

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF )</b>	
<b>PACIFICORP DBA UTAH POWER &amp; LIGHT )</b>	<b>CASE NO. PAC-E-04-6</b>
<b>COMPANY FOR APPROVAL OF REDUCTIONS )</b>	
<b>IN BONNEVILLE POWER ADMINISTRATION )</b>	<b>NOTICE OF APPLICATION</b>
<b>REGIONAL EXCHANGE CREDITS. )</b>	
)	<b>NOTICE OF MODIFIED</b>
)	<b>PROCEDURE</b>
)	
)	<b>NOTICE OF COMMENT/</b>
)	<b>PROTEST DEADLINE</b>

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YOU ARE HEREBY NOTIFIED that on December 15, 2004, PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to reduce the Bonneville Power Administration's (BPA) Regional Exchange Credits in Idaho and revise the Schedule 24 kilowatt-hour credit adjustment for all qualifying kilowatt-hours of residential and/or farm use. The proposed reduction reduces the Schedule 34 BPA credit by an annual amount of \$6.8 million in order to eliminate a \$6.8 million deficit reflected in the Company's Residential Exchange Program (REP) balancing account. The Company requests an effective date of January 31, 2005.

As a northwest regional utility, PacifiCorp is entitled to participate in the Residential Exchange Program (REP) that extends the benefits of the Columbia River Federal Power Program to residential and small farm consumers served by investor-owned utilities in the region. Section 5c of the Northwest Power Act, 16 U.S.C. § 839(c). The REP is administered by the Bonneville Power Administration (BPA). The Residential Exchange Settlement Agreement between PacifiCorp and BPA settled the parties' rights and obligations for the Residential Exchange Program for the ten-year term of the Agreement, July 1, 2001 through July 30, 2011.

As required by the REP Settlement, PacifiCorp 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).

Following discussions with the Commission Staff, the Idaho Irrigation Pumpers Association, and irrigation customers, PacifiCorp seeks Commission authorization to correct the deficit in the BPA balancing account in a manner that will ease the customer impact of elimination of the deficit. PacifiCorp proposes to reduce the BPA credit by \$6.8 million. To achieve the targeted zero balance in the BPA balancing account by September 30, 2006, additional adjustments may be necessary.

As reflected in the Company's 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 had been provided to these customers. The Schedule 34 kilowatt-hour credit adjustment for irrigation customers (Schedule No. 10) will decrease from \$0.039377 to \$0.031546 per kilowatt-hour, or 20.47%. The kilowatt-hour credit adjustment for qualifying non-irrigation customers (Residential Schedules 1 and 36; Commercial and Industrial Schedules 6A, 10 and 23A, 19 with 23A, 19 with 35A; and Public Street Lighting Schedule 7A) will decrease from \$0.023327 to \$0.019216 per kilowatt-hour, a decrease for Residential Schedule 1 of 6.96% and Schedule 36 of 9.55%.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. PAC-E-04-6. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented, and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to PacifiCorp's Application and the use of Modified Procedure in Case No. PAC-E-04-6 is **Thursday, January 20, 2005**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. PAC-E-04-6 should be mailed to the Commission and PacifiCorp at the addresses reflected below.

COMMISSION SECRETARY  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

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PACIFICORP  
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SALT LAKE CITY, UT 84140  
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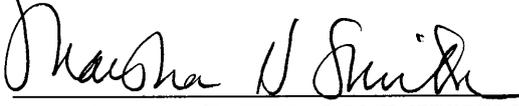
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All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). 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 PacifiCorp at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Application in Case No. PAC-E-04-6 may be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho offices of PacifiCorp.

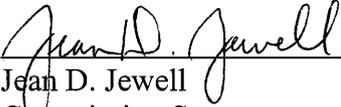
DATED at Boise, Idaho this 4<sup>th</sup> day of January 2005.

  
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PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

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