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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF PACIFICORP)
DBA ROCKY MOUNTAIN POWER)
FOR APPROVAL TO REVISE)
ELECTRIC SERVICE SCHEDULE)
NOS. 10, 400, AND 401)**

CASE NO. PAC-E-06-04

Direct Testimony of Jeffrey K. Larsen

PACIFICORP

June 2006

1 **Q. Please state your name, business address and position with PacifiCorp, dba,**
2 **Rocky Mountain Power (“the Company.”)**

3 A. My name is Jeffrey K. Larsen, and my business address is 201 South Main Street,
4 Suite 2300, Salt Lake City, Utah 84111. I am currently employed as Managing
5 Director of Regulatory Affairs.

6 **Qualifications**

7 **Q. Please summarize your education and business experience.**

8 A. I received a Master of Business Administration degree from Utah State University
9 in 1994 and a Bachelor of Science degree in Accounting from Brigham Young
10 University in 1985. I have also participated in the Company’s Business
11 Leadership Program through the Wharton School and an Advanced Education
12 Program through the J.L. Kellogg School of Management at Northwestern
13 University. In addition to formal education, I have also attended various
14 educational, professional and electric industry-related seminars during my career
15 at the Company.

16 I joined the Company in 1985, and I have held various accounting,
17 compliance and regulatory-related positions prior to my current position. I have
18 testified on various matters in the states of Utah, Wyoming, California,
19 Washington, and Oregon.

20 **Purpose**

21 **Q. What is the purpose of your testimony?**

22 A. The purpose of my testimony is to provide an overview of the Company’s
23 application to revise Electric Service Schedule Nos. 10, 400, and 401, and support

1 the Stipulation entered into between the Company and the Idaho Irrigation
2 Pumpers Association, Inc. (“IIPA” or “Stipulation Party”) as being reasonable and
3 in the public interest. I first provide background to this application, including its
4 relation to the general rate case originally anticipated to be filed by the Company
5 before April 29, 2006. I describe the Company’s efforts to reach agreements with
6 multiple parties prior to filing the application. I explain the various elements of
7 the Stipulation as well as provide evidence that supports the need for a price
8 change in the Idaho jurisdiction and provides the basis for the agreements reached
9 with the various parties. Finally, I recommend that the Commission approve this
10 application and Stipulation as reasonable and in the public interest.

11 **Overview**

12 **Q. Please describe PacifiCorp’s application to revise Electric Service Schedule**
13 **Nos. 10, 400, and 401.**

14 **A.** This filing requests adjustments to Electric Service Schedule Nos. 10, 400, and
15 401 according to the terms of settlement agreements reached between the
16 Company and IIPA, Monsanto Company (“Monsanto”), and Nu-West Industries
17 (“Nu-West”), respectively. If approved by the Commission, PacifiCorp would be
18 allowed to implement revisions to Schedule Nos. 10, 400, and 401 designed to
19 recover a total of \$8.25 million in additional annual revenue from base rates,
20 representing an aggregate rate increase of 5.1 percent. Revised Schedule Nos. 10
21 and 400 would become effective as of January 1, 2007, and revised Schedule No.
22 401 would become effective as of September 1, 2006.

1 **Q. Has the Company provided workpapers showing how the results were**
2 **calculated and the impact on existing tariffs?**

3 A. Yes. Exhibit 1 shows the total company and Idaho allocated revenue requirement
4 as I will describe later. Exhibit 2 is a summary of the cost of service study,
5 including an itemization by functional category. Exhibit 3 includes a calculation
6 of the revenue increase for Schedule No. 10. Exhibit 4 includes revised tariff
7 schedules showing the proposed changes to Schedule Nos. 10, 400, and 401.

8 **Q. Are any rates set forth in tariff schedules other than those referenced above**
9 **at issue in this application?**

10 A. No.

11 **Q. Why has the Company proposed no changes to other tariff schedules?**

12 A. Based on the Company's most recently available cost of service results at the
13 proposed target return on rate base shown in Exhibit 2, there are no other major
14 customer classes that require rate adjustments on the order of magnitude as was
15 indicated for Schedule Nos. 10, 400 and 401. In fact, all other major customer
16 classes are within 90 percent and 110 percent of the proposed cost of service. As
17 such, while smaller adjustments for other customer classes may be suggested by
18 the results, the Company believes it is appropriate to increase prices for only
19 Schedule Nos. 10, 400, and 401 at this time. This will limit price changes and
20 result in price stability for the majority of our Idaho customers, while reducing
21 cost of service disparities among customer classes.

1 **Q. Does this application address the details of the proposed changes to Schedule**
2 **Nos. 400 and 401?**

3 A. No. Electric Service Schedule Nos. 400 and 401 are based on special contracts
4 between the Company and its customers Monsanto and Nu-West, respectively.
5 Details supporting the proposed changes to these tariff schedules are provided in
6 separate applications filed simultaneously with this application and are subject to
7 Commission approval. However, the Company has provided revised Schedule
8 Nos. 400 and 401 as exhibits in this application for Commission approval and to
9 illustrate the proposed changes to these schedules which, when evaluated
10 alongside the proposed revision to Schedule 10, show the overall impact of the
11 rate changes on the Company's financial results.

12 **Background**

13 **Q. The terms of the Stipulation approved in Case No. PAC-E-05-01 indicated**
14 **that the Company anticipated filing a general rate case by April 29, 2006.**
15 **Why did the Company not proceed with a general rate filing by that date?**

16 A. Paragraph 8 of the approved Stipulation referenced above states, "The cost of
17 service issue [related to the Monsanto contract] is not resolved in this Stipulation,
18 and is proposed to be addressed in a general rate case to be filed by the Company
19 no later than April 29, 2006 in order that the effective date of rates in that
20 proceeding will coincide with the expiration of the current Monsanto contract in
21 December 2006." During the course of preparing the anticipated general rate
22 filing, the Company was also engaged in confidential contract negotiations with
23 Monsanto regarding a new electric service agreement. As those discussions

1 progressed it became apparent that mutual agreement would be possible,
2 resolving many of the cost of service issues raised in Case No. PAC-E-05-01. As
3 discussions with Monsanto continued past April 29, 2006, the Company notified
4 the Commission and parties to the previous Stipulation that it intended to delay a
5 general rate case filing.

6 **Q. Has the Company reached agreement with Monsanto regarding a new
7 special contract?**

8 A. Yes. PacifiCorp and Monsanto have signed a new electric service agreement that
9 was filed in a separate application for Commission approval. The new service
10 contract will be effective January 1, 2007.

11 **Q. Why did the Company seek agreements with IIPA and Nu-West?**

12 A. The cost of service study prepared pursuant to the anticipated general rate case
13 filing and for the Monsanto contract negotiations revealed significant revenue
14 shortfalls in Idaho, not only from Monsanto but also from the irrigation customer
15 class and the Nu-West special contract. PacifiCorp initiated discussions with both
16 IIPA and Nu-West and has signed stipulations with both to reduce the respective
17 revenue shortfalls.

18 **Q. Has the special contract with Nu-West been renegotiated?**

19 A. No. Electric Service Schedule No. 401 is based on the terms of the electric
20 service agreement between the Company and Nu-West, approved by the
21 Commission in Order No. 29940, effective through December 31, 2010.
22 Schedule No. 401 allows for adjustments to the tariff rate which may be approved
23 by the Commission, and the Company has filed a separate application that would

1 support a tariff rate increase to Schedule 401, effective as of September 1, 2006..

2 **Q. What is the basis for the settlement agreements and proposed increases?**

3 A. Each agreed-upon increase is based on the Company's normalized results of
4 operations and cost of service studies using a historical test year ending
5 September 30, 2005.

