

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF) CASE NO. IPC-E-03-5
IDAHO POWER COMPANY FOR AUTHORITY)
TO IMPLEMENT A POWER COST)
ADJUSTMENT (PCA) RATE FOR ELECTRIC) NOTICE OF SETTLEMENT
SERVICE FROM MAY 16, 2003 THROUGH) CONFERENCE
MAY 15, 2004.)
)

On April 15, 2003, Idaho Power Company filed an Application to decrease its electric rates under the annual Power Cost Adjustment (PCA) mechanism first approved by the Commission in 1993. In Order No. 29243, the Commission approved the rates proposed in the Company's Application (with one adjustment) effective May 16, 2003, subject to refund and interest. In addition, the Commission set a prehearing conference to schedule six disputed issues valued at approximately \$5.1 million for evidentiary hearing.

At the prehearing conference on May 30, 2003, 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 the 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.

At the parties' request, the Commission agreed to move four of the six disputed issues identified in Order No. 29243 to 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 that case number. These four issues will next be discussed in a settlement workshop at **9 a.m. on June 23, 2003 at the offices of Idaho Power Company** in Case No. IPC-E-01-16.

As for the remaining two issues in Case No. IPC-E-03-5 (i.e., the proper amount of normalized energy to calculate true-up and class deferral rates), the parties indicated at the prehearing conference that it may be possible to settle them by agreement in lieu of an evidentiary hearing. Idaho Power agreed to submit a settlement proposal to the parties no later than June 6, 2003. Given that the facts of this case do not appear to be in dispute, we believe it may be beneficial for the parties to be afforded one last attempt to settle these remaining issues. Consequently, the Commission shall schedule a settlement conference to allow the parties an opportunity to resolve Case No. IPC-E-03-5.

NOTICE OF SETTLEMENT CONFERENCE

YOU ARE HEREBY NOTIFIED that convening a settlement conference 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 a settlement conference will occur at **9:30 A.M. ON FRIDAY, JUNE 13, 2003, AT THE COMMISSION'S OFFICES LOCATED AT 472 WEST WASHINGTON STREET, BOISE, IDAHO.** Those parties wishing to participate in the teleconference are advised to contact the Staff's counsel at least 24 hours before the conference so that adequate telecommunication arrangements can be made.

YOU ARE FURTHER NOTIFIED that to promote the unencumbered exchange of information and positions, the settlement conference and negotiations are confidential. All discussions during the settlement conference 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 conference 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).

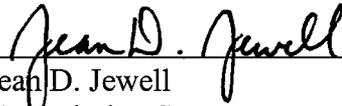
YOU ARE FURTHER NOTIFIED that the parties are encouraged to attend the settlement conference in person. However, those parties unable to attend in person may participate via telephone conference. All parties shall be prepared to state their position at the settlement conference and shall be prepared to make settlement offers.

YOU ARE FURTHER NOTIFIED that the parties attending the settlement conference 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 conference, 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.

DATED at Boise, Idaho this 4th day of June 2003.



Jean D. Jewell
Commission Secretary

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