

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. IPC-E-05-20
OF IDAHO POWER COMPANY POWER)	
COMPANY FOR AN ORDER AUTHORIZING)	NOTICE OF APPLICATION
THE BLANKET SALE OF AIR EMISSION)	
ALLOWANCES AND FOR AN ACCOUNTING)	NOTICE OF
ORDER.)	MODIFIED PROCEDURE
)	
)	
)	ORDER NO. 29821

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on June 9, 2005, Idaho Power Company filed an Application with the Commission for (1) blanket authority to sell surplus sulfur dioxide ("SO₂") allowances obtained by the Company under the provisions of the federal Clean Air Act Amendments of 1990; and (2) an accounting order to provide for recording any sale(s) of such allowances.

YOU ARE FURTHER NOTIFIED that Title IV of the Clean Air Act Amendments of 1990 establishes a national program for the reduction of acid rain. 42 USCA §§ 7651, *et seq.* The centerpiece of the acid rain program is the incentive- or market-based, "cap and trade" SO₂ emission program. Under the cap and trade program, the Environmental Protection Agency (EPA) sets a cap or ceiling on the total amount of SO₂ emissions allowed nationwide. The EPA then allocates this amount among utility generating units through annual emissions allowances. Each allowance provides the authority to emit one ton of SO₂. These allowances are fully marketable commodities and can be sold on the open market or in EPA-sponsored auctions.

YOU ARE FURTHER NOTIFIED that Idaho Power has an ownership interest in five thermal power plants in the western United States. Three of these power plants are coal-fired and receive allocations of SO₂ allowances from the EPA. These plants are: (1) Jim Bridger Units 1 through 4 (1/3 interest); (2) North Valmy Units 1 and 2 (1/2 interest); and (3) Boardman (1/10 interest). Idaho Power believes that, after retaining sufficient allowances, including a reasonable cushion for change and contingencies, it can make surplus SO₂ allowances available for sale.

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 29821

YOU ARE FURTHER NOTIFIED that, in this Application, Idaho Power seeks the authority to sell and to track the revenues obtained through any potential sale of the SO2 allowances; it does not seek a Commission decision regarding how the revenue from an SO2 allowance sale shall be treated. The Company anticipates a subsequent filing in the near future to address the issue of how to treat the revenue obtained from the future sale of SO2 allowances.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Application in this case and has preliminarily determined that the public interest in this matter may not require a hearing to consider the issues presented, and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.210 – 204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in this case is twenty-one (21) days from the service date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Barton L. Kline
Larry Ripley
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: bkline@idahopower.com

John R. Gale
Vice President, Regulatory Affairs
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: rgale@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via email may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If written comments or protests are received within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written comments before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices or on the Commission's website, www.puc.idaho.gov by clicking on "File Room" and "Electric Cases."

ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than twenty-one (21) days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of July 2005.



PAUL KJELLANDER, PRESIDENT

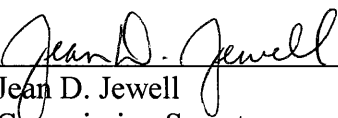


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPCE0520_kdp

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 29821