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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for PacifiCorp

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )  
OF PACIFICORP d/b/a UTAH POWER & ) CASE NO. PAC-E-04-02  
LIGHT COMPANY FOR APPROVAL )  
OF REDUCTIONS IN BONNEVILLE ) APPLICATION OF PACIFICORP  
POWER ADMINISTRATION REGIONAL )  
EXCHANGE CREDITS )

Pursuant to Idaho Code §§ 61-301, -307, -622, and -623, PacifiCorp, d/b/a Utah Power & Light Company (“PacifiCorp” or the “Company”), applies to the Idaho Public Utilities Commission (the “Commission”) for approval of a revised Electric Service Schedule No. 34, submitted herewith. The proposed revisions will reduce the Bonneville Power Administration’s (“BPA”) regional exchange credits in Idaho. The Company seeks changes to sections of the Company’s Schedule 34 to revise the Kilowatt-Hour Credit Adjustment for all qualifying kilowatt-hours of residential and/or farm use. In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is an electrical corporation and public utility in the state of Idaho and is subject to the jurisdiction of the Commission with regard to its public utility operations. PacifiCorp also provides retail electric service in the states of Utah, Oregon, Wyoming, Washington and California.

2. This Application is filed pursuant to the Idaho statutes referenced above. In particular, Idaho Code § 61-623 empowers the Commission to address the propriety of requested

rate schedule increases, sections 61-307 and -622 require Commission approval prior to any increase in rates and section 61-301 requires Idaho retail electric rates to be just and reasonable.

3. Communications regarding this Application should be addressed to:

Bob Lively  
PacifiCorp  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84140  
Telephone: (801) 220-4052  
Facsimile: (801) 220-3116  
E-mail: bob.lively@pacificorp.com

James C. Paine  
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900 SW Fifth Avenue, Suite 2600  
Portland, OR 97204-1268  
Telephone: (503) 294-9246  
Facsimile: (503) 220-2480  
E-mail: jcpaine@stoel.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (**preferred**)

datarequest@pacificorp.com

By regular mail

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, OR 97232

By facsimile

(503) 813-6060

Informal inquires also may be directed to Bob Lively at (801) 220-4502.

4. As a regional utility, PacifiCorp is entitled to participate in the Residential Exchange Program (the "REP"), which extends the benefits of low-cost Federal power to residential and small farm consumers served by investor-owned utilities in the region. *See* section 5(c) of the Northwest Power Act, 16 U.S.C. § 839(c). The REP is administered by BPA. In 2000, BPA offered the region's investor-owned utilities the option of entering into a settlement of the REP (the "REP Settlement") in lieu of the traditional REP. All of the region's investor-owned utilities, including PacifiCorp, entered into the REP Settlement.

Upon initiation of the REP program, and as required by the REP settlement, the Company established balancing accounts tracking the differences in the program credits provided to the Company's customers and the monetary payments received from BPA pursuant to the REP Settlement. As of September 2003, the Idaho balancing account showed a deficit of \$5.7 million (*i.e.*, PacifiCorp paid out \$5.7 million more in benefits to Idaho residential and small farm customers than PacifiCorp had received from BPA).

5. Following discussions with the Commission Staff, the Idaho Irrigation Pumpers Association, and irrigation customers, the Company decided to seek Commission authorization to correct the deficit in the BPA balancing account in a manner that would ease the customer impact of elimination of the deficit. PacifiCorp proposes to reduce the BPA credit by 1/3 of the \$5.7 million, thereby recovering the negative balance over a three-year period. Additionally, the credit is being reduced to match the level of the annual credit received from BPA with the annual credit passed on to Idaho residential and small farm customers. This reduces the credit by an additional \$597,000 per year. The proposed annual reduction for a three-year period would therefore total \$2,496,000 (\$1,899,000 + \$597,000). Additional adjustments to the BPA credit may be necessary in order to achieve the targeted zero balance in the BPA balancing account by September 30, 2006.

