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IDAHO PUBLIC
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-04-9
AUTHORITY TO IMPLEMENT POWER COST)	
ADJUSTMENT RATES FOR ELECTRIC)	
SERVICE TO CUSTOMERS IN THE STATE)	JOINT MOTION FOR
OF IDAHO FOR THE PERIOD MAY 16, 2004)	ACCEPTANCE OF
THROUGH MAY 31, 2005)	SETTLEMENT
_____)	

COMES NOW, IDAHO POWER COMPANY ("Idaho Power") and the Staff of the Idaho Public Utilities Commission ("Staff"), hereinafter collectively referred to as the "Parties", and in accordance with RP 056 and RP 271-280 hereby move the Commission for an order accepting the settlement negotiated by the Parties as embodied in the Stipulation which is attached to this Motion as Exhibit 1. This Motion is based on the following:

I.

(1) In Order No. 29506 issued in this case on May 25, 2004, the Commission authorized the Company to implement Power Cost Adjustment (“PCA”) rates that included the power supply expenses Idaho Power incurred to replace Valmy generation that was interrupted from June 26, 2003 through September 9, 2003 due to an inadvertent energization of the Valmy Plant Unit No. 2 generator. In Order No. 29506, the Commission directed the Staff and Idaho Power to examine the cost of obtaining replacement power resulting from the Valmy Unit No. 2 outage and to advise the Commission whether an adjustment to next year’s PCA based on the cost of replacement power would be reasonable under the circumstances. The Parties have agreed to resolve the Valmy 2 replacement power expense issue described in Order No. 29506 as part of the comprehensive settlement described in the attached Stipulation.

(2) In Idaho Power’s general rate case, Case No. IPC-E-03-13, Staff and Idaho Power addressed one of the components of the Company’s PCA calculation, the expense adjustment rate for growth (“EARG”). In Order No. 29505 issued in Case No. IPC-E-03-13, at the request of both the Staff and Idaho Power, the Commission directed Idaho Power and Staff to initiate a separate proceeding to address this component of the PCA calculations. The Parties have reviewed this issue and have agreed to settle this matter as a part of the comprehensive settlement described in the attached Stipulation.

(3) The Parties have agreed to resolve by settlement certain regulatory accounting issues related to the Company’s 2001 non-recurring income tax deduction created by its accounting method change for capitalized overhead costs. Settlement of

these regulatory accounting issues is included in the comprehensive settlement described in the attached Stipulation.

II.

The Parties negotiated the Stipulation as an integrated settlement document pursuant to notice issued in accordance with RP 272. The Parties request that the Stipulation be entered into the record as evidence in this proceeding. The Parties believe that the Stipulation is in the public interest and that all of the terms of the Stipulation are fair, just and reasonable. The Parties support acceptance of this Stipulation by the Commission as a fair, just and reasonable resolution of multiple issues identified by the Commission in this case and identified by the Commission in other cases as affecting the Company's PCA.

III.

The Parties respectfully request that the Commission process this Motion under modified procedure and on an expedited basis. If the Commission desires to conduct an evidentiary proceeding to consider this Motion, the Parties are willing to provide supporting testimony and exhibits on short notice.

NOW, THEREFORE, Idaho Power Company and the Staff request that the Commission issue its order (1) ordering that this Motion be processed under modified procedure and on an expedited basis; and (2) accepting the Stipulation in full settlement of the issues identified in this Motion.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of August, 2004, I served a true and correct copy of the within and foregoing JOINT MOTION FOR ACCEPTANCE OF SETTLEMENT upon the following named parties by the method indicated below, and addressed to the following:

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BARTON L. KLINE

IDAHO POWER COMPANY

CASE NO. IPC-E-04-09

EXHIBIT 1

TO

JOINT MOTION FOR SETTLEMENT

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-04-9
AUTHORITY TO IMPLEMENT POWER COST)	
ADJUSTMENT RATES FOR ELECTRIC)	
SERVICE TO CUSTOMERS IN THE STATE)	STIPULATION FOR
OF IDAHO FOR THE PERIOD MAY 16, 2004)	ACCEPTANCE OF
THROUGH MAY 31, 2005)	SETTLEMENT
_____)	

This Stipulation is entered into among Idaho Power Company ("Idaho Power"), the Staff of the Idaho Public Utilities Commission ("Staff"), and the other Parties in this proceeding as their signatures appear on the signature pages hereof (collectively referred to as "the Parties" and individually as "Party").

I.

