

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP DBA)
ROCKY MOUNTAIN POWER'S) **CASE NO. PAC-E-06-11**
APPLICATION FOR A DEFERRED)
ACCOUNTING ORDER TO DEFER THE) **NOTICE OF APPLICATION**
COSTS RELATED TO THE MIDAMERICAN)
ENERGY HOLDINGS COMPANY) **NOTICE OF**
TRANSITION) **MODIFIED PROCEDURE**
)
)
) **ORDER NO. 30176**

On October 10, 2006, PacifiCorp dba Rocky Mountain Power filed an Application seeking an order authorizing the Company to defer and amortize over a three-year period the costs related to the MidAmerican Energy Holdings Company transition (the "MEHC Transition"). The Commission has jurisdiction over the Company's request pursuant to *Idaho Code* § 61-524. The Application did not include any request or recommendation for how the Company would like it to be processed.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that, according to the Application, the Company is incurring costs related to the MEHC Transition for employee severance and conversion of software to an accounting calendar year. The Company seeks an order authorizing the capitalization of these costs through March 2007 and then amortization of the capitalized balance over a three-year period to begin at the implementation of new rates from a general rate case filed after December 2006.

YOU ARE FURTHER NOTIFIED that the Company wishes to capitalize the costs of the severance program in accordance with paragraph 9 of SFAS No. 71. The cost of the MEHC Transition would then be amortized on a straight-line basis over a three-year period. The Company states that this amortization is appropriate because the MEHC Transition activities are concentrated in the first several months while the benefits of the transition are realized over a longer timeframe. According to the Company, charging the transition costs in the period they are incurred would be unfair to existing customers for the benefit of future customers; thus, capitalizing the costs and amortizing them supports the matching principle for costs and benefits.

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YOU ARE FURTHER NOTIFIED that the Company anticipates that its costs related to employee severance will exceed \$25 million on a total Company basis. It also estimates that the cost of adapting the software will fall between \$500,000 and \$1,000,000. The Company proposes that the MEHC Transition costs be charged to Account 182.3 Other Regulatory Assets and that they be amortized to Account 930.2 Miscellaneous General Expenses. It proposes to include the unamortized amounts in its rate base where they would earn a return at the Company's authorized rate of return. If the Application is not granted, these costs would be charged to the Company's operations and maintenance accounts. The Company does not request a determination of ratemaking treatment of the MEHC Transition costs in this Application; rather, it proposes to address the recovery of these costs in its next rate case.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Application in this case and has preliminarily determined that the public interest in this matter may not require a hearing to consider the issues presented, and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.210-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Rocky Mountain Power's Application and the use of Modified Procedure in this case is forty-five (45) days from the service date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Idaho Public Utilities Commission
Commission Secretary
PO Box 83720
Boise, ID 83720-0074

Dean Brockbank, Esq.
PacifiCorp
201 S. Main, Suite 2200
Salt Lake City, UT 84111
E-mail: dean.brockbank@pacificorp.com

Street Address for Express Mail:
472 W. Washington Street
Boise, Idaho 83702-5983

Brian Dickman
PacifiCorp dba Rocky Mountain Power
201 S. Main, Suite 2300
Salt Lake City, UT 84111
E-mail: brian.dickman@pacificorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Rocky Mountain Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If written comments or protests are received within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written comments before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-524.

ORDER

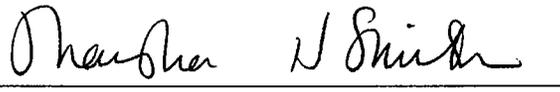
IT IS HEREBY ORDERED that the Application of PacifiCorp dba Rocky Mountain Power be processed by Modified Procedure, IDAPA 31.01.01.201-204. Persons interested in submitting written comments in this matter must do so no later than forty-five (45) days from the service date of this Order.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of November 2006.



PAUL KJELLANDER, PRESIDENT

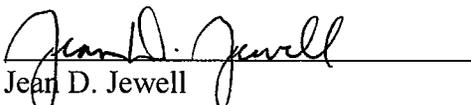


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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