6. PacifiCorp submits the following exhibits providing additional support for the relief requested in this Application:

- (a) Application Table A: Table A shows the net impact by rate schedule of the proposed revision to Schedule 34 including the expiration of the Power Cost Surcharge (Schedule No. 93) and the implementation of the Year-3 Rate Mitigation Adjustment (Schedule No. 94);
- (b) Application Table B: Table B reflects the calculation of proposed Schedule 34 based on normalized twelve months ended March 31, 2003;
- (c) Application Table C: Table C is a balancing account study reflecting the Company's BPA balancing account history for fiscal year 2002-2003. The Table shows the \$5.7 million deficit as of September 2003; and,
- (d) Application Table D: Table D reflects the Company's Schedule 34 and shows the proposed tariff changes, pursuant to Rule of Procedure 121.01a.

7. Pursuant to RP 121.01.d, PacifiCorp stands ready for immediate consideration of this Application. PacifiCorp proposes that the proposed reduction to the Schedule 34 BPA credit be effective on June 8, 2004, to permit proper notice pursuant to Idaho Code § 61-307. The proposed tariffs in Table D would be effective on June 8, 2004 unless suspended by the Commission.

PacifiCorp does not believe that the filing is subject to the general rate case or tracker notice requirements of Rule 102 of the Commission's Utility Customer Information Rules. Should the Commission determine otherwise, PacifiCorp respectfully asks the Commission to notify the Company of its determination and the Company will take steps to comply with Rule 102.

WHEREFORE, PacifiCorp respectfully requests that the Commission enter its Order authorizing the reduction of the Schedule 34 BPA credit by an annual amount of \$2,496,000 for a three-year period, in order to eliminate the \$5.7 million deficit currently reflected in the Company's balancing account and to further reflect the net effect of the annual credit received from BPA with the annual credit passed on to Idaho residential and small farm customers.

DATED this 19th day of April, 2004.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James C. Paine", written over a horizontal line.

James F. Fell  
James C. Paine

Attorneys for PacifiCorp

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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )  
OF PACIFICORP d/b/a UTAH POWER & ) CASE NO. PAC-E-\_\_\_\_\_  
LIGHT COMPANY FOR APPROVAL )  
OF REDUCTIONS IN BONNEVILLE ) PACIFICORP'S MOTION TO  
POWER ADMINISTRATION REGIONAL ) CONSOLIDATE DOCKETS  
EXCHANGE CREDITS )

PacifiCorp, d/b/a Utah Power & Light Company (“PacifiCorp” or the “Company”) files this Motion to Consolidate pursuant to Idaho Public Utilities Commission (the “Commission”) Rule 56. PacifiCorp moves to consolidate its application filed this day seeking Commission authorization to reduce the Bonneville Power Administration (“BPA”) regional exchange credits in Idaho with another, currently-pending PacifiCorp proceeding, Case No. PAC-E-03-05.

**1. Background**

On March 31, 2003,<sup>1</sup> PacifiCorp filed an application seeking approval of deferred accounting treatment for excess costs incurred for forward power purchases made during summer 2002, and federal and state payments made in 2002 resulting from the Internal Revenue Service’s income tax audit for the years 1994-1998. The application was docketed as Case No. PAC-E-03-05. In its December 23, 2003 amendment to the March 31, 2003 application, PacifiCorp requested a surcharge to recover the amounts for which deferred accounting is approved.

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<sup>1</sup> As amended on December 23, 2003.

On April 21, 2004, PacifiCorp filed its application seeking Commission authorization to revise the Company's Electric Service Schedule No. 34, a proposed reduction in the BPA regional exchange credits in Idaho (the "Exchange Credit Application"). The Company's Exchange Credit Application seeks to reduce the Kilowatt-Hour Credit Adjustment for all qualifying kilowatt-hours of residential and/or farm use in its Idaho retail service territory.

**2. Prayer for Relief**

Both of PacifiCorp's applications referenced above seek to revise rates as specified in the respective filings. If the Exchange Credit Application is processed in an expeditious manner, the Commission may wish to consider implementing the "net" effect of the two referenced dockets at the same time, to avoid rate changes within a short period of time. For this reason, PacifiCorp hereby respectfully moves to consolidate Commission consideration of the recently filed Exchange Credit Application with the power purchase/tax audit proceeding, PAC-E-03-05.