Background

This Stipulation is a result of settlement discussions among the Parties relating to several items which impact the Company's Power Cost Adjustment ("PCA") rates. These items include the following:

(1) In Order No. 29506 issued in this case on May 25, 2004, the Commission authorized the Company to implement PCA rates that included the expenses incurred to replace Valmy generation that was interrupted from June 26, 2003 through September 9, 2003 due to an inadvertent energization of the Valmy Plant Unit No. 2 generator. In Order No. 29506, the Commission directed the Staff and Idaho Power to examine the cost of obtaining replacement power resulting from the Valmy Unit No. 2 outage and to advise the Commission whether an adjustment to next year's PCA based on the cost of replacement power would be reasonable under the circumstances. The Parties desire to resolve the Valmy 2 replacement power expense issue described in Order No. 29506 as part of the comprehensive settlement described below.

(2) In Idaho Power's general rate case, Case No. IPC-E-03-13, Staff and Idaho Power addressed one of the components of the Company's PCA calculation, the expense adjustment rate for growth ("EARG"). In Order No. 29505 issued in Case No. IPC-E-03-13, at the request of both the Staff and Idaho Power, the Commission directed Idaho Power and Staff to initiate a separate proceeding to address this component of the PCA calculations. The Parties have reviewed this issue and desire to include resolution of this matter as a part of the comprehensive settlement described below.

(3) The Parties desire to resolve by settlement certain regulatory accounting issues related to the Company's 2001 non-recurring income tax deduction created by its accounting method change for capitalized overhead costs. Settlement of these regulatory accounting issues is included in the comprehensive settlement described below.

II.

Terms of the Stipulation

Because the above-described issues involve multiple sub-issues and represent a compromise of the Parties' respective contested claims, the Parties have agreed on a single comprehensive settlement amount to resolve all outstanding issues associated with the above-referenced matters. The comprehensive settlement consists of the following:

(1) The EARG would continue at its existing value, 16.84 mills per kWh, until the next general revenue requirement case in which the Company re-sets the base rates for PCA computation purposes.

(2) Idaho Power will provide a \$19.3 million revenue credit to Idaho Power customers in the Company's PCA. This revenue credit will be a separate \$804,166 monthly line item for the months June 2004 through May 2006 in the PCA true-up calculation and includes interest from June 1, 2004 at the PCA carrying charge rate which is currently one (1) percent. This \$804,166 monthly credit is in addition to the \$2,000,000 annual credit currently being provided to Idaho customers in conjunction with the settlement of Case No. IPC-E-01-16. Exhibit 1 shows how the monthly revenue credit will be accrued and paid.

(3) The Parties acknowledge that the June 2003 Valmy Unit No. 2 inadvertent energization incident was an atypical event at least in part beyond the control of Idaho Power Company. The Parties agree that under the specific circumstances of this case, it is in the public interest to utilize the PCA and a comprehensive settlement to resolve the outstanding issues associated with this event.

III.

The Parties agree that this Stipulation is in the public interest and that all of the terms of the Stipulation are fair, just and reasonable.

IV.

This Stipulation will be entered into the record as evidence in this proceeding. The Parties shall support adoption of this Stipulation and acceptance of this Stipulation as a reasonable resolution to all of the issues identified previously. This Stipulation represents a compromise of contested claims and as such, the Parties have negotiated this Stipulation as an integrated settlement document. The Parties recommend that the Commission accept this Stipulation without material change or condition. If the Commission adopts this Stipulation without material change, no Party shall attempt to further litigate or appeal the issues resolved by this Stipulation. If the Idaho Commission rejects any or all of this Stipulation or imposes any material conditions on approval of this Stipulation, any Party disadvantaged by such action shall have the right, upon written notice given to the Commission and all Parties to the proceeding within seven (7) days of the Commission's Order, to withdraw from the Stipulation.

V.

This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

08-16-04
Date



BARTON L. KLINE
Attorney for Idaho Power Company

RESPECTFULLY SUBMITTED this 16th day of August, 2004.

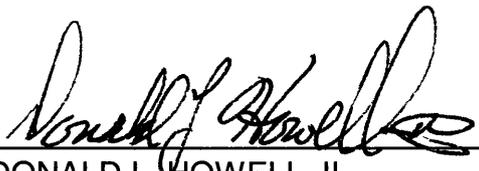


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Attorney for Idaho Power Company



DONALD L. HOWELL, II
Attorney for Idaho Public Utilities
Commission Staff

Aug 16, 2004
Date



DONALD L. HOWELL, II
Attorney for Idaho Public Utilities
Commission Staff

IDAHO POWER COMPANY

CASE NO. IPC-E-04-9

EXHIBIT 1

TO

SETTLEMENT STIPULATION

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of August, 2004, I served a true and correct copy of the within and foregoing STIPULATION FOR ACCEPTANCE OF SETTLEMENT upon the following named parties by the method indicated below, and addressed to the following:

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