6 These normalized results of operations indicate the Company is currently
7 earning a return on equity of 5.75 percent, which is significantly below the
8 Company's last authorized rate of return, and well below the rate of return
9 generally allowed for public utilities in Idaho currently. Based on the Company's
10 target rate of return, an increase of \$19.35 million would be warranted at the
11 5.75 percent earnings level. Without the requested increase in revenues, it will be
12 increasingly difficult for PacifiCorp to access capital markets to obtain the funds
13 necessary to maintain its utility infrastructure and continue to provide safe,
14 reliable power to its Idaho customers.

15 **Q. Were the results of operations prepared consistently with past Commission
16 practice and orders?**

17 A. Yes. The results were prepared using a historical test year with known and
18 measurable adjustments, including adjustments for both costs and matching
19 benefits to customers. PacifiCorp's total company results were allocated to the
20 Idaho jurisdiction according to the Revised Protocol allocation method approved
21 by the Commission in Order No. 29708 and previously implemented in Case No.
22 PAC-E-05-01. The calculated revenue shortfall was reduced to reflect the rate
23 mitigation cap, limiting rate increases to 101.67 percent of the revenue

1 requirement calculated under the Rolled-In allocation method. All applicable
2 commitments made by the Company during the acquisition of PacifiCorp by
3 MidAmerican Energy Holdings Company, Case No. PAC-E-05-08, were also
4 reflected in the calculation of the results.

5 **Q. Has the Company communicated with any other customer groups?**

6 A. Yes. The Company contacted all parties to the Stipulation reached in Case No.
7 PAC-E-05-01 and none have objected to the Company's decision to not file a
8 general rate case in 2006.

9 In particular, PacifiCorp has worked with the Community Action
10 Partnership Association of Idaho ("CAPAI") because of a related commitment in
11 Case No. PAC-E-05-08, the MidAmerican acquisition of PacifiCorp.
12 Commitment No. I 13(b) states, "In PacifiCorp's next Idaho general rate case,
13 PacifiCorp will include in its direct testimony an analysis of the costs and benefits
14 of changing its current practice of matching 50 percent of federal contributions to
15 matching at a higher percentage amount." Because CAPAI was a party to the
16 Stipulation approved in Case No. PAC-E-05-01, it was expecting a general rate
17 case to be filed by April 29, 2006 with testimony that would satisfy Commitment
18 No. I 13(b). PacifiCorp reached agreement with CAPAI that the issue of
19 contributions under tariff Schedule No. 21 could be addressed in a separate
20 proceeding before the Commission.

21 **Q. Does the Company still intend to file a general rate case in 2006?**

22 A. No, not if the Commission approves this application. The Company believes that
23 Commission approval of this filing, along with the separate filings with respect to

1 the Monsanto and Nu-West special contracts, will resolve the issues previously
2 raised in Case No. PAC-E-05-01. In addition, the proposed revenue increase
3 would allow PacifiCorp the opportunity to earn a fair rate of return in its Idaho
4 jurisdiction. Unless unanticipated or extraordinary events occur, the Company no
5 longer intends to file an Idaho general rate case during 2006.

6 **Terms of the IIPA Stipulation**

7 **Q. What are the key elements of the Stipulation with IIPA?**

8 A. If approved by the Commission, PacifiCorp would be allowed to implement a
9 revised Electric Service Schedule No. 10 designed to recover \$1.7 million in
10 additional annual revenue, representing an average rate increase of 5.0 percent.
11 This revised tariff schedule would become effective as of January 1, 2007. In
12 addition, the Stipulation provides that the Company will defer a total of
13 \$450,000 of the revenue collected under Schedule No. 10 between May 1, 2007
14 and
15 September 30, 2007, and refund the total, spread ratably to participants in the
16 Irrigation Load Control Credit Rider program. The total refund would be paid
17 no later than December 31, 2007. The net effect on all Schedule 10 customers
18 would be an average increase of 3.7 percent in 2007. The signed Stipulation is
19 included in this application as Exhibit 5.

20 **Q. What is the purpose of the \$450,000 refund to participants in the load control
21 program?**

22 A. The refund to program participants, which is subject to Commission approval of
23 the Stipulation, is designed to be an incentive, encouraging additional

1 participation in the load control program during the 2007 irrigation season. The
2 refund is in addition to the Load Control Service Credit provided to program
3 participants under Schedule No. 72.

4 **Q. Were any other considerations given to the Irrigation Load Control Credit
5 Rider program?**

6 A. Yes. In accordance with the terms of the Stipulation, the Company agreed to
7 allow the Load Control Service Credit amount currently in effect for the 2006
8 irrigation season to remain in effect for the 2007 irrigation season. All other
9 terms and conditions of the program would remain unchanged.

10 The Company also agreed to meet with IIPA and other interested parties
11 prior to November 1, 2006 to study alternatives for evaluating the curtailment
12 product provided by the irrigators to PacifiCorp.

13 **Q. What is the purpose of those meetings?**

14 A. The parties will meet and study the load characteristics of interruptible irrigation
15 customers and their potential impact on cost allocation to both irrigators and other
16 customer classes. The parties will also evaluate the inclusion of the load control
17 program in the Company's Integrated Resource Planning process. If the meetings
18 result in agreement on an alternative method for valuing or structuring the load
19 control program, such agreement would be reflected in the Company's next
20 general rate case filing in Idaho.

21 **Impact on the Public Interest**

22 **Q. Is this application and Stipulation with IIPA in the public interest?**

23 A. Yes. The Company submits that the Stipulation and the proposed tariff changes

1 that accompany this application are reasonable and in the public interest, for a
2 number of reasons including the following:

- 3 1. The Stipulation allows for a modest 3.7 percent average price impact on
4 irrigation customers in 2007, moving the class closer to its cost of service
5 in a year when the Bonneville Power Administration rate ("BPA") credits
6 passed on to PacifiCorp's irrigation customers will be significantly
7 reduced. In addition, when comparing PacifiCorp's irrigation rates to
8 those of other utilities, PacifiCorp's Idaho irrigation customers will
9 continue to pay some of the lowest electric rates in the nation.

10 Based on a comparison of the commercial rates of other utilities
11 across the nation and PacifiCorp's Idaho irrigation rates, and including the
12 effects of both the proposed increase to Schedule 10 along with the
13 upcoming changes to the BPA credit in 2007, PacifiCorp's average Idaho
14 irrigation price would be ranked third lowest in the nation out of 177
15 utilities ranked in the most recent Edison Electric Institute Typical Bills
16 Survey (Winter 2006). This information supports the reasonableness of
17 the proposed rate increase.

- 18 2. The proposed rate increase to Schedules 10, 400 and 401 enhances the
19 Company's ability to continue to safely and reliably meet the electrical
20 service needs of customers in Idaho while leaving the rates of the majority
21 of the Company's Idaho customers unchanged. Given that the Company's
22 normalized results of operation suggest that an increase of \$19.35 million
23 would be necessary to achieve a reasonable rate of return, there is little, if

1 any, risk that an over-earnings situation could result from approving the
2 requested \$8.25 million increase.

3 3. Approval of the Stipulation and the separate applications regarding the
4 Monsanto and Nu-West special contracts, would mitigate the concerns
5 regarding cost of service and disparity between customer classes identified
6 in Case No. PAC-E-05-01.

7 4. The Stipulation provides for meaningful evaluation of the Irrigation Load
8 Control Credit Rider Program. Such discussions promote communication
9 and understanding among participants as enhancements to current
10 regulatory practices are explored.

11 5. Approval of the Stipulation and the separate applications regarding the
12 Monsanto and Nu-West special contracts would avoid a time-consuming
13 and costly general rate case, achieve regulatory efficiency, and promote
14 constructive issue resolution between the Company and its customers.

