

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )**  
**OF PACIFICORP FOR AN ACCOUNTING )** **CASE NO. PAC-E-04-8**  
**ORDER REGARDING TREATMENT OF )**  
**CERTAIN INTEREST EXPENSES )**  
**ASSOCIATED WITH PACIFICORP'S )** **ORDER NO. 29727**  
**HYDRO RELICENSING OBLIGATIONS )**

On December 27, 2004, PacifiCorp (Company) filed an Application in Case No. PAC-E-04-8 with the Idaho Public Utilities Commission (Commission) requesting an accounting order authorizing the Company to (1) defer general rate consideration of the costs associated with the re-licensing of a number of its hydroelectric projects at this time, (2) reclassify the interest expense, associated with the Company's various hydro relicensing obligations, as an operating expense in FERC Account 539, Miscellaneous Hydroelectric Power Generation Expense, and (3) to include in rate base certain intangible assets and liabilities that are associated with its hydroelectric licensing obligations. It was PacifiCorp's belief that reclassification of the interest expense and inclusion of certain assets and liabilities in rate base was necessary to track and ensure appropriate regulatory recovery of the interest component that is associated with the cash expenditures PacifiCorp is obligated to make pursuant to the relicensing orders issued by the Federal Energy Regulatory Commission (FERC).

On February 15, 2005, PacifiCorp filed a letter with the Commission requesting permission to withdraw its Application in Case No. PAC-E-04-8. Reference IDAPA 31.01.01.068. PacifiCorp notes that as of the date of its letter, no party has intervened in the case, nor has the Commission taken any action with respect to the Application. In its letter, the Company notes that the impetus for the Application was a shift in Generally Accepted Accounting Principles (GAAP) requiring the Company to treat the present value of hydro relicensing future settlement obligations as a liability on the balance sheet, offset by an equal intangible asset consisting of the hydro license and electricity. Since filing the Application, PacifiCorp states that it has determined that it can comply with GAAP and still continue historic regulatory accounting for hydro relicensing obligations.

**Commission Findings**

The Commission has reviewed the filings of record in Case No. PAC-E-04-8 including the Company's Application and Letter request for withdrawal of Application. The Commission finds it reasonable to authorize withdrawal of the Application and to terminate and close the case docket.

**CONCLUSIONS OF LAW**

The Commission has jurisdiction over PacifiCorp dba Utah Power & Light Company, an electric utility, pursuant to the authority granted in Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

**ORDER**

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby grant PacifiCorp's request to withdraw its Application in Case No. PAC-E-04-8, terminates further proceedings and closes the PAC-E-04-8 case docket.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10<sup>th</sup>  
day of March 2005.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Barbara Barrows  
Assistant Commission Secretary

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