

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) **CASE NO. PAC-E-08-07**
POWER FOR APPROVAL OF CHANGES TO)
ITS ELECTRIC SERVICE SCHEDULES) **NOTICE OF APPLICATION**
)
) **NOTICE OF**
) **INTERVENTION DEADLINE**

On September 19, 2008, PacifiCorp dba Rocky Mountain Power (RMP; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the Company's base rates for electric service. In this Order, the Commission provides notice of the Application and establishes a deadline for interested persons to intervene as parties.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on September 19, 2008, PacifiCorp dba Rocky Mountain Power (Rocky Mountain Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the Company's base rates for electric service by \$5.9 million annually, or 4.0%. The increase in base rates would vary by class of customer and actual usage. The rate increase does not apply to Agrium or Monsanto, whose rates are controlled by a separate Commission-approved Stipulation.

Rocky Mountain Power provides electric service to over 69,000 customers in eastern Idaho. As reflected in the Company's filing and supporting testimony, the proposed rate increase is designed to recover the dramatically increasing costs of serving residential, commercial and irrigation customers. As the demand for electricity has grown, the Company has made investments in new infrastructure and facilities. In addition, the costs for fuel and purchased power to serve customers have increased. The Company contends that without the requested increase in revenues, it will be increasingly difficult to maintain its utility infrastructure and continue to provide adequate, efficient, just and reasonable service to its Idaho customers.

Rocky Mountain Power claims that it is currently earning a normalized return on equity (ROE) of 6.5% in its Idaho jurisdiction. This current ROE, it states, is far below the Company's authorized Idaho return (10.25%), the returns recently authorized for other Idaho investor-owned utilities, and the 10.75% ROE requested by the Company in this case. The

Company contends that an overall price increase of \$19.4 million would be required to produce the 10.75% ROE requested by the Company in this proceeding. The amount requested in this case is constrained and limited by the Revised Protocol rate mitigation cap approved by the Commission in Case No. PAC-E-02-3, reducing the request by \$3.1 million. The Revised Protocol is the allocation method utilized to allocate and assign generation, transmission and distribution costs to PacifiCorp's six retail state jurisdictions. Reference Case No. PAC-E-02-3 (Inter-Jurisdictional Cost Allocation), Order No. 29708. The amount requested in this case is also limited by the Stipulation approved in Case No. PAC-E-07-05 for tariff Schedules 400 (Monsanto Company) and 401 (Agrium, Inc.). That Stipulation regulates the rates of Monsanto and Agrium through December 2010 and reduces the Company's rate request by \$10.4 million.

The proposed average increase in base rates by kilowatt hour will result in the following allocation of the net price increase for major customer classes:

- Residential: 4.73%
- Irrigation: 2.31%
- General Service
 - Schedule 23/23A: 0%
 - Schedule 6/6A/8/35: 7.96%
 - Schedule 9: 7.96%
 - Schedule 19: 2.31%
- Public Street Lighting
 - Schedules 7/7A, 11, 12: 0%

The ultimate prices customers will see are determined by the Company's rate spread and rate design proposals. For an average residential home using 850 kWh per month, customers will realize an increase of \$3.55 per month.

The revised tariff schedules proposed by the Company reflect a proposed effective date of October 19, 2008. The proposed effective date was suspended by the Commission in Order No. 30653.

YOU ARE FURTHER NOTIFIED that RMP'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 RMP's retail customers, both recurring and non-recurring, 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 Case No. PAC-E-08-07 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 Friday, October 24, 2007**. Persons desiring 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-08-07 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, testimony, exhibits and workpapers in Case No. PAC-E-07-05 can be reviewed during regular business hours at the Commission's office in Boise, Idaho and at the following Idaho offices of Rocky Mountain Power:

25 East Main, Rexburg, Idaho

509 South 200 East, Preston, Idaho

852 East 1400 North, Shelley, Idaho

24852 U.S. Highway 89, Montpelier, Idaho

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

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

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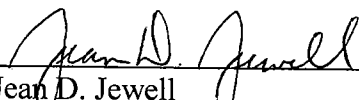
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, specifically *Idaho Code* §§ 61-502, 61-503, 61-507, 61-520, 61-523, and 61-622. The Commission may enter any final Order consistent with its authority under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

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DATED at Boise, Idaho this 3rd day of October 2008.



Jean D. Jewell
Commission Secretary

bls/N:PAC-E-08-07_sw