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IDAHO PUBLIC  
UTILITIES COMMISSION

September 7, 2006

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

Attention: Jean D. Jewell  
Commission Secretary

Re: Case No. PAC-E-06-10  
In the Matter of the Petition of PacifiCorp to Determine the Appropriate Payment  
Structure of Schedule 21

PacifiCorp (d.b.a. Rocky Mountain Power) hereby submits for filing an original and seven copies of Exhibit 1, replacing the Exhibit 1 originally submitted as a confidential exhibit in the above referenced matter. PacifiCorp has contacted Mr. Brad Purdy, representative for Community Action Partnership Association of Idaho, and both agree that Exhibit 1 does not need to be maintained as confidential.

Sincerely,

A handwritten signature in black ink that reads "D. Douglas Larson /p.a.". The signature is written in a cursive style.

D. Douglas Larson  
Vice President, Regulation

Enclosures  
cc: Service List

Case No. PAC-E-06-10  
Exhibit No. 1

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

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Stipulation and Agreement

September 2006

## STIPULATION AND AGREEMENT

This Stipulation and Agreement ("Stipulation") is entered into by and between PacifiCorp, doing business as Rocky Mountain Power ("PacifiCorp" or the "Company") and the Community Action Partnership Association of Idaho ("CAPAI") (collectively referred to as the "Parties") as of June 19, 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.

### II. BACKGROUND

2. In the Stipulation settling the general rate case filed by the Company in Docket No. PAC-E-05-1, PacifiCorp proposed that certain cost of service issues would be addressed in a general rate case that was anticipated to be filed no later than April 29, 2006. PacifiCorp desires to not file a general rate case in Idaho in 2006 and anticipates making a filing to address certain price changes on a limited basis rather than through a general rate case. If the Idaho Public Utilities Commission (the "Commission") approves a limited issue application, then the Company will not have the need to file a general rate case in 2006. CAPAI is willing to support PacifiCorp in its approach to avoid the need for a general rate case in 2006. This Stipulation sets forth the terms and conditions under which the Parties agree to be bound with respect to PacifiCorp's approach to a limited issue filing and avoidance of the need to file a general rate case in 2006.

3. In anticipation of executing this Stipulation, representatives of PacifiCorp and CAPAI have held discussions several times pursuant to IDAPA 31.01.01.271 and engaged in settlement discussions with a view toward resolving the issues raised herein. Based upon the settlement discussions between the Parties, as a compromise of the Parties' positions on the

subjects discussed herein, and for other consideration as set forth below, the Parties agree to the following terms:

### III. TERMS OF THE STIPULATION

4. No later than August 31, 2006, PacifiCorp shall make a one-time cash contribution of shareholder money of ten-thousand dollars (\$10,000) to each of SouthEastern Idaho Community Action Agency ("SEICAA") and Eastern Idaho Community Action Partnership ("EICAP") (for a total aggregate contribution of twenty-thousand dollars (\$20,000)) to be used as funding assistance for the Lend-A-Hand program for the 2006-2007 heating season.

5. No later than September 1, 2006, PacifiCorp shall make a formal filing before the Commission to address those issues that PacifiCorp and the MidAmerican Energy Holdings Company agreed to address pursuant to Commitment No. I 13(b) in Docket No. PAC-E-05-8.

6. PacifiCorp agrees to provide support for legislation sponsored by CAPAI during the 2007 general Idaho legislative session that would give the Commission authority to approve discount rates for low income customers that are requested by utilities. The Company's support is limited to legislation allowing: 1) a utility to propose bill discounts on a strictly voluntary basis and subject to Commission approval, and 2) the costs and lost revenue from such discounts to be included in the utility's cost of service to be recovered in rates from other customers. An example of such legislation is attached as Exhibit A to this Stipulation and is subject to modification and approval by the Idaho legislature. The terms of this Stipulation shall not bind the Company to request or agree to establish such a bill discount in Idaho.

7. CAPAI agrees to waive the Company's commitment to file a general rate case per the Stipulation in Case No. PAC-E-05-1 and will not make any objection to the Company's applications seeking rate increases for Monsanto Corp., Nu-West Industries, Inc. and PacifiCorp's irrigation customers. In addition, CAPAI agrees that Commitment No. I 13(b) in

Docket No. PAC-E-05-8 will be addressed in the filing referenced in paragraph 5 of this stipulation rather than in a general rate case.

