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IDAHO PUBLIC UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
INVESTIGATION OF APPROPRIATE)	CASE NO. IPC-E-05-26
RATEMAKING TREATMENT OF)	
IDAHO POWER COMPANY'S SO2)	MOTION FOR APPROVAL
ALLOWANCE SALE PROCEEDS.)	OF STIPULATION
_____)	

COMES NOW Idaho Power Company ("Idaho Power" or "Company"), the Commission Staff, Micron Technology, Inc. and the Industrial Customers of Idaho Power (collectively the "Parties"), and hereby move the Commission for an Order accepting the Settlement Stipulation filed herewith. This Motion is based on the following:

1. The terms and conditions of this Stipulation are set forth herein.

The Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues raised in this proceeding and that this Stipulation is in the public interest. The Parties maintain that the Stipulation and its acceptance by the

Idaho Public Utilities Commission (“IPUC” or “Commission”) represent a reasonable resolution of legal and other issues identified in this matter. The Parties, therefore, recommend that the Commission, in accordance with RP 274, approve the Stipulation and all of its terms and conditions without material change or condition.

2. On August 22, 2005, in Order No. 29852 issued in Case No. IPC-E-05-20, the Commission approved Idaho Power’s Application for (1) blanket authority to sell surplus sulfur dioxide (“SO₂”) emission allowances and (2) an accounting order to provide for recording the sales of such surplus allowances pending a determination of appropriate ratemaking treatment for the proceeds of such sales. The Company was ordered to file a report with the Commission within sixty (60) days of the receipt of the proceeds of any surplus SO₂ allowance sales. The Commission also ordered that this docket be opened and directed the Staff to conduct workshops and make a recommendation to the Commission regarding the appropriate ratemaking treatment of any surplus SO₂ allowance proceeds.

3. Petitions to intervene in this proceeding were filed by ICIP and Micron. The Commission granted the intervention of the ICIP in IPUC Order No. 29978 and Micron’s petition in Order No. 30005.

4. Pursuant to Order No. 29852, the Company has filed three Status Reports concerning its sales of SO₂ allowances. The reports were filed on December 9, 2005, February 3, 2006 and March 23, 2006. Because the three Status Reports are on file with the Commission, Idaho Power requests that the Commission take administrative notice of the three Status Reports.

5. As of the date of application, Idaho Power has sold 78,000 SO₂ emission allowances for a total emissions allowance sales amount of approximately \$81.6 million. After subtracting transaction fees and income taxes, the total amount of sales proceeds to be allocated to the state of Idaho is approximately \$46.8 million. This \$46.8 million amount assumes an income tax rate of approximately 39% and a jurisdictional allocation to Idaho of 94.1%. Attachment 1 to the Stipulation provides a detailed computation of the approximately \$46.8 million proceeds amount.

6. Pursuant to notice and in accordance with RP 272, the Parties held workshops and settlement discussions on November 7, 2005, November 23, 2005, February 7, 2006 and March 23, 2006.

7. Based on the settlement discussions, the Parties whose signatures appear on the Stipulation have agreed to resolve and settle all of the issues in the case. A copy of the signed Stipulation evidencing that settlement is enclosed as Attachment A. In summary, the Stipulation provides that if the Commission approves the Stipulation, the Company will retain 10% of the approximately \$46.8 million in total emission allowance net proceeds, which is currently approximately \$4.7 million, as a shareholder benefit. The remaining 90% of the approximately \$46.8 million in total emission allowance net proceeds, which is currently approximately \$42.1 million, will be recorded as a customer benefit and included as a line-item in the PCA true-up. At the date of the Order approving this Stipulation, the customer benefit of approximately \$42.1 million, with interest computed at the PCA interest rate, will be reflected in the Company's PCA as a credit to the PCA true-up balance for amortization in PCA rates during the June 1, 2007 through May 31, 2008 PCA rate period.

8. The Parties recommend that the Commission grant this Motion and approve Attachment A, the Stipulation, in its entirety, without material change or condition, pursuant to RP 274.

9. The Commission Staff will file comments supporting this Motion and recommending approval of the Stipulation. Other Parties may choose to file supporting comments as well. As noted in Paragraph 12 of the Stipulation, all of the Parties agree that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable. The Parties stand ready to support the Stipulation, either through written comments or in accordance with such other procedure as the Commission may prescribe.

NOW, THEREFORE, the Parties respectfully request that the Commission issue its Order:

1. Granting this Motion and accepting Attachment A, the Stipulation, in its entirety without material change or condition;
2. Authorizing the Company to transfer the Idaho jurisdictional portion of the excess emission allowance sales to customers and shareholders in accordance with Attachment 2 to the Stipulation, thereby including a customer benefit of approximately \$42.1 million, with interest computed at the PCA interest rate, in the Company's PCA as a credit to the PCA true-up balance for amortization at PCA rates during the June 1, 2007 through May 31, 2008 PCA rate period; and
3. Confirming that Idaho Power may, in accordance with the authority granted in Order No. 29582, sell additional surplus SO₂ emission allowances in a manner similar to the sales that generated the above-described approximately \$81.6

million proceeds, and further authorizing Idaho Power to record any proceeds of future sales of surplus SO2 allowances, net of taxes and fees, received after June 1, 2006, in the PCA. Within future PCA true-ups the recorded amount will be jurisdictionalized and shared.

Respectfully submitted this 7th day of April, 2006.



BARTON L. KLINE
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 7th day of April, 2006, I served a true and correct copy of the within and foregoing MOTION FOR APPROVAL OF STIPULATION upon the following named parties by the method indicated below, and addressed to the following:

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