(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF PACIFICORP DBA , UTAH POWER & LIGHT COMPANY, FOR APPROVAL OF A TEMPORARY SURCREDIT FOR QUALIFYING SCHEDULE 10 CUSTOMERS.                                                                                         | )))))) | CASE NO. UPL-E-97-2NOTICE OF APPLICATIONNOTICE OF MODIFIED          PROCEDUREINTERLOCUTORYORDER NO. 26904 |

YOU ARE HEREBY NOTIFIED that on April 22, 1997, PacifiCorp, doing business as  Utah Power & Light Company (UP&L) filed an Application with the Commission for approval of the Company’s proposed electric service Schedule No. 99 implementing a temporary surcredit for qualifying irrigation customers.  The surcredit would, in effect, reduce by approximately one-half the cumulative increase experienced by the Company’s Schedule 10 (irrigation) customers as a result of the Bonneville Power Administration’s (BPA’s) last rate case.  Rates would be reduced by 8%, or a total of approximately $1,674,000.

UP&L and BPA recently reached agreement on a settlement of the current UP&L Residential Purchase and Sale Agreement with BPA.  A Notice of Proposed Settlement of that Agreement was issued by BPA for public comment on April 14, 1997, with comments due by May 1, 1997.  The settlement provides that BPA will pay UP&L $47.7 million over the period October 1, 1996 through June 30, 2001, and gives UP&L the flexibility to shape the distribution of the exchange payments to help mitigate price increases resulting from the expiration of the exchange program.

UP&L states that its proposed surcredit resulted from discussions with Idaho Legislators and a representative of the Idaho Irrigation Pumpers Association.  The proposed surcredit, if approved, will reduce the period of time over which benefits will be available for irrigators.  UP&L plans further discussions with these groups to determine if Schedule 99 should be continued after October 31, 1997.  No change in benefits is proposed for residential customers at this time.  UP&L proposes to use a separate tariff schedule (Schedule 99) to pass through the surcredit.  It will be in addition to the Schedule 34 exchange credit approved by the Commission last fall.  Amounts credited under this schedule will be tracked by the Company.  If the Settlement Agreement is not approved by BPA, the Company will seek to terminate Schedule 99 and ask for recovery of amounts credited through a balancing account established for Schedule 34.

YOU ARE FURTHER NOTIFIED that UP&L has requested a May 1, 1997 effective date for the proposed surcredit.  The Company states that it has discussed this matter with representatives of affected customers and that the effect of delaying the surcredit for these customers would be substantial.  The Company further contends that other customers will not be harmed by the proposal.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices.

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 and that 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 pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -.204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission by May 7, 1997 .  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:

COMMISSION SECRETARYANNE E. EAKIN

IDAHO PUBLIC UTILITIES COMMISSIONVICE PRESIDENT, REGULATION

PO BOX 83720PACIFICORP

BOISE, IDAHO  83720-0074825 NE MULTNOMAH, STE 625

PORTLAND, OR 97232

Street Address for Express Mail:Telephone: (503) 464-5065

FAX           (503) 464-5022

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983JOHN M. ERIKSSON

STOEL RIVES LLP

201 S MAIN, NO.  1100

SALT LAKE CITY, UT 84111-4904

Telephone: (801) 578-6937

FAX           (801) 578-6999

These comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that if no written comments are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing.  If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

O R D E R

We find that because of the substantial benefit to UP&L’s irrigation customers resulting from the implementation of the proposed surcredit and because those customers will be substantially harmed if implementation of that surcredit is delayed, it is necessary to issue an interlocutory Order approving the implementation of the surcredit effective May 1, 1997.  This Order, however, is subject to change in the event that comments received subsequent to the effective date of the surcredit convince us that the surcredit, in whole or in part, should not be approved.  We will issue a final Order in this matter subsequent to May 7, 1997, after we have had the opportunity to review any comments that are submitted in response to the Company’s Application.

IT IS HEREBY ORDERED that the Application of Utah Power & Light Company for approval of Schedule 99 implementing a temporary surcredit for qualifying irrigation customers is hereby approved effective May 1, 1997, subject to change as discussed above.

THIS IS AN INTERLOCUTORY ORDER.  Any person interested in this Order may file a petition for review with regard to any matter decided in this Order.  A petition to review may request that the Commission: (1) rescind, clarify, alter, amend; (2) stay; or (3) finalize this Interlocutory Order. After any person has petitioned for review, any other person may file a cross-petition within seven (7) days.  See  Rules 321, 322, 323.03, 324, 325 (IDAPA 31.01.01.321 -325.)

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of April 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:UPL-E-97-2.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 25, 1997