8. The Parties agree that this Stipulation represents a compromise of the positions of the Parties on the issues addressed herein. Other than the above referenced positions and any testimony filed in support of PacifiCorp's Application and except to the extent necessary for a Party to explain before the Commission, if necessary, its own statements and positions with respect to the Stipulation, all negotiations relating to this Stipulation shall not be admissible as evidence in any legal or regulatory proceedings regarding this subject matter.

9. 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. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation. This Stipulation shall be governed in accordance with the laws of the State of Idaho.

DATED this 19<sup>th</sup> day of June, 2006.

**PacifiCorp**

By



Mark Moench

Sr. Vice President and General Counsel  
PacifiCorp, dba Rocky Mountain Power

**Community Action Partnership Association  
of Idaho**

By



Brad Purdy

Attorney for CAPAI

TITLE 61  
PUBLIC UTILITY REGULATION  
CHAPTER 5  
POWERS AND DUTIES OF  
PUBLIC UTILITIES COMMISSION

61-502C. RATES – LOW-INCOME CUSTOMERS. Upon request by a water, gas or electric public utility, the Commission may approve rates, charges, services and/or facilities at a discount for the utility’s low-income residential customers. Any expenses and lost revenues as a result of these bill discounts shall be included in the utility’s cost of service and recovered in rates to other customers. For purposes of this provision, the term “low-income” is defined as follows: one hundred-fifth percent (150%) of the Poverty Guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(s).

No other statute contained within Title 61 shall be construed to prohibit the Commission from approving programs as set forth herein.

TITLE 61  
PUBLIC UTILITY REGULATION  
CHAPTER 3  
DUTIES OF PUBLIC UTILITIES

61-315- DISCRIMINATION AND PREFERENCE PROHIBITED -  
EXCEPTION. No public utility shall, as to rates, charges, service, facilities or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities or in any other respect, either as between localities or as between classes of service. The commission shall have the power to determine any question of fact arising under this section.

Nothing in this provision shall act to prohibit a public utility from seeking approval for, and operating, low-income residential bill discounts pursuant to Idaho Code Section 61-502C.

TITLE 61  
PUBLIC UTILITY REGULATION  
CHAPTER 5  
POWERS AND DUTIES OF  
PUBLIC UTILITIES COMMISSION

61-502. DETERMINATION OF RATES. Whenever the commission, after a hearing had upon its own motion or upon complaint, shall find that the rates, fares, tolls, rentals, charges or classifications, or any of them, demanded, observed, charged or collected by any public utility for any service or product or commodity, or in connection therewith, including the rates or fares for excursions or commutation tickets, or that the rules, regulations, practices, or contracts or any of them, affecting such rates, fares, tolls, rentals, charges or classifications, or any of them, are unjust, unreasonable, discriminatory or preferential, or in any wise in violation of any provision of law, or that such rates, fares, tolls, rentals, charges or classifications are insufficient, the commission shall determine the just, reasonable or sufficient rates, fares, tolls, rentals, charges, classifications, rules, regulations, practices or contracts to be thereafter observed and in force and shall fix the same by order as hereinafter provided, and shall, under such rules and regulations as the commission may prescribe, fix the reasonable maximum rates to be charged for water by any public utility coming within the provisions of this act relating to the sale of water.

Nothing in this provision shall prohibit the Commission from approving low-income residential bill discounts pursuant to Idaho Code Section 61-502C.

TITLE 61  
PUBLIC UTILITY REGULATION  
CHAPTER 3  
DUTIES OF PUBLIC UTILITIES

61-301. CHARGES JUST AND REASONABLE. All charges made, demanded or received by any public utility, or by any two (2) or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge made, demanded or received for such product or commodity or service is hereby prohibited and declared unlawful.

Nothing in this provision shall prohibit a public utility from seeking approval for, and operating, low-income residential bill discounts pursuant to Idaho Code Section 61-502C.

## CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 7<sup>th</sup> day of September 2006, I served a true and correct copy of Exhibit 1 Replacement upon the following named parties by the method indicated below, and addressed to the following:

Brad Purdy  
Attorney at Law  
Community Action Partnership Association  
of Idaho  
2019 N. 17<sup>th</sup> Street  
Boise, ID 83702

_____	Hand Delivered
_____	U.S. Mail
<u>  *  </u>	Overnight Mail
_____	FAX

  
\_\_\_\_\_  
Peggy Ryan  
Regulation Department