15 **Q. What action is the Company proposing that the Commission take with**
16 **respect to this application and Stipulation?**

17 A. For the reasons stated above, the Company and the Stipulation Party submit that
18 the Stipulation is reasonable and in the public interest and that its terms and
19 conditions produce rates that are just and reasonable. The Company therefore
20 recommends that the Commission adopt the Stipulation in its entirety to resolve
21 the issues in this proceeding and that the terms of the Stipulation go into effect
22 January 1, 2007. The Company also recommends that the Commission approve
23 the separate applications for approval of the changes to the Monsanto and

1 Nu-West special contract rates, and correspondingly approve the revised Schedule
2 Nos. 10, 400 and 401 included in this application.

3 **Q. Does this conclude your testimony?**

4 **A. Yes.**

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UTILITIES COMMISSION

Case No. PAC-E-06-04
Exhibit No. 1
Witness: Jeffrey K. Larsen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Revenue Requirement

June 2006

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Case No. PAC-E-0604
Exhibit No. 2
Witness: Jeffrey K. Larsen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Cost of Service Summary
Cost of Service Detail

June 2006

PacifiCorp
 Cost Of Service By Rate Schedule
 State of Idaho
 12 Months Ending September 2005
 MSP Protocol
 6.09% = Earned Return on Rate Base

Line No.	Schedule No.	A	B	C	D	E	F	G	H	I	J	K	L	M	
			Description	Annual Revenue	Return on Rate Base	Rate of Return Index	Total Cost of Service	Generation Cost of Service	Transmission Cost of Service	Distribution Cost of Service	Retail Cost of Service	Misc Cost of Service	Increase (Decrease) to = ROR	Percentage Change from Current Revenues	
1	01		Residential	28,016,808	11.09%	1.82	24,545,907	12,874,107	1,511,037	7,067,593	3,007,469	285,701	(3,470,901)	-12.39%	
2	36		Residential - TOD	20,398,240	9.53%	1.56	18,587,252	10,635,145	1,246,973	4,955,402	1,404,288	145,444	(1,910,988)	-8.86%	
3	06		General Service - Large	18,680,491	9.82%	1.61	16,803,983	12,171,583	1,438,574	3,139,086	109,193	45,548	(1,776,508)	-9.51%	
4	08		General Service - Medium Voltage	131,359	7.72%	1.27	125,759	90,740	10,745	23,747	252	275	(5,600)	-4.26%	
5	09		General Service - High Voltage	4,951,007	11.84%	1.84	4,335,453	3,662,491	432,628	24,768	5,563	10,004	(615,554)	-12.43%	
6	10		Irrigation	34,134,573	5.71%	0.84	34,531,150	20,723,836	2,422,594	10,988,392	297,341	96,987	396,633	229,671	72.06%
7	07,11,12		Street & Area Lighting	315,733	-20.82%	(3.42)	548,404	66,729	5,224	427,802	43,516	5,133	229,671	229,671	1.16%
8	12		Traffic Signals	16,502	18.63%	3.06	12,356	6,998	767	2,903	1,501	188	(4,146)	-25.12%	
9	19		Space Heating	593,996	14.55%	2.39	478,423	330,357	38,992	97,593	9,369	2,122	(115,573)	-19.46%	
10	23		General Service - Small	10,040,577	13.92%	2.28	8,174,147	4,756,651	566,737	2,273,902	511,393	65,464	(1,866,430)	-18.59%	
11	SPC		Contract 1	3,977,384	5.05%	0.83	4,081,198	3,600,120	423,259	49,258	615	7,947	103,814	103,814	2.61%
12	SPC		Contract 2	41,496,725	-1.13%	(0.18)	50,432,306	45,175,039	5,116,393	55,465	2,715	82,692	8,935,581	8,935,581	21.53%
13	Total		State of Idaho -	162,756,339	6.09%	1.00	162,756,339	114,293,797	13,213,922	29,105,901	5,393,214	749,505	0	0.00%	

Footnotes:

- Column C: Annual revenues based on 9-2005.
- Column D: Calculated Return on Ratebase per 9-2005 Embedded Cost of Service Study
- Column E: Rate of Return Index. Rate of return by rate schedule, divided by Idaho Jurisdiction's normalized rate of return.
- Column F: Calculated Full Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
- Column G: Calculated Generation Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
- Column H: Calculated Transmission Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
- Column I: Calculated Distribution Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
- Column J: Calculated Retail Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
- Column K: Calculated Misc. Distribution Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study.
- Column L: Increase or Decrease Required to Move From Annual Revenue to Full Cost of Service Dollars.
- Column M: Increase or Decrease Required to Move From Annual Revenue to Full Cost of Service Percent.

PacifiCorp
 Cost Of Service By Rate Schedule
 State of Idaho
 12 Months Ending September 2005
 MSP Protocol
 8.80% = Target Return on Rate Base

Line No.	Schedule No.	Description	C	D	E	F	G	H	I	J	K	L	M
			Annual Revenue	Return on Rate Base	Rate of Return Index	Total Cost of Service	Generation Cost of Service	Transmission Cost of Service	Distribution Cost of Service	Retail Cost of Service	Misc Cost of Service	Increase (Decrease) to = ROR	Percentage Change from Current Revenues
1	01	Residential	28,016,808	11.09%	1.82	27,577,821	13,772,932	2,016,057	8,301,028	3,066,422	421,381	(438,987)	-1.57%
2	36	Residential - TOD	20,398,240	9.53%	1.56	20,886,622	11,749,467	1,664,318	5,834,960	1,430,675	207,202	488,382	2.39%
3	06	General Service - Large	18,680,491	9.82%	1.61	18,983,860	13,214,589	1,916,804	3,691,128	111,243	50,086	303,369	1.62%
4	08	General Service - Medium Voltage	131,359	7.72%	1.27	140,811	98,522	14,322	27,421	284	281	9,452	7.20%
5	09	General Service - High Voltage	4,951,007	11.84%	1.94	4,803,319	4,180,081	577,508	29,966	5,757	10,006	(147,688)	-2.98%
6	10	Irrigation	34,134,517	5.71%	0.94	39,013,512	22,455,393	3,227,753	12,906,097	307,544	116,725	4,878,985	14.29%
7	07,11,12	Street & Area Lighting	318,733	-20.82%	(3.42)	585,663	71,064	7,105	454,946	44,758	7,780	266,930	83.76%
8	12	Traffic Signals	16,502	18.63%	3.06	13,801	7,568	1,021	3,386	1,543	280	(2,701)	-16.37%
9	19	Space Heating	593,896	14.55%	2.39	538,107	358,743	51,956	115,148	9,595	2,864	(55,889)	-9.41%
10	23	General Service - Small	10,040,577	13.92%	2.28	9,215,553	5,167,551	765,197	2,681,032	519,634	92,139	(825,024)	-8.22%
11	SPC	Contract 1	3,977,384	5.05%	0.83	4,517,014	3,889,884	582,677	55,852	692	7,809	539,630	13.57%
12	SPC	Contract 2	41,486,725	-1.13%	(0.18)	55,836,127	48,863,780	6,824,220	62,511	3,448	82,167	14,339,402	34.56%
13	Total	State of Idaho -	162,756,339	6.09%	1.00	182,112,209	123,829,582	17,618,945	34,163,476	5,501,574	988,632	19,356,870	11.89%

Footnotes:
 Column C : Annual revenues based on 9-2005.
 Column D : Calculated Return on Ratebase per 9-2005 Embedded Cost of Service Study
 Column E : Rate of Return Index. Rate of return by rate schedule, divided by Idaho Jurisdiction's normalized rate of return.
 Column F : Calculated Full Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study
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 Column K : Calculated Misc.Distribution Cost of Service at Jurisdictional Rate of Return per the 9-2005 Embedded COS Study.
 Column L : Increase or Decrease Required to Move From Annual Revenue to Full Cost of Service Dollars.
 Column M : Increase or Decrease Required to Move From Annual Revenue to Full Cost of Service Percent.

