

**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 STIPULATION AND**  
**) PROPOSED SETTLEMENT**  
**)**  
**) NOTICE OF SCHEDULING**  
**) (SETTLEMENT STIPULATION)**  
**)**  
**) NOTICE OF HEARING**  
**) (SETTLEMENT STIPULATION)**  
**)**  
**) ORDER NO. 30727**

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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. Intervening parties to this case are: Monsanto Company; Idaho Irrigation Pumpers Association, Inc.; Community Action Partnership of Idaho; and Agrium, Inc.

YOU ARE HEREBY NOTIFIED that on January 8, 2009, the Commission Staff filed with the Commission a Notice of Intent to Engage in Settlement Discussions. RP 272. A settlement conference was subsequently held on January 15, 2009 and was attended by all parties to the case with the exception of Agrium, Inc.

Pursuant to discussions, PacifiCorp, Commission Staff, Idaho Irrigation Pumpers Association and Community Action Partnership of Idaho have entered into a Stipulation and negotiated settlement that purports to resolve all issues raised in this proceeding. The Stipulation does not impact or propose any changes to Monsanto or Agrium's rates. Monsanto participated in the settlement discussions and while it does not adopt the Stipulation it has no objection to the Commission approving the same. The Stipulation was filed with the Commission on February 5,

NOTICE OF STIPULATION AND PROPOSED SETTLEMENT  
NOTICE OF SCHEDULING (SETTLEMENT STIPULATION)  
NOTICE OF HEARING (SETTLEMENT STIPULATION)  
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2009. The stipulating parties represent that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

Under the terms of the Stipulation, Rocky Mountain Power would be authorized to recover \$4,382,632 (3.1%) in additional annual electric revenue from non-contract customers. The increase would be effective April 18, 2009 for all affected customers.

The terms of the Stipulation include the following terms:

- The parties agree that their proposal is a “black box” settlement with no party accepting a specific methodology for the revenue requirement determination. The parties agree that the overall increase represents a fair, just and reasonable compromise of the issues raised in this proceeding and that the Stipulation is in the public interest.
- The parties agree to establish the total Company base rate net power cost at \$982 million, as filed in this Application, which will be necessary for calculation purposes in Rocky Mountain Power’s currently pending application for approval of an energy cost adjustment mechanism in Case No. PAC-E-08-08.
- The parties agree that Rocky Mountain Power’s acquisition of the Chehalis generating plant in Chehalis, Washington was a prudent decision and in the public interest, and costs related to the plant acquisition and operation included in this case are reasonable and are included in rate base.
- The parties agree that the demand-side management programs proposed by Rocky Mountain Power in Case No. PAC-E-08-01 are prudent. Further, the parties agree that a total of \$50,000 of demand-side management program funds will be made available to Southeastern Idaho Community Action Agency and Eastern Idaho Community Action Partnership to be used to support conservation education as a component of Rocky Mountain Power’s Low Income Weatherization Program, Schedule 21.
- The parties agree that the issue raised in the Company’s testimony related to the Energy Trust of Oregon Funding of the Goodnoe Hills Wind Generation plant will be deferred to Rocky Mountain Power’s next filed general rate case.
- Rocky Mountain Power agrees that it will include an inverted tier rate design proposal or option for residential customers in its next filed general rate case for the Commission’s consideration.

- The parties agree to the rate spread set forth in the following table. The calculations are based on the ratio of Rocky Mountain Power's proposed revenue requirement increase of \$5,871,441 to the settled revenue required increase of \$4,382,632. Details of the rate spread are included in Attachment 1 to the Stipulation.

