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IDAHO PUBLIC  
UTILITIES COMMISSION

1407 W. North Temple, Suite 310  
Salt Lake City, Utah 84116

February 25, 2016

**VIA OVERNIGHT DELIVERY**

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702

Attn: Jean Jewell  
Commission Secretary

**Re: CASE NO. PAC-E-14-11 COMPLIANCE FILING  
IN THE MATTER OF THE APPLICATION OF PACIFICORP D/B/A ROCKY  
MOUNTAIN POWER AND IDAHO POWER COMPANY FOR AN ORDER  
AUTHORIZING THE EXCHANGE OF CERTAIN TRANSMISSION ASSETS.**

Dear Ms. Jewell:

Rocky Mountain Power, a division of PacifiCorp, in compliance with Commission Order No. 33313 dated June 5, 2015, hereby respectfully submits this letter and a copy of the journal entries at closing recording the transaction and exchange of certain transmission assets between PacifiCorp and Idaho Power Company.

Additionally, the Company would like to respond to Commission Order No. 33313 which stated:

*"The record is not as clear for the treatment of reduced expenses to PacifiCorp customers. We note that PacifiCorp has not previously deferred transmission costs due to the Legacy Agreements for future recovery. To further evaluate the reduced wheeling expenses associated with this transaction, we direct PacifiCorp to establish a regulatory account deferring these reduced wheeling expenses. Proper regulatory treatment will be determined in a future rate case when the details are known."*

Pursuant to Order No. 30904, which authorized the establishment of the energy cost adjustment mechanism ("ECAM") effective July 1, 2009, the Company began tracking FERC account 565 - Transmission of Electricity by Others, or wheeling expense, along with other variable net power cost expenses. Through the ECAM, actual expenses are compared to the base level established in the most recent general rate case with variances deferred and reviewed

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annually. It is the Company's belief that the ECAM satisfies the Commission's order by establishing a regulatory account to defer any changes to wheeling expenses and provides an opportunity for proper regulatory review. Unless otherwise directed the Company believes no additional accounting treatment is necessary.

Please direct any informal inquiries to Ted Weston, Idaho Regulatory Affairs Manager, at (801) 220-2963.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey K. Larsen/cm". The signature is written in a cursive style.

Jeffrey K. Larsen

Vice President, Regulation