DATED this 19th day of April, 2004.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James C. Paine", written over a horizontal line.

James C. Paine  
James F. Fell

Of Attorneys for PacifiCorp

**Application Table A**

**Net Impact by Rate Schedule of Proposed Revision to  
Schedule 34**

**Table A**  
**Utah Power - State of Idaho**  
**Estimated Effect of Proposed BPA Credit Schedule 34**  
**On Revenues From Electric Sales to Ultimate Consumers**  
**Distributed By Rate Schedules**  
**Normalized 12 Months Ended March 31, 2003**

Line No.	Account No.	Description	Sch. No.	Average No. of Customers	MWh	Present Revenue (\$000)				Proposed Revenue (\$000)*				Change				
						(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
440		<b>Residential Sales</b>																
1		Residential Service	1	30,152	283,330	\$24,295	(\$1,142)	\$1,190	(\$7,085)	\$17,258	(\$1,975)	\$0	(\$6,609)	\$15,711	(\$1,547)			-9.0%
2		Residential Optional TOD	36	15,987	287,383	\$19,672	(\$1,155)	\$1,207	(\$7,186)	\$12,538	(\$693)	\$0	(\$6,704)	\$12,275	(\$263)			-2.1%
3		AGA-Revenue	--	--	--	\$4	\$0	\$0	\$0	\$4	\$0	\$0	\$0	\$4	\$0			0.0%
4		<b>Total Residential</b>		46,138	570,713	\$43,970	(\$2,297)	\$2,397	(\$14,271)	\$29,799	(\$2,668)	\$0	(\$13,313)	\$27,989	(\$1,810)			-6.1%
442		<b>Commercial &amp; Industrial</b>																
5		General Service - Large Power	6	968	301,535	\$16,552	(\$875)	\$1,260	\$0	\$16,937	\$0	\$0	\$0	\$16,552	(\$385)			-2.3%
6		General Svc. - Lg. Power (R&F)	6A	226	28,998	\$1,834	(\$113)	\$122	(\$725)	\$1,118	\$0	(\$676)	\$1,158	\$40	\$40			3.6%
7		General Service - Med. Voltage	8	4	2,990	\$170	(\$10)	\$12	\$0	\$172	\$7	\$0	\$0	\$177	\$5			2.9%
8		General Service - High Voltage	9	11	95,867	\$4,048	(\$290)	\$382	\$0	\$4,140	\$0	\$0	\$0	\$4,048	(\$92)			-2.2%
9		Irrigation	10	2,236	606,460	\$32,471	\$3,940	\$2,547	(\$20,486)	\$18,473	\$3,940	\$0	(\$19,024)	\$17,387	(\$1,085)			-5.9%
10		Comm. & Ind. Space Heating	19	335	11,646	\$834	(\$31)	\$49	\$0	\$852	(\$75)	\$0	\$0	\$759	(\$93)			-10.9%
11		General Service	23	4,950	92,572	\$7,995	(\$209)	\$389	\$0	\$8,175	(\$1,191)	\$0	\$0	\$6,804	(\$1,371)			-16.8%
12		General Service (R&F)	23A	1,304	15,407	\$1,394	(\$60)	\$65	(\$385)	\$1,013	(\$163)	\$0	(\$359)	\$872	(\$142)			-14.0%
13		General Service Optional TOD	35	2	1,887	\$106	(\$6)	\$8	\$0	\$108	\$0	\$0	\$0	\$106	(\$2)			-1.9%
14		Special Contracts	2	2	1,481,159	\$45,311	\$0	\$0	\$0	\$45,311	\$0	\$0	\$0	\$45,311	\$0			0.0%
15		AGA-Revenue	--	--	--	\$234	\$0	\$0	\$0	\$234	\$0	\$0	\$0	\$234	\$0			0.0%
16		<b>Total Commercial &amp; Industrial</b>		10,038	2,638,523	\$110,949	\$2,346	\$4,834	(\$21,596)	\$96,533	\$2,518	\$0	(\$20,059)	\$93,408	(\$3,125)			-3.2%
444		<b>Public Street Lighting</b>																
17		Security Area Lighting	7	241	304	\$76	\$0	\$1	\$0	\$77	(\$20)	\$0	\$0	\$56	(\$21)			-27.1%
18		Security Area Lighting (R&F)	7A	163	129	\$35	(\$1)	\$1	(\$3)	\$31	(\$8)	(\$3)	(\$3)	\$24	(\$8)			-24.8%
19		Street Lighting - Company	11	27	128	\$37	(\$1)	\$1	\$0	\$37	(\$10)	\$0	\$0	\$27	(\$10)			-27.1%
20		Street Lighting - Customer	12	204	1,808	\$228	(\$6)	\$8	\$0	\$230	(\$63)	\$0	\$0	\$165	(\$65)			-28.2%
21		Traffic Signal Systems	12	24	253	\$25	(\$1)	\$1	\$0	\$25	(\$7)	\$0	\$0	\$18	(\$7)			-27.9%
22		AGA-Revenue	--	--	--	\$2	\$0	\$0	\$0	\$2	\$0	\$0	\$0	\$2	\$0			0.0%
23		<b>Total Public Street Lighting</b>		660	2,621	\$403	(\$9)	\$12	(\$3)	\$403	(\$108)	\$0	(\$3)	\$292	(\$111)			-27.5%
24		<b>Total Sales to Ultimate Customers</b>		56,836	3,211,857	\$155,323	\$40	\$7,243	(\$35,871)	\$126,735	(\$258)	\$0	(\$33,375)	\$121,690	(\$5,045)			-4.0%