<b>Customer Class</b>	<b>Proposed</b>	<b>Settled</b>
Residential – Schedule 1	4.73%	3.53%
Residential – Schedule 36	4.73%	3.53%
General Service		
Schedule 23/23A	0%	0%
Schedule 6/6A/8/35	7.96%	5.94%
Schedule 9	7.96%	5.94%
Schedule 19	2.31%	1.73%
Irrigation		
Schedule 10	2.31%	1.73%
Public Street Lighting		
Schedules 7/7A, 11, 12	0%	0%

- The parties agree that the design of rates by rate schedule (rate design) shall be consistent with the Company's filed proposals as adjusted for the revenue requirement in this settlement.

The stipulating parties recommend that the Commission approve the Settlement Stipulation for an April 18, 2009 effective date. RP 274.

#### **NOTICE OF SCHEDULING**

YOU ARE FURTHER NOTIFIED that proponents of a proposed settlement carry the burden of showing that the settlement is reasonable, in the public interest and in accordance with law or regulatory policy. RP 275. The parties recognize that the Proposed Settlement is not binding on the Commission. RP 276. Settlements are reviewed under Commission Rule of Procedure 274 (Consideration of Settlements). To establish a sufficient record for decision in this matter, the parties propose and the Commission adopts the following scheduling:

February 25, 2009	Deadline for filing by stipulating parties of testimony in support of the Settlement Stipulation
March 20, 2009	Deadline for filing written comments regarding the Proposed Settlement Stipulation

YOU ARE FURTHER NOTIFIED that the Commission will conduct a **technical and evidentiary hearing** on the Settlement Stipulation in this matter on **WEDNESDAY, MARCH 11, 2009 COMMENCING AT 9:30 A.M. AT THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO.**

YOU ARE FURTHER NOTIFIED that the parties propose and the Commission has agreed to vacate the February 25, 2009 rebuttal deadline set forth in its Notice of Scheduling issued November 26, 2008 and to substitute the scheduling set forth above. A public hearing on the Settlement Stipulation will be held in eastern Idaho following the March 11, 2009 technical hearing. A notice of this hearing will be issued once arrangements have been finalized.

YOU ARE FURTHER NOTIFIED that the Settlement Stipulation in Case No. PAC-E-08-07 together with accompanying Attachment (and supporting testimony after February 25, 2009) can be reviewed at the Commission's office in Boise, Idaho and at the Idaho offices of Rocky Mountain Power during regular business hours. The Settlement Stipulation is also available for viewing on the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that the Commission is not bound by any settlement reached by the parties. RP 276. The Commission will independently review any settlement proposed to determine whether the settlement is just, fair and reasonable, and in the public interest, or otherwise in accordance with law or regulatory policy. The Commission may accept the settlement, reject the settlement, or state additional conditions under which the settlement will be accepted. IDAPA 31.01.01.276.

YOU ARE FURTHER NOTIFIED that written comments concerning the proposed settlement must be mailed to the Idaho Public Utilities Commission and Rocky Mountain Power at the following addresses:

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

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Ted Weston  
Rocky Mountain Power  
201 S. Main Street, Suite 2300  
Salt Lake City, UT 84111  
E-mail: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)

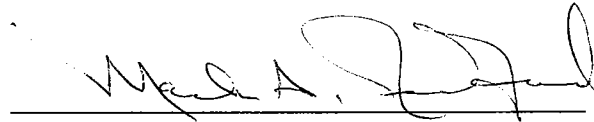
Daniel Solander  
Rocky Mountain Power  
201 S. Main Street, Suite 2300  
Salt Lake City, UT 84111  
E-mail: [daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

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](http://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.

### **ORDER**

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that the Settlement Stipulation filed by Rocky Mountain Power, Commission Staff, Idaho Irrigation Pumpers Association and Community Action Partnership of Idaho shall be processed pursuant to the procedural scheduling set forth above.

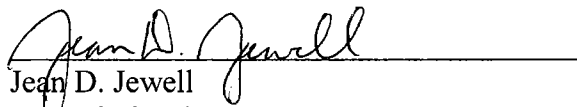
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11<sup>th</sup>  
day of February 2009.

  
MACK A. REDFORD, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
JM D. KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:PAC-E-08-07\_sw3