Cost Of Service By Rate Schedule - All Functions
 State of Idaho
 MSP Protocol
 12 Months Ending September 2005

DESCRIPTION	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Idaho Jurisdiction Normalized	Idaho Jurisdiction Normalized	Residential Schedule 1	Residential Schedule 36	General Power Schedule 5	General Srv Med Voltage Schedule 8	General Srv High Voltage Schedule 9	Irrigation Schedule 10	St. & Area Lpt Schedules 7-11, 12	Traffic Sgnis Schedule 12	Space Heating Schedule 19	General Srv Small Power Schedule 23	Contract 1	Contract 2	
14 Operating Revenues	270,993,938	40,621,049	30,752,885	30,615,940	219,376	6,510,828	54,279,854	388,567	22,894	921,460	14,879,374	7,196,021	82,805,592		
15 Operating Expenses	206,774,867	27,209,031	21,359,119	21,907,306	163,445	6,331,001	39,804,402	454,863	14,157	607,388	9,572,373	5,846,862	73,504,819		
16 Depreciation & Maintenance Expenses	22,771,585	3,536,545	2,715,975	2,476,815	18,032	531,021	5,464,138	1,614	67,664	71,033	1,241,474	492,289	6,094,986		
17 Amortization Expense	3,594,371	600,858	435,874	374,594	2,686	86,839	788,582	7,671	88,532	301	195,612	90,136	1,000,297		
18 Taxes Other Than Income	4,772,087	782,618	593,155	516,943	3,711	137,255	1,194,060	10,821	14,665	358	269,249	96,350	1,186,392		
19 Income Taxes - Federal	4,860,920	694,094	532,076	518,764	3,910	137,255	983,471	6,574	14,623	352	238,372	127,512	1,593,996		
20 Income Taxes - State	763,898	108,607	83,394	81,573	589	21,656	155,735	1,018	2,938	55	37,359	20,110	251,504		
21 Income Taxes Deferred	1,515,881	171,704	123,416	123,416	1,297	51,592	48,981	(801)	63	4,491	57,281	52,619	871,734		
22 Investment Tax Credit Adj	(119,590)	(119,575)	(92,634)	(92,634)	(614)	(16,366)	(167,608)	(1,482)	(55)	(2,428)	(42,211)	(17,131)	(21,867)		
23 Misc Revenues & Expense	(225,661)	(20,157)	(17,702)	(26,163)	(198)	(7,999)	(42,310)	(84)	(14)	(702)	(10,057)	(17,279)	(93,006)		
24 Total Operating Expenses	243,978,838	32,918,504	25,732,663	25,936,546	192,768	7,242,275	49,420,452	546,235	16,832	722,587	11,559,432	6,691,568	83,993,056		
25 Operating Revenue For Return	27,015,000	7,702,545	5,020,222	4,879,393	28,608	1,289,553	5,659,403	(177,668)	6,161	108,873	3,319,922	504,453	(1,393,464)		
26 Rate Base :	858,850,000	134,137,549	102,918,041	83,135,908	667,350	20,279,328	203,731,245	1,736,766	62,195	2,377	46,781,004	18,878,459	233,858,152		
27 Electric Plant In Service	71,380	7,626	6,803	7,371	55	2,480	12,214	56	5	202	2,846	2,377	29,345		
28 Plant Held For Future Use	5,590,787	644,848	533,434	613,400	4,571	185,342	1,030,933	2,365	330	16,661	242,082	168,170	2,148,650		
29 Nuclear Fuel	1,777,193	277,858	209,245	190,205	1,371	44,463	396,372	3,331	135	5,480	84,565	41,130	513,059		
30 Prepayments	3,398,669	384,144	329,195	350,861	2,645	119,503	1,347,540	2,813	223	8,803	135,445	115,717	1,417,283		
31 Materials & Supplies	6,761,277	868,460	742,053	5,470	6,249	204,056	1,347,540	6,249	425	20,548	317,166	186,209	2,362,141		
32 Misc Deferred Debits	3,059,650	353,120	298,988	341,252	2,591	106,888	467,154	822	180	8,803	129,782	1,249,497	99,886		
33 Cash Working Capital	2,878,325	413,208	315,169	305,886	2,298	79,543	603,187	12,308	209	8,803	143,208	93,636	918,957		
34 Weatherization Loans	5,749,214	3,114,019	1,419,545	108,656	175	1,052	416,734	60,949	2,105	12,941	613,262	88	317,294		
35 Miscellaneous Rate Base	802,609	89,770	76,542	85,934	642	27,132	143,621	457	49	2,344	33,621	25,203	317,294		
36 Total Rate Base Additions	888,943,393	140,270,603	108,807,832	95,881,727	687,187	21,049,787	208,693,148	1,826,116	65,856	2,757,743	48,492,981	19,590,965	242,814,465		
37 Rate Base Deductions :	(342,709,924)	(53,711,207)	(41,315,988)	(37,203,599)	(284,139)	(8,091,984)	(61,054,920)	(772,036)	(24,845)	(1,068,779)	(18,765,407)	(7,486,319)	(92,869,702)		
38 Accum Provision For Depreciation	(19,286,030)	(3,982,129)	(2,625,471)	(1,859,064)	(13,063)	(402,087)	(4,124,372)	(60,241)	(2,153)	(57,480)	(1,154,295)	(371,154)	(4,604,341)		
39 Accum Provision For Amortization	(76,087,127)	(11,978,529)	(9,315,242)	(6,382,259)	(56,797)	(1,870,373)	(19,298,428)	(130,538)	(5,313)	(240,300)	(4,256,921)	(1,599,687)	(19,211,735)		
40 Accum Deferred Income Taxes	(63,279)	(8,719)	(7,528)	(6,908)	(50)	(1,481)	(15,254)	(116)	(4)	(197)	(3,433)	(1,369)	(17,190)		
41 Unamortized TIC	(194,145)	(32,739)	(23,838)	(46,844)	(37)	(5,542)	(48,476)	(119)	(119)	(1,432)	(98,547)	-	-		
42 Customer Advances For Construction	(486,284)	(184,929)	(112,838)	(32,792)	(32,792)	(112,838)	(55,642)	(9,737)	(461)	(20,603)	(331,726)	(181,076)	(2,249,230)		
43 Customer Service Deposits	(6,836,009)	(922,360)	(745,141)	(733,475)	(5,354)	(192,958)	(1,443,989)	(9,737)	(32,778)	(8,608,825)	(24,641,953)	(9,609,625)	(119,052,339)		
44 Total Rate Base Deductions	443,301,585	69,438,990	52,691,798	47,634,767	344,727	10,715,374	102,659,170	853,354	33,080	1,366,910	23,851,018	9,981,340	123,762,068		
45 Total Rate Base	27,015,000	4,231,644	3,209,233	2,902,886	21,008	653,000	6,258,036	52,003	2,016	83,300	1,453,492	609,267	7,542,117		
46 Calculated Return On Rate Base	243,978,838	32,918,504	25,732,663	25,936,546	192,768	7,242,275	49,420,452	546,235	16,832	722,587	11,559,432	6,691,568	83,993,056		
47 Return On Rate Base @ Jurisdictional A	(108,237,599)	(12,604,241)	(10,354,645)	(11,935,449)	(89,017)	(3,559,821)	(20,145,337)	(49,834)	(6,492)	(327,464)	(4,838,797)	(3,218,637)	(41,109,687)		
48 Total Operating Expenses	162,756,339	24,545,907	18,387,252	16,903,983	125,799	4,335,453	34,551,150	548,404	12,356	478,423	9,174,147	4,081,198	50,432,306		
49 Revenue Credits	162,756,339	28,016,808	20,395,240	18,680,491	131,359	4,951,007	34,134,517	318,733	16,502	593,996	10,040,577	3,977,364	41,486,725		
50 Total Revenue Requirements	-	(3,470,901)	(1,810,988)	(1,776,508)	(5,600)	(615,554)	396,633	229,671	(4,146)	(115,573)	(1,866,430)	103,814	8,835,581		
51 Increase / (Decrease) Required to Earn Equal Rates of Return	0.00%	-12.39%	-8.86%	-9.51%	-4.26%	-12.43%	1.16%	72.06%	-25.12%	-19.46%	-18.59%	2.61%	21.53%		
52 Percent %	39,016,800	6,111,612	4,634,981	4,192,534	30,341	943,104	9,035,399	75,105	2,912	120,307	2,099,226	878,499	10,892,810		
53 Return On Rate Base @ Target ROR	251,333,009	34,070,450	26,606,286	26,726,775	198,487	7,420,036	50,123,481	6,801,391	17,391	745,283	11,559,124	6,691,568	86,052,184		
54 Total Operating Expenses Adjusted for Taxes	(108,237,599)	(12,604,241)	(10,354,645)	(11,935,449)	(89,017)	(3,559,821)	(20,145,337)	(49,834)	(6,492)	(327,464)	(4,838,797)	(3,218,637)	(41,109,687)		
55 Revenue Credits	162,756,339	27,577,821	20,886,622	19,983,860	140,811	4,803,319	39,013,512	595,663	13,801	538,107	9,215,563	4,517,014	55,836,127		
56 Total Target Revenue Requirements	162,756,339	28,016,808	20,395,240	18,680,491	131,359	4,951,007	34,134,517	318,733	16,502	593,996	10,040,577	3,977,364	41,486,725		
57 Class Revenue	19,355,870	(438,987)	468,382	303,369	9,452	(147,688)	4,878,995	266,930	(2,701)	(55,889)	(825,024)	539,630	14,339,402		
58 Increase / (Decrease) Required to Earn Target Rate of Return	11.89%	-1.57%	2.39%	1.62%	7.20%	-2.98%	14.29%	83.75%	-16.37%	-9.41%	-8.22%	13.57%	34.56%		
59 Percent %															

