

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>PACIFICORP FOR AN ACCOUNTING ORDER</b>	)	<b>CASE NO. PAC-E-03-8</b>
<b>REGARDING TREATMENT OF CERTAIN</b>	)	
<b>ASSET RETIREMENT OBLIGATIONS.</b>	)	<b>NOTICE OF APPLICATION</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	

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YOU ARE HEREBY NOTIFIED that on May 27, 2003, PacifiCorp dba Utah Power & Light Company (PacifiCorp) filed an Application seeking an accounting order authorizing the Company to record regulatory assets or liabilities associated with implementation of Statement of Financial Accounting Standards (SFAS) 143. According to the Application, SFAS 143 requires utilities to recognize and account for certain asset retirement obligations in a manner different from the way PacifiCorp has traditionally recognized and accounted for such costs. Specifically, if a legally enforceable asset retirement obligation (ARO) is deemed to exist an entity must measure and record the liability for the ARO on its books. The liability must be recorded at fair market value in the period in which the liability is incurred. SFAS 143 also provides that if market prices are not available, estimates of fair value can be calculated by discounting the estimated cash flows associated with the ARO to their present value at the date the liability is recorded. PacifiCorp's Application asks for an accounting order authorizing the Company to (1) record, as a regulatory asset or a regulatory liability, the cumulative financial statement impact resulting from the Company's implementation of SFAS 143, and (2) record on an ongoing basis, as a regulatory asset or a regulatory liability, an amount equal to the difference between the annual SFAS 143 accretion and depreciation expenses and the annual depreciation expenses based on Commission approved depreciation rates and coal mine reclamation accruals. PacifiCorp also requests confirmation by the Commission that (1) asset removal costs, in the form of negative net salvage, are currently accrued through annual depreciation expense which is recoverable in rates; (2) these costs are based on estimates of the final removal costs; and (3)

such costs are trued-up for ratemaking purposes at the time the related assets are retired and the actual removal costs are determined.

YOU ARE FURTHER NOTIFIED that PacifiCorp is required to implement SFAS 143 in order to comply with generally accepted accounting principles. Due to the lack of an active market for settling AROs, PacifiCorp intends to use the expected present value method to determine its ARO liabilities and offsetting assets. The accounting changes proposed by PacifiCorp are supported by a series of exhibits identifying the proposed journal entries the Company believes are needed to comply with SFAS 143.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission by September 22, 2003. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5983

John M. Eriksson  
Stoel Rives LLP  
One Utah Center  
201 South Main Street, Suite 1100  
Salt Lake City, UT 84111-4904  
E-Mail: [jmeriksson@stoel.com](mailto:jmeriksson@stoel.com)

Dan Peterson  
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201 South Main Street, Suite 2300  
Salt Lake City, UT 84111-2269  
E-mail: [dan.peterson@pacificorp.com](mailto:dan.peterson@pacificorp.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.state.id.us](http://www.puc.state.id.us). Click the "Comments and Questions"

icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

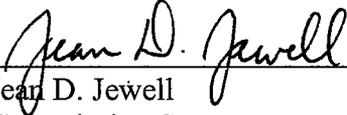
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission's Website at [www.puc.state.id.us](http://www.puc.state.id.us) under the "File Room" icon.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

DATED at Boise, Idaho this 22<sup>nd</sup> day of August 2003.

  
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Jean D. Jewell  
Commission Secretary

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