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LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

IDAHO PUBLIC
UTILITIES COMMISSION

June 14, 2010

VIA HAND DELIVERY

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-10-20
*IN THE MATTER OF THE APPROPRIATE DISPOSITION OF PROCEEDS
FOR THE SALE OF IDAHO POWER COMPANY'S SO₂ EMISSION
ALLOWANCES IN CALENDAR YEAR 2010*

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Initial Report of Proceeds from Sales of SO₂ Emission Allowances in 2010 in the above matter.

Very truly yours,



Lisa D. Nordstrom

LDN:csb
Enclosures

LISA D. NORDSTROM (ISB No. 5733)
DONOVAN E. WALKER (ISB No. 5921)
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
Inordstrom@idahopower.com
dwalker@idahopower.com

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UTILITIES COMMISSION

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)
APPROPRIATE DISPOSITION OF) CASE NO. IPC-E-10-20
PROCEEDS FOR THE SALE OF IDAHO)
POWER COMPANY'S SO₂ EMISSION) IDAHO POWER COMPANY'S INITIAL
ALLOWANCES IN CALENDAR YEAR) REPORT OF PROCEEDS FROM
2010.) SALES OF SO₂ EMISSION
ALLOWANCES IN 2010
_____)

1. In 2005, in Order No. 29852 issued in Case No. IPC-E-05-20, the Commission granted Idaho Power Company ("Idaho Power" or "the Company") blanket authority to sell surplus sulfur dioxide ("SO₂") emission allowances.

2. In Order No. 29852, the Commission also approved the accounting treatment to be used by the Company to record the sales of surplus sulfur dioxide emission allowances from the time proceeds are received until the Commission determined the appropriate ratemaking treatment of the proceeds.

3. In Order No. 29852, the Company was also directed to file a report with the Commission within sixty (60) days of the receipt of any proceeds from the sale of surplus sulfur dioxide emission allowances.

4. During 2010, conditions in the emission allowances market were such that Idaho Power sold surplus sulfur dioxide emission allowances. Thus far in 2010, the Company has either sold and received payment for, or entered into contracts for, the sale of a total of 10,000 surplus sulfur dioxide emission allowances. The total anticipated net proceeds, after deducting brokerage fees of \$2,500, is \$427,000.

5. In Order No. 30041, issued in Case No. IPC-E-05-26, the Commission approved a sharing arrangement in which 90 percent of the state of Idaho's jurisdictional share of the net sale proceeds, including tax effects, was allocated to customers and the remaining 10 percent share was allocated to Idaho Power's shareowners. In Order No. 30041, the Commission directed the Company to include the sulfur dioxide allowance sales proceeds in the Power Cost Adjustment ("PCA") to reduce the level of PCA rates.

6. Idaho Power proposes the jurisdictional percentages of (94.8 percent Idaho/4.78 percent Oregon) and sharing of benefits authorized in the PCA Settlement Order No. 30718, issued in Case No. IPC-E-08-19, (95/5 percent) be utilized to allocate the proceeds from sales of surplus sulfur dioxide emission allowances as those currently used in the PCA. In this pleading, Idaho Power provides the Commission notice of (1) the amounts of proceeds to be received so far and (2) that the Company intends to use the same interim accounting for proceeds that the Commission approved in 2005.

7. In accordance with the accounting approved in the Commission's Order No. 29852, the Company is utilizing the following accounting entries to record the sales of surplus sulfur dioxide emission allowances made thus far in 2010 as follows:

(1)

To record the sale of emission allowances and establish a reserve for the Idaho and Oregon portions in account 254 with the FERC portion recognized immediately in account 411.8.

143 Other Accounts Receivable	
699 X00001 999 143900	\$XXX.XX
254 Other Regulatory Liabilities	
699 X00001 999 254409	\$XXX.XX
411.8 Gains from Disposition of Allowances	
699 X00001 999 411804	\$XXX.XX

(2)

To record the receipt of cash from the sale of emission allowances.

131 Cash	\$XXX.XX
143 Other Accounts Receivable	\$XXX.XX
699 X00001 999 143900	

(3)

To record Idaho Power's percentage share of the net proceeds from the sale of emission allowances.

254 Other Regulatory Liabilities	
699 X0001 999 254409	\$XXX.XX
411800 Gains from Disposition of Allowance	
699 X0001 999 411804	\$XXX.XX

(4)

To transfer and separate Idaho and Oregon's jurisdictional percentage share of the net proceeds from the sale of emission allowances.

254 Other Regulatory Liabilities		
699 X0001 999 254409		\$XXX.XX
254 Other Regulatory Liabilities - Idaho		
699 X0001 999 254410		\$XXX.XX
254 Other Regulatory Liabilities - Oregon		
699 X0001 999 2544411		\$XXX.XX

8. This initial report covers surplus sulfur dioxide emission allowance sales during 2010 as of the date of this filing. Contracts for sale of surplus sulfur dioxide emission allowances entered into after the date of this filing will be included in a subsequent report.

Respectfully submitted this 14th day of June 2010.



LISA D. NORDSTROM
Attorney for Idaho Power Company