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2006 JUN 21 AM 10:21

IDAHO PUBLIC
UTILITIES COMMISSION

Case No. PAC-E-06-04
Exhibit No. 3
Witness: Jeffrey K. Larsen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

**Schedule 10
Temperature Adjusted Billing Determinants
12 Months Ending September 2005**

June 2006

ROCKY MOUNTAIN POWER

State of Idaho

**Temperature Adjusted Billing Determinants
12 Months Ending September 2005**

	Actual Units	(T28) Present Price	Present Revenue Dollars	(T28) Proposed Price	Proposed Revenue Dollars
Small Customer Charge (Season)	2,206	\$10.17	\$22,435	\$11.00	\$24,266
Large Customer Charge (Season)	13,904	\$30.33	\$421,708	\$32.00	\$444,928
Post-Season Customer Charge	11,459	\$16.17	\$185,292	\$17.00	\$194,803
Total Customer Charges	27,569				
All kW (June 1 - Sept 15)	1,289,312	\$4.05	\$5,221,714	\$4.28	\$5,518,255
First 25,000 kWh (June 1 - Sept 15)	178,587,572	5.7174 ¢	\$10,210,566	6.0331 ¢	\$10,774,367
Next 225,000 kWh (June 1 - Sept 15)	243,286,269	4.0700 ¢	\$9,901,751	4.2944 ¢	\$10,447,686
All Add'l kWh (June 1 - Sept 15)	24,859,497	2.8580 ¢	\$710,484	3.0155 ¢	\$749,638
All kWh (Sept 16 - May 31)	86,782,203	4.7428 ¢	\$4,115,906	5.0040 ¢	\$4,342,581
Meters	4,752				
Base Subtotal	533,515,541		\$30,789,856		\$32,496,524
Unbilled	525,000		(\$125,000)		(\$125,000)
Base Subtotal	534,040,541		\$30,664,856		\$32,371,524
RMA	534,040,541	0.6497 ¢	\$3,469,661	0.6497 ¢	\$3,469,661
Base Total	534,040,541		\$34,134,517		\$35,841,185

Price Increase \$1,706,668
% Increase 5.00%

SCHEDULE NO. 10

Irrigation

Small Customer Charge (Season)
Large Customer Charge (Season)
Post-Season Customer Charge
Total Customer Charges
All kW (June 1 - Sept 15)
First 25,000 kWh (June 1 - Sept 15)
Next 225,000 kWh (June 1 - Sept 15)
All Add'l kWh (June 1 - Sept 15)
All kWh (Sept 16 - May 31)

Meters
Base Subtotal
Unbilled
Base Subtotal
RMA
Base Total

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2006 JUN 21 AM 10: 21

IDAHO PUBLIC
UTILITIES COMMISSION

Case No. PAC-E-06-04
Exhibit No. 4
Witness: Jeffrey K. Larsen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

**Schedule Nos. 10, 400, and 401
Legislative and Clean Formats**

June 2006



I.P.U.C. No. 28

First Revised Sheet No. B.3
Canceling Original Sheet No. B.3

ELECTRIC SERVICE SCHEDULES - Continued

Schedule No.	Class of Service	Sheet No.
135	Net Metering Service	135.1 - 135.3
155	Agricultural Energy Services - Optional for Qualifying Customers	155.1 - 155.7
191	Customer Efficiency Services Rate Adjustment	191
300	Regulation Charges	300.1 - 300.4
400	Special Contract	<u>400.1 - 400.2</u>
401	Special Contract	401

Schedule numbers not listed are not currently used.

* These schedules are not available to new customers or premises.

Submitted Under ~~Order No. 29976~~ PAC-E-06-

ISSUED: ~~March 20, 2006~~ June 21, 2006

EFFECTIVE: ~~April 19, 2006~~ January 1, 2007



I.P.U.C. No. 28

First Revised Sheet No. B.3
Canceling Original Sheet No. B.3

ELECTRIC SERVICE SCHEDULES - Continued

Schedule No.	Class of Service	Sheet No.
135	Net Metering Service	135.1 - 135.3
155	Agricultural Energy Services - Optional for Qualifying Customers	155.1 - 155.7
191	Customer Efficiency Services Rate Adjustment	191
300	Regulation Charges	300.1 - 300.4
400	Special Contract	400.1 - 400.2
401	Special Contract	401

Schedule numbers not listed are not currently used.

* These schedules are not available to new customers or premises.

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: January 1, 2007



I.P.U.C. No. 28

~~Fifth-Sixth~~ Revised Sheet No. 10.1
Canceling ~~Fourth-Fifth~~ Revised Sheet No. 10.1

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 10
STATE OF IDAHO

Irrigation and Soil Drainage Pumping Power Service

AVAILABILITY: At any point on the Company's interconnected system where there are facilities of adequate capacity.

APPLICATION: This Schedule is for alternating current, single or three-phase electric service supplied at the Company's available voltage through a single point of delivery for service to motors on pumps and machinery used for irrigation and soil drainage.

IRRIGATION SEASON AND POST-SEASON SERVICE: The Irrigation Season is from June 1 to September 15 each year. Service for post-season pumping may be taken by the same Customer at the same point of delivery and through the same facilities used for supplying regular irrigation pumping service during months from September 16 to the following May 31.

MONTHLY BILL:

Irrigation Season Rate

Customer Service Charge:

Small Pumping Operations:

15 horsepower or less total connected horsepower

served through one service connection - \$~~40.17~~11.00 per Customer

Large Pumping Operations:

16 horsepower or more total connected horsepower

served through one service connection - \$~~30.33~~32.00 per Customer

(Continued)

Submitted Under Order No. 29034PAC-E-06-

ISSUED: June 21, 2006~~June 7, 2002~~

EFFECTIVE: January 1, 2007~~June 8, 2002~~



I.P.U.C. No. 28

Sixth Revised Sheet No. 10.1
Canceling Fifth Revised Sheet No. 10.1

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 10

STATE OF IDAHO

Irrigation and Soil Drainage Pumping Power Service

AVAILABILITY: At any point on the Company's interconnected system where there are facilities of adequate capacity.

