

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION)
OF APPROPRIATE RATEMAKING) **CASE NO. IPC-E-05-26**
TREATMENT OF IDAHO POWER)
COMPANY'S SO2 ALLOWANCE SALE) **ORDER NO. 30007**
PROCEEDS)

On March 6, 2006, the Commission issued Order No. 29989, establishing a comment deadline of March 31, 2006, as well as a briefing schedule, regarding the ratemaking treatment of the proceeds from Idaho Power's sale of excess SO2 emission allowances. The parties notified the Commission that they have reached agreement upon the issues in this matter, and will be submitting a stipulation for the Commission's consideration. With this Order the Commission vacates the March 31, 2006 comment deadline as well as the previously ordered briefing schedule.

BACKGROUND

On June 9, 2005, Idaho Power Company (Idaho Power, Company) filed an Application requesting: (1) blanket authority to sell surplus sulfur dioxide (SO2) allowances; and (2) an accounting order to provide for recording any sale(s) of such allowances. Case No. IPC-E-05-20. The Company's Application also suggested that a determination of ratemaking treatment for the proceeds be made at a later date.

On August 22, 2005, the Idaho Public Utilities Commission (Commission) approved the Company's Application. Order No. 29852. The Commission, while reserving the review of the reasonableness of each sale, granted Idaho Power's request for blanket authority to sell SO2 emissions allowances and approved the accounting treatment proposed by the Company, on an interim basis, until such time as the Commission determines the appropriate ratemaking treatment of the proceeds from the sale of the SO2 allowances. *Id.* The Company was ordered to file a report with the Commission within 60 days of the receipt of any SO2 proceeds. *Id.* Additionally, the Commission ordered that a separate docket be opened for Staff to conduct workshops and make a recommendation to the Commission regarding the appropriate ratemaking treatment of SO2 proceeds. *Id.*

This docket, IPC-E-05-26, was opened and two workshops were held on November 7 and November 23, 2005, respectively. During the workshops the parties were unable to reach

agreement upon the ratemaking treatment of the proceeds. On March 6, 2006, the Commission issued Order No. 29989, establishing the following schedule: comment deadline of March 31, 2006; Company's brief and Company's reply comments due on April 14, 2006; Staff and Intervenor briefs due on April 28, 2006; Company's reply brief due on May 12, 2006.

The parties met on March 23, 2006, and reached agreement upon an appropriate ratemaking treatment for the allowance proceeds. The parties are currently working on a stipulation that will be signed and submitted to the Commission.

DISCUSSION/FINDINGS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company and the issues involved in this case by virtue of Title 61, Idaho Code, including, but not limited to, *Idaho Code* §§ 61-129, 328, 501-503, 507, 523, 524, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

Because the parties no longer contest the issues in this matter, we find it reasonable to vacate the previously ordered comment deadline and briefing schedule. Once the stipulation is filed, the Commission will set an appropriate comment period for interested persons to submit comments regarding the stipulation. The Commission will review the stipulation and record to consider the reasonableness of the settlement including whether acceptance of the settlement is just, fair, reasonable, in the public interest, or otherwise in accordance with law or regulatory policy. Rule 274, IDAPA 31.01.01.274.

ORDER

IT IS HEREBY ORDERED that the comment deadline and briefing schedule, as set forth in Order No. 29989, are vacated. Commission Staff is directed to promptly file the stipulation, when signed by the parties, with the Commission at which time an appropriate comment period may be established for the stipulation.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th
day of March 2006.



PAUL KJELLANDER, PRESIDENT

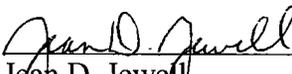


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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