customers of Idaho Power) discussed how to proceed on six contested issues. Although the Commission had intended to immediately set a date for an evidentiary hearing at the prehearing conference, the parties proposed an alternative with the hope that an evidentiary hearing could be avoided.

YOU ARE FURTHER NOTIFIED that at the parties' request, the Commission agreed to move four of the six disputed issues identified in Order No. 29243 to this docket, Case No. IPC-E-01-16. Order No. 29258. These four issues are: 1) pricing of real-time transactions between Idaho Power and IE; 2) recovery of IE-Tri State Transmission costs; 3) Company sharing of the anticipated FERC settlement; and 4) continuance of payment for IE management contract benefits. Because real-time affiliate pricing, transmission costs, and resolution of outstanding IE matters are already part of the settlement discussions pending in Case No. IPC-E-01-16, the parties felt it would be more efficient to consolidate these issues under this case number.

#### **NOTICE OF SETTLEMENT WORKSHOP**

YOU ARE FURTHER NOTIFIED that the next workshop in this case is scheduled for **MONDAY, JUNE 23, 2003 AT 9 A.M. This all-day meeting will take place at the offices of Idaho Power Company, located at 1221 West Idaho Street, Boise.**

YOU ARE FURTHER NOTIFIED that convening a settlement workshop allows the parties to explore the possibility of settling issues in a reasonable, speedy and economical manner. IDAPA 31.01.01.273. In attempting to settle these matters, the Commission urges the parties to move expeditiously so that a resolution can be achieved in a timely manner.

YOU ARE FURTHER NOTIFIED that to facilitate a more efficient meeting, settlement workshop participants should be prepared to identify specific issues for resolution at the settlement workshop and discuss how these issues should be addressed. All parties should be prepared to state their position at the settlement workshop and make settlement offers.

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YOU ARE FURTHER NOTIFIED that to promote the unencumbered exchange of information and positions, the settlement workshop and negotiations are confidential. All discussions during the settlement workshop or settlement documents prepared by the parties shall be confidential. Written and oral statements made by or submitted by an attorney or any party at the settlement workshop shall not be admissible for any purpose before the Commission and shall not be subject to discovery. *See* Rule 272, IDAPA 31.01.01.272; I.A.R. 49(f).

YOU ARE FURTHER NOTIFIED that although the parties are encouraged to attend the settlement workshop in person, parties unable to do so may participate by telephone conference. Those parties planning to participate in the settlement workshop should R.S.V.P. and/or notify Idaho Power Company of the need for teleconference arrangements by contacting Ms. Betsey Gaultney at (208) 388-5309 at least 48 hours before the workshop so that adequate arrangements can be made.

YOU ARE FURTHER NOTIFIED that the parties attending the settlement workshop in person or via teleconference shall have the immediate authority to approve or enter into a settlement.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by any settlement reached by the parties. Pursuant to Rule 276, the Commission will independently review any settlement proposed to determine whether the settlement is just, fair and reasonable, and in the public interest, or otherwise in accordance with law or regulatory policy. If the settlement is presented to the Commission, it may accept the settlement, reject the settlement, or state additional conditions under which the settlement will be accepted. IDAPA 31.01.01.276.

YOU ARE FURTHER NOTIFIED that at the conclusion of the settlement workshop(s), the parties will advise the Commission of the success or failure of settlement negotiations. If a settlement is reached between two or more parties, the Commission will determine how the settlement is to be reviewed. IDAPA 31.01.01.274.

YOU ARE FURTHER NOTIFIED that all further proceedings in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act. In order to participate, understand testimony and argument at a public hearing, persons needing the help of a sign language interpreter or other assistance may ask the Commission to provide a sign language interpreter or other assistance as required under the Americans with Disabilities

Act. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, ID 83720-0074  
(208) 334-0338 (TELEPHONE)  
(208) 334-3762 (FAX)  
E-mail: [secretary@puc.state.id.us](mailto:secretary@puc.state.id.us)

### NOTICE OF DEADLINE TO INTERVENE

YOU ARE HEREBY NOTIFIED that **persons desiring to intervene** in this matter for the purpose of negotiating a settlement, presenting evidence or cross-examining witnesses at hearing (if one is necessary) **must file a Petition to Intervene** with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the settlement workshop or hearing must file a Petition to Intervene **ON OR BEFORE JUNE 20, 2003** unless exempted below.

YOU ARE FURTHER NOTIFIED that the Commission has determined that Idaho Power Company, Commission Staff, the Idaho Irrigation Pumpers Association, the Industrial Customers of Idaho Power, AARP, Micron Technology, J.R. Simplot Company and the Idaho Retailers Association shall be considered parties to this case given their participation thus far in Case Nos. IPC-E-01-7, IPC-E-01-11, IPC-E-01-16 and/or IPC-E-03-5. These parties do not need to file a Petition seeking intervenor status.

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 that the Commission may enter any final Order consistent with its authority under Title 61. The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-622, 61-623, and 61-624.

YOU ARE FURTHER NOTIFIED that all further 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 the issues subject to further proceedings and possible settlement in Case No. IPC-E-01-16 are expanded to include: 1) pricing of real-time transactions between Idaho Power and IE; 2) recovery of IE-Tri State Transmission costs; 3)

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Company sharing of the anticipated FERC settlement; and 4) continuance of payment for IE management contract benefits.

IT IS FURTHER ORDERED that persons desiring to intervene in this case for purposes of participating in settlement discussion or an evidentiary hearing, if one is necessary, must file a **Petition to Intervene no later than June 20, 2003**. Idaho Power Company, Commission Staff, the Idaho Irrigation Pumpers Association, the Industrial Customers of Idaho Power, AARP, Micron Technology, J.R. Simplot Company and the Idaho Retailers Association shall be considered parties to this case given their participation thus far in Case Nos. IPC-E-01-7, IPC-E-01-11, IPC-E-01-16 and/or IPC-E-03-5 and need not file a Petition seeking intervenor status.

IT IS FURTHER ORDERED that a **settlement workshop** on all the issues pending in Case No. IPC-E-01-16 shall take place on **June 23, 2003 at 9 a.m. at the office of Idaho Power Company**, located at 1221 W. Idaho Street, Boise. Parties planning to participate should R.S.V.P. and/or notify Idaho Power Company of the need for teleconference arrangements by contacting Ms. Betsey Gaultney of Idaho Power at (208) 388-5309.

THIS IS AN INTERLOCUTORY ORDER. Any person interested in this Order may file a petition for review within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. A petition to review may request that the Commission: (1) rescind, clarify, alter, amend; (2) stay; or (3) finalize this Interlocutory Order. After any person has petitioned for review, any other person may file a cross-petition within seven (7) days. *See* Rules 321, 322, 323.03, 324, 325 (IDAPA 31.01.01.321-.325).

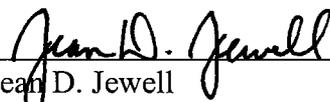
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 6<sup>th</sup>  
day of June 2003.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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