APPLICATION: This Schedule is for alternating current, single or three-phase electric service supplied at the Company's available voltage through a single point of delivery for service to motors on pumps and machinery used for irrigation and soil drainage.

IRRIGATION SEASON AND POST-SEASON SERVICE: The Irrigation Season is from June 1 to September 15 each year. Service for post-season pumping may be taken by the same Customer at the same point of delivery and through the same facilities used for supplying regular irrigation pumping service during months from September 16 to the following May 31.

MONTHLY BILL:

Irrigation Season Rate

Customer Service Charge:

Small Pumping Operations:

15 horsepower or less total connected horsepower
served through one service connection - \$11.00 per Customer

Large Pumping Operations:

16 horsepower or more total connected horsepower
served through one service connection - \$32.00 per Customer

(Continued)

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: January 1, 2007



I.P.U.C. No. 28

Seventh Revised Sheet No. 10.2
Canceling Sixth Revised Sheet No. 10.2

ELECTRIC SERVICE SCHEDULE No. 10 - Continued

MONTHLY BILL: (Continued)

Power Rate: \$4.054.28 per kW for all kW

Energy Rate: 5.71746.0331¢ per kWh for first 25,000 kWh
4.29444.0700¢ per kWh for the next 225,000 kWh
2.85803.0155¢ per kWh for all additional kWh

Power Factor: This rate is based on the Customer maintaining at all times a power factor of 85% lagging, or higher, as determined by measurement. If the average power factor is found to be less than 85% lagging, the power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the power factor is less than 85%.

Minimum: The Customer Service Charge.

Post-Season Rate

Customer Service Charge: \$16.17-17.00 per Customer

Energy Rate: 5.00404.7428¢ per kWh for all kWh

Minimum: The Customer Service Charge.

ADJUSTMENTS: All monthly bills shall be adjusted in accordance with Schedules 34, 93 and 94.

PAYMENT: All monthly service billings will be due and payable when rendered and will be considered delinquent if not paid within fifteen (15) days. An advance payment may be required of the Customer by the Company in accordance with Electric Service Regulation No. 9. An advance may be required under any of the following conditions:

- (1) the Customer failed to pay all amounts owed to the Company when due and payable;
- (2) the Customer paid an advance the previous season that did not adequately cover bills for the entire season and the Customer failed to pay any balance owing by the due date of the final billing issued for the season.

(Continued)

Submitted Under Order No. 29034PAC-E-06-

ISSUED: June 21, 2006 June 7, 2002

EFFECTIVE: January 1, 2007 June 8, 2002



ELECTRIC SERVICE SCHEDULE No. 10 - Continued

MONTHLY BILL: (Continued)

Power Rate: \$4.28 per kW for all kW

Energy Rate: 6.0331¢ per kWh for first 25,000 kWh
4.2944¢ per kWh for the next 225,000 kWh
3.0155¢ per kWh for all additional kWh

Power Factor: This rate is based on the Customer maintaining at all times a power factor of 85% lagging, or higher, as determined by measurement. If the average power factor is found to be less than 85% lagging, the power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the power factor is less than 85%.

Minimum: The Customer Service Charge.

Post-Season Rate

Customer Service Charge: \$17.00 per Customer
Energy Rate: 5.0040¢ per kWh for all kWh

Minimum: The Customer Service Charge.

ADJUSTMENTS: All monthly bills shall be adjusted in accordance with Schedules 34 and 94.

PAYMENT: All monthly service billings will be due and payable when rendered and will be considered delinquent if not paid within fifteen (15) days. An advance payment may be required of the Customer by the Company in accordance with Electric Service Regulation No. 9. An advance may be required under any of the following conditions:

- (1) the Customer failed to pay all amounts owed to the Company when due and payable;
- (2) the Customer paid an advance the previous season that did not adequately cover bills for the entire season and the Customer failed to pay any balance owing by the due date of the final billing issued for the season.

(Continued)

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: January 1, 2007



I.P.U.C. No. 28

~~Fourth-Fifth~~ Revised Sheet No. 400.1
Canceling ~~Third-Fourth~~ Sheet No. 400.1

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 400

STATE OF IDAHO

Special Contract

PURPOSE: The purpose of this Schedule is to describe generally the terms and conditions provided by the Company pursuant to a Special Contract approved by the Idaho Public Utility Commission.

Monsanto Company

Special Contract Dated January 1, 2003

Special Contract Dated May 18, 2006.

Availability

This schedule is available for firm and interruptible retail service of electric power and energy delivered for all service required on the Customer's premises by customers contracting for not less than 150,000 kW as of May 18, 2006 and as the operations of Monsanto Company's facilities located at Soda Springs, Idaho, as provided in the Electric Service Agreement between the two parties.

Term

Initial term Service through December 31, 2009, then subject to annual renewals. 2006. Any electric service PacifiCorp provides to the Customer Monsanto after the Termination Date shall be on terms and conditions and at prices in accordance with Electric Service Schedule No. 400 or its successor then in effect until such time as the Commission establishes or approves other terms and condition and price to be established or approved by the Commission.

Monthly Charge

Firm and Interruptible Power and Energy:

Firm Energy Charge: 19.4016-34 mills per kilowatt hour

Customer Charge: \$1,000.283 per Billing Period

Firm Demand Charge: \$10.008-84 per kW

Submitted Under Amended Advice Letter No. 06-01-PAC-E-06-

Originally Submitted Under Advice Letter 03-06

ISSUED: June 21, 2006 January 26, 2006

EFFECTIVE: January 1, 2007 February 13, 2006



I.P.U.C. No. 28

~~Fourth~~ Fifth Revised Sheet No. 400.1
Canceling ~~Third~~ Fourth Sheet No. 400.1

Interruptible Power and Energy:

Interruptible Energy Charge: ~~46.19.40-34~~ mills per kilowatt hour

Interruptible Demand Charge: ~~\$4.09 per kW~~ Firm Demand Charge minus Interruptible

Credit

(Continued)

Replacement Energy:

Adjusted Index Price multiplied by Replacement Energy.

Adjustment: The charges specified in this Section shall be adjusted beginning January 1, 2008 so that they equal the Tariff Rates. This shall be the sole and exclusive means of adjustment to the unit charges contained herein.

Tariff Rates: The Commission approved rates applicable to the Special Contract Customer, including, but not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Idaho Electric Service Schedule No. 400 or its successor.

Submitted Under Amended Advice Letter No. ~~06-01~~ PAC-E-06-

Originally Submitted Under Advice Letter 03-06

ISSUED: June 21, 2006 ~~January 26, 2006~~

EFFECTIVE: January 1, 2007 ~~February 13, 2006~~



UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 400

STATE OF IDAHO

Special Contract

PURPOSE: The purpose of this Schedule is to describe generally the terms and conditions provided by the Company pursuant to a Special Contract approved by the Idaho Public Utility Commission.

Special Contract Dated May 18, 2006.

Availability

This schedule is available for firm and interruptible retail service of electric power and energy delivered for all service required on the Customer's premises by customers contracting for not less than 150,000 kW as of May 18, 2006 and as provided in the Electric Service Agreement between the two parties.

