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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- <u>04-06</u>
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 F. Fell
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204-1268
Telephone: (503) 294-9343
Facsimile: (503) 220-2480
E-mail: jffell@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 inquiries 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, 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 2004 the Idaho balancing account showed an REP deficit of \$6.8 million (*i.e.*, PacifiCorp paid out \$6.8 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 \$6.8 million. 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. In this application, while regional exchange benefits are proposed to be reduced, the allocation of proposed regional exchange benefits among irrigation and non-irrigation customers retains the ratio of total dollars of regional exchange benefits that have been provided to these customers.

7. 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.
- (b) Application Table B: Table B reflects the calculation of proposed Schedule 34 based on normalized twelve months ended March 31, 2004;
- (c) Application Table C: Table C is a balancing account study reflecting the Company's BPA balancing account history for October 2001-September 2004. The Table shows the \$6.8 million deficit as of September 2004; 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.

8. PacifiCorp stands ready for immediate consideration of this Application.

PacifiCorp proposes that the proposed reduction to the Schedule 34 BPA credit

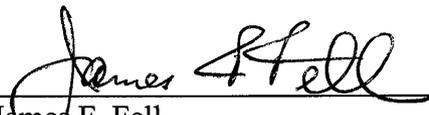
be effective on January 31, 2005, to permit proper notice pursuant to Idaho Code § 61-307. The proposed tariffs in Application Table D would be effective on January 31, 2005 unless suspended by the Commission.

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 \$6.8 million in order to eliminate the \$6.8 million deficit currently reflected in the Company's REP balancing account.

DATED this 15th day of December, 2004.

Respectfully submitted,



James F. Fell
Curtis D. McKenzie

Attorneys for PacifiCorp

Application Table A

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

Application Table B

**Calculation of Proposed Schedule 34
Based on Normalized 12 Months Ended March 31, 2004**

TABLE B
UTAH POWER & LIGHT COMPANY-STATE OF IDAHO
CALCULATION OF PROPOSED CHANGES IN SCHEDULE 34-BPA CREDIT
DISTRIBUTED BY RATE SCHEDULES
NORMALIZED 12 MONTHS ENDED MARCH 2004

Line No.	Description (1)	Sch. No.	Total Normalized MWh (3)	BPA MWh (4)	Schedule 34-BPA Credit					
					Present		Proposed			
					Sch. 34 Credit (\$000) (5)	Sch. 34 Credit (¢/kWh) (6)	Sch. 34 Credit (\$000) (7)	Sch. 34 Credit (¢/kWh) (8)		
					(4) x (6)		(4) x (8)			
Residential										
1	Residential Service	1	306,321	306,321	(\$7,146)	(2.3327)	(\$5,886)	(1.9216)		
2	Residential Optional TOD	36	299,984	299,984	(\$6,998)	(2.3327)	(\$5,764)	(1.9216)		
4	Subtotal		606,304	606,304	(\$14,143)		(\$11,651)			
Commercial & Industrial										
6	General Svc. - Lg. Power (R&F)	6A	29,339	29,339	(\$684)	(2.3327)	(\$564)	(1.9216)		
9	Irrigation	10	674,124	526,207	(\$20,720)	(3.9377)	(\$16,600)	(3.1546)		
12	General Service (R&F)	23A	15,931	15,931	(\$372)	(2.3327)	(\$306)	(1.9216)		
16	Subtotal		719,395	571,477	(\$21,776)		(\$17,470)			
Public Street Lighting										
19	Security Area Lighting (R&F)	7A	122	122	(\$3)	(2.3327)	(\$2)	(1.9216)		
24	Subtotal		122	122	(\$3)		(\$2)			
25	Total		1,325,821	1,177,903	(\$35,923)		(\$29,123)			

