



RECEIVED
FILED
2005 AUG -3 AM 9:28
IDAHO PUBLIC
UTILITIES COMMISSION

900 S.W. Fifth Avenue, Suite 2600
Portland, Oregon 97204
main 503.224.3380
fax 503.220.2480
www.stoel.com

August 2, 2005

JAMES F. FELL
Direct (503) 294-9343
jffell@stoel.com

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702-0074

Re: Application of PacifiCorp dba Utah Power & Light Company
for Approval of Changes to Its Electric Service Schedules
Case No. PAC-E-05-1

Dear Ms. Jewell:

The purpose of this letter is to inform the Commission, pursuant to Rule 276 of the Commission's Rules of Procedure, that PacifiCorp accepts the Commission's modification to the Stipulation dated June 13, 2005 ("Stipulation") which removed Paragraph 9 regarding the Monsanto contract.

PacifiCorp did not have an opportunity to reply to any of the Comments and Objections of Monsanto Company ("Monsanto") considered at the Commission's July 12, 2005 public meeting and would like to take this opportunity to do so. Specifically, PacifiCorp takes issue with the following comments submitted by Monsanto:

1. Paragraph 9 of the Stipulation, regarding the positions of parties on application of the contract standard to the Monsanto contract, attempts to settle "an issue never raised or presented in PacifiCorp's filing or by any other party in this case." Procedural Rule 124.02 and Commission Order 29703 state that the rates of all Idaho retail customers, including special contract customers, are at issue in a general rate case. Further, the impact of the treatment of Monsanto's contract in the Application was the source of discovery and considerable controversy in this proceeding. This issue was a major stumbling block to prosecution and settlement of the case.

2. Paragraph 9 of the Stipulation is an "improper and unlawful collateral attack on the Commission's Order No. 29517 in the Monsanto rate case" approving Monsanto's special contract. Paragraph 9 does not in any way attack Order No. 29517. The Stipulation actually affirms the Commission's Order by acknowledging Monsanto's status as a contract standard

Oregon
Washington
California
Utah
Idaho



Jean D. Jewell
August 2, 2005
Page 2

customer through the contract term ending December 31, 2006; it does not seek to make any changes in the Monsanto contract during its term.

3. Paragraph 9 of the Stipulation “expressly violates the Stipulation and Commission Order No. 29708” in the MSP case. The very terms of the MSP Stipulation and Order No. 29708, which speak only to Monsanto’s contract rates during the current contract term, demonstrate that Paragraph 9 is compatible with the provisions of these documents. Further, with regard to future Monsanto contracts, the MSP Stipulation refers specifically to using the Rate Mitigation Mechanism to establish PacifiCorp’s revenue requirement for purposes of setting rates for Idaho customers, including Monsanto. By the terms of the MSP Stipulation, this Rate Mitigation Mechanism treatment will apply to rate filings made through March 31, 2009 – regardless of whether Monsanto’s future contracts are based on tariff standard or contract standard.

4. Paragraph 9 of the Stipulation “seeks to prejudice treatment of Monsanto in future contracts.” Certainly, Paragraph 9 is intended to alert the Commission, Monsanto and other parties to PacifiCorp’s principal issue in the negotiation of Monsanto’s next contract. The specific language of Paragraph 9 states, however, that the Commission is not bound by any agreement of the parties on this issue in subsequent proceedings. The Commission was not being asked to prejudice anything about Monsanto’s current or future contract status in this proceeding.

While we are disappointed by the Commission’s removal of Paragraph 9, we appreciate receiving expeditious and favorable treatment of the remainder of the Stipulation.

Very truly yours,

James F. Fell

JFF:ljr

cc: Service list

CERTIFICATE OF SERVICE

DOCKET NO. PAC-E-05-1

I hereby certify that on **August 2, 2005**, I served a true, correct and complete copy of the foregoing **Acceptance Letter**, by U.S. and electronic mail, to each of the following:

Scott Woodbury
Kira Pfisterer
Deputy Attorney Generals
Idaho Public Utilities Commission
472 W. Washington (83702)
PO Box 83720
Boise, ID 83720-0074
scott.woodbury@puc.idaho.gov
kira.pfisterer@puc.idaho.gov

James R. Smith
Monsanto Company
Highway 34 North
P.O. Box 816
Soda Springs, ID 83276
jim.r.smith@monsanto.com

Katie Iverson
Brubaker & Associates
17244 W. Cordova Court
Surprise, AZ 85387
kiverson@consultbai.com

Anthony Yankel
29814 Lake Road
Bay Village, OH 44140
tony@yankel.net

Conley E. Ward
Givens Pursley LLP
601 W. Bannock St. (83702)
P.O. Box 2720
Boise, ID 83701-2720
cew@givenspursley.com

R. Scott Pasley
Assistant General Counsel
J.R. Simplot Company
999 Main St., Suite 1300 (83702)
P.O. Box 27
Boise, ID 83707
spasley@simplot.com

Randall C. Budge
Racine, Olson, Nye, Budge & Bailey, Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391
rbc@racinelaw.net

Monsanto Company
c/o Mark Boswell, Legal Dept.
800 N. Lindburg Blvd., Mailzone E2NR
St. Louis, MO 63167
mark.boswell@monsanto.com

Eric L. Olsen
Racine, Olson, Nye, Budge &
Bailey, Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391
elo@racinelaw.net

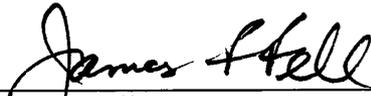
Idaho Irrigation Pumpers Assn, Inc.
c/o Lynn Tominaga
P.O. Box 2624
Boise, ID 83701-2624
lynn_tominaga@hotmail.com

Dennis E. Peseau
Utility Resources, Inc.
1500 Liberty St. SE, Suite 250
Salem, OR 97302
dpeseau@excite.com

David Hawk
Director, Energy Natural Resources
J.R. Simplot Company
999 Main St., Suite 1300 (83702)
P.O. Box 27
Boise, ID 83707
dhawk@simplot.com

Timothy J. Schurtz
411 S. Main
Firth, ID 83236
tim@idahosupreme.com

Brad M. Purdy
Attorney at Law
2019 N. 17th Street
Boise, ID 83702
bmpurdy@hotmail.com



James F. Fell
Of Attorneys for PacifiCorp