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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE INVESTIGATION)
OF INTER-JURISDICTIONAL ISSUES) CASE NO. PAC-E-02-3
AFFECTING PACIFICORP DBA UTAH)
POWER & LIGHT COMPANY) JOINT MOTION FOR
) ACCEPTANCE OF
) SETTLEMENT**

COMES NOW PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) and Staff of the Idaho Public Utilities Commission (Staff) and in accordance with IPUC Rules of Procedure 56 and 271-280, hereby move the Idaho Public Utilities Commission (Commission) for an Order accepting the settlement negotiated by PacifiCorp, Staff, Monsanto Company and AARP, herein collectively referred to as the Parties, as embodied in the Stipulation and Agreement (Stipulation) attached to this Motion as Appendix 1. This Motion is based on the following:

1. On March 5, 2002, PacifiCorp petitioned the Idaho Public Utilities Commission to initiate an investigation of inter-jurisdictional issues affecting the Company as a consequence of its status as a multi-jurisdictional utility subject to the jurisdiction of six state regulatory Commissions. By Order No. 28978 in Case No. PAC-E-02-3, the Commission established a docket for investigation, established an intervention deadline and approved a joint multi-state process (MSP) for analyzing PacifiCorp inter-jurisdictional issues (*Idaho Code* § 61-505) and established initial MSP scheduling (*Idaho Code* § 61-501).

On September 30, 2003, PacifiCorp filed direct testimony in this docket seeking Commission ratification of a Protocol that resolved inter-jurisdictional cost allocation issues facing the Company which have been the subject of the multi-state process. The filed Protocol is the culmination of an extended series of multi-state process (MSP) meetings, technical workshops and telephone conferences. MSP meetings were attended by representatives of some 18 entities from the States of Utah, Oregon, Wyoming, Washington and Idaho. Participants included representatives of State Commission policy staffs, advocacy staffs, industrial customers and consumer groups. The Company's filing in Idaho was identical to contemporaneous filings made with Commissions in Utah, Oregon and Wyoming.

On July 14, 2004, PacifiCorp filed a Revised Protocol with the Commission together with supporting supplemental testimony. The Revised Protocol has also been filed in Oregon, Utah, and Wyoming. In Washington, PacifiCorp filed the Protocol method as part of the Company's rate case in that state and submitted in rebuttal testimony the Revised Protocol. In the near term through 2008, the Revised Protocol methodology results in a 2% higher revenue requirement to Idaho than under Rolled In, an alternate allocation methodology that Idaho Staff would favor in the absence of agreement to the Revised Protocol. However, the long-term results are more favorable because future hydro relicensing costs will be assigned directly to the Pacific Power & Light states, primarily Washington and Oregon. In addition, customers will continue to benefit from the efficiencies of PacifiCorp's integrated six-state system while PacifiCorp will be provided greater certainty for recovery of its prudently incurred costs

Key elements of the Revised Protocol are: a hydro endowment reflecting the cost difference of hydro-electric resources and certain contracts attributed to the former Pacific Power and Light states; an assignment recognizing the cost difference of state-specific qualifying facilities; and an allocation for seasonally specific resources. All other resources will continue to be allocated based on the peak and energy requirements of each state on the integrated system.

In addition, the Revised Protocol addresses treatment of a number of items and potential situations including: (i) refunctionalization and allocation of transmission costs and revenues, (ii) treatment of the costs of special contracts, (iii) means of accounting for and accommodating state specific policies, such as direct access, and (iv) the process and infrastructure for resolving issues in order to further secure the sustainability of the allocation methodology in the future.

2. On August 16, 2004 pursuant to letter notice issued in accordance with Rule 272 of the Commission's Rules of Procedure, Staff apprised the Parties of Record of its intent to enter into active settlement negotiations with PacifiCorp. All Parties of Record were invited to participate.

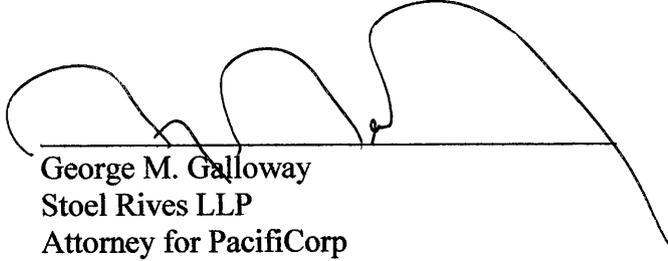
3. Public workshops for PacifiCorp customers in eastern Idaho were held in Preston, Idaho on October 4, 2004 and in Rexburg, Idaho on October 5, 2004. At the workshops, Commission Staff presented a summary of the Company's Petition, MSP, Revised Protocol and discussed its participation in settlement negotiations.

4. The Parties negotiated the Stipulation and Agreement as an integrated settlement document wherein the parties express their support of the inter-jurisdictional cost allocation methods embodied in the Revised Protocol as a means of achieving consistent allocation methods in the jurisdictional states served by PacifiCorp. Included in the Stipulation are rate mitigation measures intended to apply to calculations of the Company's Idaho revenue requirement for any PacifiCorp rate filing made through March 31, 2009. The parties request that the Stipulation be entered into the record as evidence in this proceeding. The parties agree that the Stipulation and rate mitigation mechanism 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 and rate mitigation mechanism by the Commission with the intention that the Commission approve its use in Idaho by PacifiCorp of the Revised Protocol for purposes of inter-jurisdictional allocation of the Company's costs and Idaho results of operations in future regulatory proceedings.

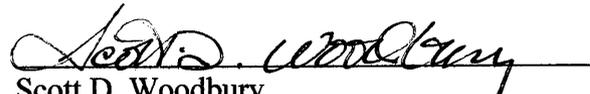
5. PacifiCorp and Staff request that the Commission process this Motion pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204. If the Commission desires testimony in support of this Motion and the Settlement between the Parties, the Parties are willing to provide such testimony on very short notice.

NOW THEREFORE, PacifiCorp and the Staff request that the Commission issue its Order (1) ordering that this Motion be processed under Modified Procedure and (2) accepting the Stipulation and Agreement as full settlement of the inter-jurisdictional issues affecting PacifiCorp raised in Idaho Commission investigatory docket No. PAC-E-02-3.

Respectfully submitted this 5th day of November 2004.



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