\* Assume Year 3 RMA will be effective and PCS will be ended.

**Application Table B**

**Calculation of Proposed Schedule 34  
Based on Normalized 12 Months Ended March 31, 2003**

**Table B**  
**Utah Power - State of Idaho**  
**Calculation of Proposed BPA Credit Schedule 34**  
**Based on Normalized 12 Months Ended March 31, 2003**

Description	Schedule No.	Total Normalized MWh (1)	BPA MWh (2)	Sch. 34 - BPA Credit (\$000)			
				Credit (3)	Present $\phi$ /kWh (4)	Proposed $\phi$ /kWh (6)	
							New (5)
<b>Residential</b>							
Residential Service	1	283,330	283,330	(\$7,085)	(2.5006)	(\$6,609)	(2.3327)
Residential Optional TOD	36	287,383	287,383	(\$7,186)	(2.5006)	(\$6,704)	(2.3327)
<b>Subtotal</b>		<b>570,713</b>	<b>570,713</b>	<b>(\$14,271)</b>		<b>(\$13,313)</b>	<b>(5)/(2)</b>
<b>Commercial &amp; Industrial</b>							
General Service - Large Power (	6A	28,998	28,998	(\$725)	(2.5006)	(\$676)	(2.3327)
Irrigation Rate	10	606,460	483,132	(\$20,486)	(4.2402)	(\$19,024)	(3.9377)
General Service (R&F)	23A	15,407	15,407	(\$385)	(2.5006)	(\$359)	(2.3327)
<b>Subtotal</b>		<b>650,866</b>	<b>527,538</b>	<b>(\$21,596)</b>		<b>(\$20,059)</b>	
<b>Public Street Lighting</b>							
Security Area Lighting (R&F)	7A	129	129	(\$3)	(2.5006)	(\$3)	(2.3327)
<b>Subtotal</b>		<b>129</b>	<b>129</b>	<b>(\$3)</b>		<b>(\$3)</b>	
<b>Total</b>		<b>1,221,708</b>	<b>1,098,379</b>	<b>(\$35,871)</b>		<b>(\$33,375)</b>	

Notes:

1. Proposed annual BPA benefit (\$33,376K) = Current annual benefit (\$35,275K) - annual Balance Adjustment (\$1,899K).
2. 57% of the total BPA credit revenue goes to Irrigation Customers and the rest goes to Non-Irrigation Customers.