Term

Initial term through December 31, 2009, then subject to annual renewals. Any electric service PacifiCorp provides to the Customer after the Termination Date shall be on terms and conditions and at prices in accordance with Electric Service Schedule No. 400 or its successor then in effect until such time as the Commission establishes or approves other terms and condition and prices

Monthly Charge

Firm Power and Energy:

Firm Energy Charge: 19.40 mills per kilowatt hour

Customer Charge: \$1,000 per Billing Period

Firm Demand Charge: \$10.00 per kW

Interruptible Power and Energy:

Interruptible Energy Charge: 19.40 mills per kilowatt hour

Interruptible Demand Charge: Firm Demand Charge minus Interruptible Credit

(Continued)

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: January 1, 2007



I.P.U.C. No. 28

Original Sheet No. 400.2

ELECTRIC SERVICE SCHEDULE NO 400 – Continued

Replacement Energy:

Adjusted Index Price multiplied by Replacement Energy.

Adjustment: The charges specified in this Section shall be adjusted beginning January 1, 2008 so that they equal the Tariff Rates. This shall be the sole and exclusive means of adjustment to the unit charges contained herein.

Tariff Rates: The Commission approved rates applicable to the Special Contract Customer, including, but not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Idaho Electric Service Schedule No. 400 or its successor.

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: January 1, 2007



I.P.U.C. No. 28

First Revised Sheet No. 401
Canceling Original Sheet No. 401

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 401

STATE OF IDAHO

Special Contract

PURPOSE: The purpose of this Schedule is to describe generally the terms and conditions provided by the Company pursuant to a Special Contract approved by the Idaho Public Utility Commission.

Nu-West Industries Inc.

Special Contract Dated October 31, 2005.

Availability

This schedule is available for firm retail service of electric power and energy delivered for the operations of Nu-West Industries' facilities located at Soda Springs, Idaho, as provided in the Power Supply Agreement between the two parties.

Term

January 1, 2006 through December 31, 2010.

Monthly Charge

	May – October	November - April
Customer Charge - \$ per Month	\$ 293.00 ^{282.89}	\$ 293.00 ^{282.89}
Demand Charge - \$ per kW-month	\$ 11.61 ^{11.19}	\$ 9.37 ^{9.03}
Energy Charge - \$ per MWh		
HLH Monday through Friday	\$ 23.98 ^{23.11}	\$ 19.94 ^{19.22}
HE0800 to HE2300 MPT		
LLH All other hours and Holidays	\$ 17.99 ^{17.33}	\$ 17.99 ^{17.33}

Semi-Annual Adjustment: The charges specified in this Section shall be adjusted semi-annually effective July 1, 2006 and January 1, 2007 and each July 1 and January 1 thereafter, so that they equal the tariff rates. This shall be the sole and exclusive means of adjustment to the unit charges contained herein.

Tariff Rates: The Commission approved rates applicable to Nu-West, including, but not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Idaho Electric Service Schedule No. ~~401400~~ or its successor.

Submitted Under PAC-E-06- ~~Amended Advice Letter No. 06-01~~
Originally Submitted Under Advice Letter 05-04

ISSUED: ~~June 21, 2006~~ January 26, 2006

EFFECTIVE: ~~September 1, 2006~~ February 13, 2006



I.P.U.C. No. 28

First Revised Sheet No. 401
Canceling Original Sheet No. 401

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 401

STATE OF IDAHO

Special Contract

PURPOSE: The purpose of this Schedule is to describe generally the terms and conditions provided by the Company pursuant to a Special Contract approved by the Idaho Public Utility Commission.

Nu-West Industries Inc.
Special Contract Dated October 31, 2005.

Availability
This schedule is available for firm retail service of electric power and energy delivered for the operations of Nu-West Industries' facilities located at Soda Springs, Idaho, as provided in the Power Supply Agreement between the two parties.

Term
January 1, 2006 through December 31, 2010.

Monthly Charge

	May – October	November - April
Customer Charge - \$ per Month	\$ 293.00	\$ 293.00
Demand Charge - \$ per kW-month	\$ 11.61	\$ 9.37
Energy Charge - \$ per MWh		
HLH Monday through Friday HE0800 to HE2300 MPT	\$ 23.98	\$ 19.94
LLH All other hours and Holidays	\$ 17.99	\$ 17.99

Semi-Annual Adjustment: The charges specified in this Section shall be adjusted semi-annually effective July 1, 2006 and January 1, 2007 and each July 1 and January 1 thereafter, so that they equal the tariff rates. This shall be the sole and exclusive means of adjustment to the unit charges contained herein.

Tariff Rates: The Commission approved rates applicable to Nu-West, including, but not limited to, customer charges, demand charges, energy charges, surcharges, and credits, as specified in Idaho Electric Service Schedule No. 401 or its successor.

Submitted Under PAC-E-06-__

ISSUED: June 21, 2006

EFFECTIVE: September 1, 2006

RECEIVED

FILED

2006 JUN 21 AM 10:21

IDAHO PUBLIC
UTILITIES COMMISSION

Case No. PAC-E-06-04

Exhibit No. 5

Witness: Jeffrey K. Larsen

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

Exhibit Accompanying Direct Testimony of Jeffrey K. Larsen

Stipulation

June 2006

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RECEIVED MAY 22 2006
PUBLIC UTILITIES COMMISSION

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Attorneys for PacifiCorp dba
Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE)
APPLICATION OF PACIFICORP DBA)
ROCKY MOUNTAIN POWER FOR) CASE NO. PAC-E-06- 04
AUTHORITY TO INCREASE ITS)
SCHEDULE NO. 10 RATES FOR) STIPULATION
ELECTRIC SERVICE TO ELECTRIC)
CUSTOMERS IN THE STATE OF)
IDAHO)**

This stipulation ("Stipulation") is entered into by and between PacifiCorp, doing business as Rocky Mountain Power ("PacifiCorp" or the "Company") and the Idaho Irrigation Pumpers Association, Inc. ("IIPA") (collectively referred to as the "Parties") as of May 24, 2006.

I. INTRODUCTION

1. The terms and conditions of this Stipulation are set forth herein. The Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues raised

between the Parties and that this Stipulation is in the public interest. The Parties, therefore, recommend that the Public Utilities Commission ("Commission") approve the Stipulation and all of its terms and conditions. Reference IDAPA 31.01.01.271, 274.

II. BACKGROUND

2. Concurrently with the filing of this Stipulation, PacifiCorp is filing an Application seeking authority to increase the Company's base rates for electric service under Electric Service Schedule No. 10 by \$1.7 million annually, an average increase of approximately 5%. The increase in Customer bills will vary by individual customer and actual usage.

3. In anticipation of filing the Application, representatives of PacifiCorp and IIPA met several times pursuant to IDAPA 31.01.01.271 and engaged in settlement discussions with a view toward resolving the issues raised in PacifiCorp's Application.

Based upon the settlement discussions between the Parties, as a compromise of the positions in this proceeding, and for other consideration as set forth below, the Parties agree to the following terms:

III. TERMS OF THE STIPULATION

4. PacifiCorp shall be allowed to implement a revised Electric Service Schedule No. 10, designed to recover \$1.7 million in additional annual revenue, representing an aggregate rate increase of 5%. Such revised tariff schedule shall become effective as of January 1, 2007. The Parties agree to support the attached Exhibit A showing the calculation that reflects the agreed upon rate increase.

5. PacifiCorp agrees that it will not adjust the Fixed Monthly Participation Credit currently in effect under Electric Service Schedule No. 72 until after December 31, 2007. All other terms and conditions of the Irrigation Load Control Credit Rider program remain unchanged.

