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UTILITIES COMMISSION

LISA D. NORDSTROM  
Senior Counsel

September 5, 2008

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-08-06  
IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY  
FOR AUTHORITY TO INSTITUTE REVISED DEPRECIATION RATES FOR  
ELECTRIC PLANT IN SERVICE

Dear Ms. Jewell:

Enclosed for filing are an original and seven (7) copies each of the Company's Motion for Acceptance of Settlement and the Stipulation executed by the Parties.

Also, I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Lisa D. Nordstrom

LDN:csb  
Enclosures

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Attorneys for Idaho Power Company

Street Address for Express Mail:  
1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR AN	)	CASE NO. IPC-E-08-06
ORDER AUTHORIZING A CHANGE IN	)	
DEPRECIATION RATES APPLICABLE TO	)	MOTION FOR ACCEPTANCE
ELECTRIC PROPERTY	)	OF SETTLEMENT
	)	
	)	

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COME NOW, Idaho Power Company ("Idaho Power" or "Company") and the Staff of the Idaho Public Utilities Commission ("Staff"), both of whom are hereinafter collectively referred to as the "Parties," and, in accordance with *Idaho Code* § 61-525, RP 056, and RP 274-276, hereby move the Commission for an Order accepting the settlement negotiated by the Parties as embodied in the Stipulation filed contemporaneously with this Motion. This Motion is based on the following:

## I. APPLICATION AND PROCEDURAL HISTORY

On April 1, 2008, Idaho Power filed an Application with the Idaho Public Utilities Commission ("IPUC" or the "Commission") requesting authority to institute revised depreciation rates for the Company's electric plant in service ("Application"). No major changes have been made to the Company's depreciation rates in the last five years.

The Company's depreciation rates last changed in December 2003 when the Commission issued Order No. 29363 in Case No. IPC-E-03-07. In its April 1, 2008, filing, the Company sought an accounting order approving revised depreciation rates that the Company would prospectively apply to its depreciable plant in service. The Company did not request to change its electric rates with the Application.

The proposed depreciation rates included in the Company's Application were based upon the results of a detailed depreciation study of the Company's electric plant in service as of December 31, 2006. On the basis of \$3,467,925,739 of depreciable plant in service on December 31, 2006, and using the average service life procedure, Idaho Power requested depreciation changes in its Application that would have decreased the Company's total annual depreciation expense by \$6,713,451.

Following the Commission's April 17, 2008, Notice of Application and Intervention Deadline (Order No. 30532), no petitions to intervene were filed. Analysis by the Staff evaluated Idaho Power's proposed depreciation rates with those used in the industry by similar companies. After a series of settlement discussions, on August 27, 2008, the Parties agreed to several adjustments to the Company's proposed depreciation expenses for certain accounts associated with steam production plant (Bridger), hydraulic production plant (Thousand Springs and Clear Lake), other production plant

(Salmon diesel generator), and transmission poles and fixtures. Staff accepted the depreciation accruals originally proposed by the Company in its Application for its other plant categories.

The changes agreed to by the Parties result in an overall reduction in the requested depreciation expense from about \$89.3 million to \$87.5 million. The Parties' settlement of this matter is embodied in the Stipulation filed contemporaneously with this Motion.

## II.

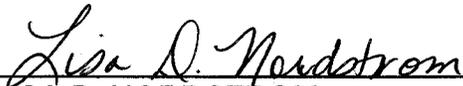
The Parties agree that the Stipulation is in the public interest and that all of the terms of the Stipulation are fair, just, and reasonable. The Parties support adoption of the Stipulation and acceptance of the Stipulation by the Commission as a resolution of all the outstanding issues.

## III.

The Parties negotiated the Stipulation as an integrated settlement document. The Parties to this case are signatories to the Stipulation. The Parties request that the Stipulation will be entered into the record as evidence in this proceeding. As a result, in accordance with RP 274, the Parties respectfully submit that an evidentiary hearing is not required.

NOW, THEREFORE, Idaho Power Company, on behalf of itself and of the Parties, requests the Commission issue its Order (1) accepting the Stipulation in settlement of all of the remaining issues in the case and (2) authorizing the agreed upon depreciation rates to become effective August 1, 2008.

Respectfully submitted this 5<sup>th</sup> day of September 2008.

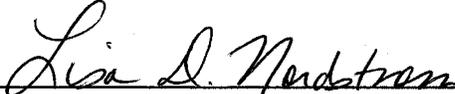
  
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LISA D. NORDSTROM  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 5<sup>th</sup> day of September 2008 I served a true and correct copy of the MOTION FOR ACCEPTANCE OF SETTLEMENT upon the following named individuals by the method indicated below, and addressed to the following:

Weldon B. Stutzman  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Hand Delivered  
 U.S. Mail  
 Overnight Mail  
 FAX  
 Email Weldon.stutzman@puc.idaho.gov

  
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LISA D. NORDSTROM