**Application Table C**

**BPA Balancing Account Study for Fiscal Year 2002-2003**

**Table C**  
**Utah Power - State of Idaho**  
**Residential Exchange**  
**Balancing Account Study**

FY 2002-2003 Study					
Month	BPA Payments	Interest Payment	Customer Credits	Accumulated Balance	
Oct-01	2,834,714.53	10,910.57	372,970.28	2,472,654.82	
Nov-01	2,834,714.60	14,226.51	231,727.24	5,089,868.69	
Dec-01	2,834,714.60	16,256.61	159,504.18	7,781,335.72	
Jan-02	2,834,714.60	18,513.94	190,039.93	10,444,524.32	
Feb-02	2,834,714.60	21,071.03	1,054,627.68	12,245,682.27	
Mar-02	2,834,714.60	23,254.52	2,188,154.78	12,915,496.61	
Apr-02	2,834,714.60	21,149.38	1,768,189.32	14,003,171.27	
May-02	2,834,714.60	21,589.54	2,538,989.78	14,320,485.64	
Jun-02	2,834,714.60	17,182.14	5,127,169.48	12,045,212.90	
Jul-02	2,834,714.60	10,290.97	7,696,589.01	7,193,629.46	
Aug-02	2,834,714.60	6,285.12	5,489,395.17	4,545,234.01	
Sep-02	2,834,714.60	3,413.33	4,667,756.50	2,715,605.44	
Oct-02	2,931,563.23	3,447.93	2,966,836.68	2,683,779.92	
Nov-02	2,931,563.23	3,940.10	2,124,483.67	3,494,799.58	
Dec-02	2,931,563.23	4,238.88	2,390,437.10	4,040,164.59	
Jan-03	2,931,563.23	4,428.48	2,509,380.06	4,466,776.24	
Feb-03	2,503,179.73	4,623.09	1,862,802.58	5,111,776.48	
Mar-03	2,503,179.73	5,938.49	1,543,824.92	6,077,069.78	
Apr-03	2,503,179.73	6,643.47	1,292,864.40	7,294,028.58	
May-03	2,503,179.73	7,586.13	1,787,582.13	8,017,212.31	
Jun-03	2,503,179.73	4,120.09	5,669,239.97	4,855,272.16	
Jul-03	2,503,179.73	20.25	7,010,386.93	348,085.21	
Aug-03	2,503,179.73	0.00	6,271,863.71	(3,420,598.77)	
Sep-03	2,503,179.73	0.00	4,779,376.59	(5,696,795.63)	
<b>Totals</b>	<b>65,768,265.89</b>	<b>229,130.57</b>	<b>71,694,192.09</b>		
Reduced Credit equals 1/3 of the Sep-03 balance					<b>(\$1,898,931.88)</b>

**Application Table D**

**Proposed Revised Schedule 34**



I.P.U.C. No. 28

Ninth Revised Sheet No. 34.1  
Canceling Eighth Revised Sheet No. 34.1

**UTAH POWER & LIGHT COMPANY**  
**ELECTRIC SERVICE SCHEDULE NO. 34**  
**STATE OF IDAHO**

**Pacific Northwest Electric Power Planning and Conservation Act**  
**Residential and Farm Kilowatt-Hour Credit**

**APPLICATION AND AVAILABILITY:** This Schedule is applicable and available to qualifying Residential and/or Farm Customers of Utah Power & Light Company under the jurisdiction of the Idaho Public Utilities Commission.

**MONTHLY RATES:** The monthly charges for service under each of the Electric Service Schedules shown below shall be reduced by the appropriate monthly kilowatt-hour credit adjustment shown per kilowatt-hour for all qualifying kilowatt-hours of residential and/or farm use. (C)

Kilowatt-Hour Credit Adjustments:

<u>Irrigation Customers:</u>	\$0.039377 per kWh	(C)
Schedule No. 10		(R, C)
<u>Non-Irrigation Customers:</u>	\$0.023327 per kWh	(R,C)
Schedule Nos. 1, 6A, 7A, 23A		
35A, 36, 19 with 6A		
19 with 23A, 19 with 35A		

(Continued)

Submitted Under Case No. PAC-E-04-\_\_\_

**ISSUED:** April 21, 2004

**EFFECTIVE:** June 8, 2004