6. Beginning May 1 through September 30, 2007 PacifiCorp agrees to defer \$90,000 per month, for a total of \$450,000, of the revenue collected from customers under Electric

Service Schedule No. 10, which will then be refunded on a pro rata basis to customers participating in the Irrigation Load Control Credit Rider program during the 2007 irrigation season. This one-time refund shall be paid no later than December 31, 2007. The refund rate shall equal \$450,000 divided by the aggregate Irrigation Load Control Service Credit amount paid to qualifying customers for the 2007 irrigation season (the "Refund Rate"). Each irrigation customer's refund shall equal the Refund Rate multiplied by each qualifying customer's total Irrigation Load Control Service Credit paid during the 2007 irrigation season. For purposes of example only, in the event that the aggregate Irrigation Load Control Service Credit equals \$1 million, then the Refund Rate would equal 0.45. If a particular irrigation customer's Irrigation Load Control Service Credit equals \$1,000, then that irrigation customer's one-time refund would be \$450 ($\$1,000 \times 0.45 = \450).

7. Similar to Commitment I-08 made by the Company pursuant to the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (Docket No. PAC-E-05-8), the Company agrees, prior to November 1, 2006, to meet with IIPA and other interested parties to study alternatives for evaluating the curtailment products provided by the irrigators to PacifiCorp. The Parties also agree to study load data and characteristics of interruptible irrigation customers and its impact on cost allocation to both irrigators and other customer classes. As part of this study effort, the Parties agree to collaborate and set up subsequent meetings to conclude the evaluation. The Parties will also evaluate and consider what characteristics would be required for the program to be considered in the Company's Integrated Resource Planning process. In the event the Parties reach agreement on such alternative(s), the Company will prepare its next general rate case and corresponding tariff schedules using the agreed upon methodology.

8. The Parties agree that this Stipulation represents a compromise of the positions of the Parties in this proceeding. Other than the above referenced positions and any testimony filed in support of the approval of this Stipulation, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the Stipulation,

all negotiations relating to this Stipulation shall not be admissible as evidence in this or any other proceeding regarding this subject matter.

9. The Parties submit this Stipulation, Exhibit A, and Exhibit B, the revised Electric Service Schedule No.10, to the Commission and recommend approval in its entirety pursuant to IDAPA 31.01.01.274. The Parties shall support this Stipulation before the Commission, and neither Party shall appeal any portion of this Stipulation or Order approving the same. If this Stipulation is challenged by any person not a party to the Stipulation, the Parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlement embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

10. In the event the Commission rejects any part or all of this Stipulation, or imposes any additional material conditions on approval of this Stipulation, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within 15 days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate.

11. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

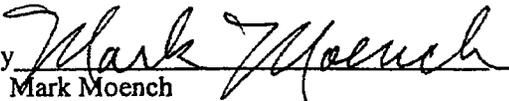
12. No Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any

method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

13. The obligations of the Parties under this Stipulation are subject to the Commission's approval of this Stipulation in accordance with its terms and conditions and, if judicial review is sought, upon such approval being upheld on appeal by a court of competent jurisdiction.

Respectfully submitted this ____th day of June, 2006.

PacifiCorp

By 
Mark Moench
Attorneys for PacifiCorp

Idaho Irrigation Pumpers Association, Inc.

By 
Eric L. Olsen
Racine, Olson, Nye, Budge & Bailey, Chartered
Attorney for Idaho Irrigation Pumpers
Association, Inc.

ROCKY MOUNTAIN POWER
State of Idaho
Temperature Adjusted Billing Determinants
12 Months Ending September 2005

	Actual Units	(T28) Present Price	Present Revenue Dollars	(T28) Proposed Price	Proposed Revenue Dollars	% Chg in Rates
SCHEDULE NO. 10						
Irrigation						
Small Customer Charge (Season)	2,206	\$10.17	\$22,435	\$11.00	\$24,266	8.2%
Large Customer Charge (Season)	13,904	\$30.33	\$421,708	\$32.00	\$444,928	5.5%
Post-Season Customer Charge	11,459	\$16.17	\$185,292	\$17.00	\$194,803	5.1%
Total Customer Charges	27,569					
All kW (June 1 - Sept 15)	1,289,312	\$4.05	\$5,221,714	\$4.28	\$5,518,255	5.68%
First 25,000 kWh (June 1 - Sept 15)	178,587,572	5.7174 ¢	\$10,210,566	6.0331 ¢	\$10,774,367	5.52%
Next 225,000 kWh (June 1 - Sept 15)	243,286,269	4.0700 ¢	\$9,901,751	4.2944 ¢	\$10,447,686	5.51%
All Add'l kWh (June 1 - Sept 15)	24,859,497	2.8580 ¢	\$710,484	3.0155 ¢	\$749,638	5.51%
All kWh (Sept 16 - May 31)	86,782,203	4.7428 ¢	\$4,115,906	5.0040 ¢	\$4,342,581	5.51%
Meters	4,752					
Base Subtotal	533,515,541		\$30,789,856		\$32,496,524	
Unbilled	525,000		(\$125,000)		(\$125,000)	
Base Subtotal	534,040,541		\$30,664,856		\$32,371,524	
RMA	534,040,541	0.6497 ¢	\$3,469,661	0.6497	\$3,469,661	0.0%
Base Total	534,040,541		\$34,134,517		\$35,841,185	
				Price Increase	\$1,706,668	
				% Increase	5.00%	



I.P.U.C. No. 28

Canceling _____ Revised Sheet No. 10.1
_____ Revised Sheet No. 10.1

UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 10
STATE OF IDAHO

Irrigation and Soil Drainage Pumping Power Service

AVAILABILITY: At any point on the Company's interconnected system where there are facilities of adequate capacity.

APPLICATION: This Schedule is for alternating current, single or three-phase electric service supplied at the Company's available voltage through a single point of delivery for service to motors on pumps and machinery used for irrigation and soil drainage.

IRRIGATION SEASON AND POST-SEASON SERVICE: The Irrigation Season is from June 1 to September 15 each year. Service for post-season pumping may be taken by the same Customer at the same point of delivery and through the same facilities used for supplying regular irrigation pumping service during months from September 16 to the following May 31.

MONTHLY BILL:

Irrigation Season Rate

Customer Service Charge:

Small Pumping Operations:

15 horsepower or less total connected horsepower
served through one service connection - \$11.00 per Customer

Large Pumping Operations:

16 horsepower or more total connected horsepower
served through one service connection - \$32.00 per Customer

(Continued)

Submitted Under Order No. XXXXX

ISSUED: _____, 2006

EFFECTIVE: January 1, 2007

Stipulation Exhibit B



I.P.U.C. No. 28

Canceling _____ Revised Sheet No. 10.2
_____ Revised Sheet No. 10.2

ELECTRIC SERVICE SCHEDULE No. 10 - Continued

MONTHLY BILL: (Continued)

Power Rate: \$4.28 per kW for all kW

Energy Rate: 6.0331¢ per kWh for first 25,000 kWh
4.2944¢ per kWh for the next 225,000 kWh
3.0155¢ per kWh for all additional kWh

Power Factor: This rate is based on the Customer maintaining at all times a power factor of 85% lagging, or higher, as determined by measurement. If the average power factor is found to be less than 85% lagging, the power as recorded by the Company's meter will be increased by 3/4 of 1% for every 1% that the power factor is less than 85%.

Minimum: The Customer Service Charge.

Post-Season Rate

Customer Service Charge: \$17.00 per Customer
Energy Rate: 5.0040¢ per kWh for all kWh

Minimum: The Customer Service Charge.

ADJUSTMENTS: All monthly bills shall be adjusted in accordance with Schedules 34 and 94.

PAYMENT: All monthly service billings will be due and payable when rendered and will be considered delinquent if not paid within fifteen (15) days. An advance payment may be required of the Customer by the Company in accordance with Electric Service Regulation No. 9. An advance may be required under any of the following conditions:

- (1) the Customer failed to pay all amounts owed to the Company when due and payable;
- (2) the Customer paid an advance the previous season that did not adequately cover bills for the entire season and the Customer failed to pay any balance owing by the due date of the final billing issued for the season.

(Continued)

Submitted Under Order No. XXXXX

ISSUED: _____, 2006

EFFECTIVE: January 1, 2007