Application Table C

BPA Balancing Account Study for October 2001 - September 2004

TABLE C
UTAH POWER & LIGHT COMPANY- STATE OF IDAHO
RESIDENTIAL EXCHANGE BALANCING ACCOUNT STUDY

October 2001 - September 2004 Study

Month	BPA Payments	Customer Credits	Interest Booked	Accumulated Balance
Balance Forward				(\$302,198)
Oct-01	\$2,834,715	\$372,970	\$6,111	\$2,165,658
Nov-01	\$2,834,715	\$231,727	\$10,629	\$4,779,274
Dec-01	\$2,834,715	\$159,504	\$12,731	\$7,467,216
Jan-02	\$2,834,715	\$190,040	\$15,152	\$10,127,042
Feb-02	\$2,834,715	\$1,054,628	\$18,140	\$11,925,270
Mar-02	\$2,834,715	\$2,188,155	\$20,090	\$12,591,919
Apr-02	\$2,834,715	\$1,768,189	\$21,149	\$13,679,594
May-02	\$2,834,715	\$2,538,990	\$21,590	\$13,996,908
Jun-02	\$2,834,715	\$5,127,169	\$17,182	\$11,721,636
Jul-02	\$2,834,715	\$7,696,589	\$10,291	\$6,870,052
Aug-02	\$2,834,715	\$5,489,395	\$6,285	\$4,221,657
Sep-02	\$2,834,715	\$4,667,757	\$3,413	\$2,392,028
Subtotal	\$34,016,575	\$31,485,113	\$162,764	
Oct-02	\$2,931,563	\$2,966,837	\$3,448	\$2,360,203
Nov-02	\$2,931,563	\$2,124,484	\$3,940	\$3,171,222
Dec-02	\$2,931,563	\$2,390,437	\$4,239	\$3,716,587
Jan-03	\$2,931,563	\$2,509,380	\$4,428	\$4,143,199
Feb-03	\$2,503,180	\$1,862,803	\$4,623	\$4,788,199
Mar-03	\$2,503,180	\$1,543,825	\$5,938	\$5,753,492
Apr-03	\$2,503,180	\$1,292,864	\$6,643	\$6,970,451
May-03	\$2,503,180	\$1,787,582	\$7,586	\$7,693,635
Jun-03	\$2,503,180	\$5,669,240	\$4,120	\$4,531,695
Jul-03	\$2,503,180	\$7,010,387	\$20	\$24,508
Aug-03	\$2,503,180	\$6,271,864	\$0	(\$3,744,176)
Sep-03	\$2,503,180	\$4,779,377	\$0	(\$6,020,373)
Subtotal	\$31,751,691	\$40,209,079	\$44,987	
Oct-03	\$2,939,595	\$2,796,920	\$0	(\$5,877,698)
Nov-03	\$2,939,595	\$1,691,380	\$0	(\$4,629,483)
Dec-03	\$2,939,595	\$1,898,879	\$0	(\$3,588,767)
Jan-04	\$2,939,595	\$2,090,477	\$0	(\$2,739,649)
Feb-04	\$2,939,595	\$1,796,037	\$0	(\$1,596,091)
Mar-04	\$2,939,595	\$1,551,702	\$0	(\$208,197)
Apr-04	\$2,939,595	\$1,361,330	\$1,103	\$1,371,171
May-04	\$2,939,595	\$2,898,170	\$1,190	\$1,413,787
Jun-04	\$2,939,595	\$4,965,059	\$0	(\$611,676)
Jul-04	\$2,939,595	\$5,971,375	\$0	(\$3,643,456)
Aug-04	\$2,939,595	\$5,393,152	\$0	(\$6,097,012)
Sep-04	\$2,939,595	\$3,658,370	\$0	(\$6,815,787)
Subtotal	\$35,275,144	\$36,072,851	\$2,293	
Totals	\$101,043,410	\$107,767,043	\$210,044	

Proposed Reduction in Schedule 34 BPA Credit:

(\$6,800,000)

Application Table D

Proposed Revised Schedule 34



I.P.U.C. No. 28

Tenth Revised Sheet No. 34.1
Canceling Ninth 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.

Kilowatt-Hour Credit Adjustments:

Irrigation Customers: \$0.031546 per kWh
Schedule No. 10

Non-Irrigation Customers: \$0.019216 per kWh
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: December 15, 2004

EFFECTIVE: January 31, 2005



I.P.U.C. No. 28

~~Tenth~~^{Ninth} Revised Sheet No. 34.1
Canceling ~~Ninth~~^{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
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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.

Kilowatt-Hour Credit Adjustments:

Irrigation Customers: \$0.0315469377 per kWh
Schedule No. 10

Non-Irrigation Customers: \$0.01921623327 per kWh
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-__02

ISSUED: ~~April 24~~^{December 15}, 2004

EFFECTIVE: ~~June 8, 2004~~^{January 31, 2005}