

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
PACIFICORP DBA UTAH POWER & LIGHT)	CASE NO. PAC-E-05-1
COMPANY FOR AUTHORITY TO INCREASE)	
ITS RATES FOR ELECTRIC SERVICE TO)	NOTICE OF APPLICATION
ELECTRIC CUSTOMERS IN THE STATE OF)	
IDAHO.)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 29703

On January 15, 2005, PacifiCorp dba Utah Power & Light Company (PacifiCorp; Company) filed an Application for authority to increase the Company's base rates for electric service by \$15.1 million annually. The increase in base rates would vary by class of customer and actual usage. In this Order, the Commission provides notice of the Application and establishes the deadline for interested persons to intervene as parties.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that PacifiCorp seeks to increase the Company's base rates for electric service by an average of 12.5%. If approved, Company revenues for base electric retail rates would increase \$15.1 million.

YOU ARE FURTHER NOTIFIED that PacifiCorp's existing base rate structure for electric service was set in April 1986. However, since 1986 PacifiCorp has recovered, with Commission approval, an additional \$16 million in net revenue through three temporary surcharges and three temporary surcredits. The last of these surcharges, the Power Cost/Tax Surcharge, is set to expire on September 16, 2005. PacifiCorp requests that the new base rates become effective that same day.

YOU ARE FURTHER NOTIFIED that the chart below shows the proposed average increase in base rates by kilowatt-hour for certain customer groups.

Proposed Electric Rate Increase

Customer Class	Schedule	Current Average Base Rates (cents/kWh)	Proposed Average Base Rate (cents/kWh)	Overall Percentage of Increase
Residential	1	7.86	9.03	14.9
Optional time of day	36	6.56	7.27	10.9
General Service				
Small Power	23	7.49	8.50	13.5
	23A	8.16	8.94	9.6
Large Power	6	5.71	6.26	9.7
	6A	6.48	7.11	9.7
Irrigation Pumping	10	5.89	6.69	13.6

YOU ARE FURTHER NOTIFIED that PacifiCorp also seeks to increase the rates applicable to special contract customer Nu-West Industries by 13.8% and the rates applicable to street lighting by 23.3%.

YOU ARE FURTHER NOTIFIED that PacifiCorp states that a base rate increase is necessary to cover increasing costs attributed to: (1) general inflation; (2) employee pensions and health care; and (3) investments in new generation resources. PacifiCorp claims that it is currently earning a return on equity (ROE) of 5.8%. The requested increase in rates will allow the Company to earn a ROE of 11.125%. PacifiCorp contends that the higher ROE is necessary to attract capital necessary to maintain its utility infrastructure.

YOU ARE FURTHER NOTIFIED that PacifiCorp's Application was developed under the Revised Protocol inter-jurisdictional cost allocation methodology. This Revised Protocol methodology, proposed in the Multi-State Process (MSP) Stipulation, is currently under Commission review in Case No. PAC-E-02-3. Also included in the MSP Stipulation and applied in this Application is the Rate Mitigation Cap (RMC), which effectively limits the requested increase. Use of the RMC reduced the proposed rate increase by \$1.8 million as compared to the non-mitigated rate increase calculated by the Revised Protocol alone.

YOU ARE FURTHER NOTIFIED that in addition to the Revised Protocol methodology, PacifiCorp includes a comparison of the revenue requirement using the Modified Accord Allocation Methodology versus the Revised Protocol methodology. The Modified

Accord Allocation Methodology is the methodology previously adopted by the Idaho Commission.

YOU ARE FURTHER NOTIFIED that PacifiCorp's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find that a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges for all PacifiCorp's retail customers, both recurring and non-recurring, including those of special contract customers, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges, abolish, create or reduce components of rates and charges, abolish, reduce or create customer classes or rate groupings, and abolish, reduce or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications, and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this case for the purpose of becoming a party, i.e., to present evidence, to acquire rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue

motions **must file a Petition to Intervene** with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072 and .073. Persons desiring to acquire intervenor rights of participation must file a Petition to Intervene **on or before Wednesday, February 23, 2005**. Persons seeking intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate future communications in this matter.

YOU ARE FURTHER NOTIFIED that a prehearing conference in Case No. PAC-E-05-1 will not be calendared if the only purpose is to schedule dates for public workshops, testimony prefile and hearings. Petitioners requesting to intervene shall identify in their Petition any issues, other than scheduling, that require a prehearing conference. If no issues are identified a prehearing conference will not be calendared and the parties will develop a schedule for processing this case.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that discovery is available pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.221-234.

YOU ARE FURTHER NOTIFIED that the Company's Application together with supporting testimony, exhibits and workpapers in Case No. PAC-E-05-1 can be reviewed during regular business hours at the Commission's office in Boise, Idaho and at the following Idaho offices of PacifiCorp:

200 North 170 West, Rexburg, Idaho

509 South 200 East, Preston, Idaho

852 E. 1400 North, Shelley, Idaho

24852 U.S. Highway 89, Montpelier, Idaho

The Application is also available for public inspection on the Commission's Home Page at www.puc.idaho.gov under the "File Room" icon and "Electric Cases."

YOU ARE FURTHER NOTIFIED that the following persons are designated as PacifiCorp's representatives in this matter:

JOHN STEWART
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jmvannostrand@stoel.com

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, specifically *Idaho Code* §§ 61-502, 61-503, 61-507, 61-520, 61-523, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted according to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all hearings and any prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

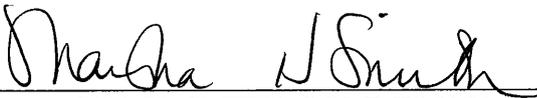
ORDER

As more particularly described above, IT IS HEREBY ORDERED and the Commission hereby issues the foregoing Notice and establishes the foregoing Intervention deadline.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3rd day of February 2005.



PAUL KJELLANDER, PRESIDENT

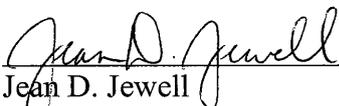


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:PACE0501_kdp