



**DEPARTMENT OF JUSTICE**  
GENERAL COUNSEL DIVISION

November 27, 2006

Christina Hayes  
Administrative Law Judge  
Public Utility Commission of Oregon  
550 Capitol Street  
Salem, Oregon 97301

**Re: Docket No. UM 1261;**  
***In the Matter of the Application of Idaho Power Company for Authorization to Defer  
for Future Rate Recovery Certain Excess Net Power Supply Expenses***

Dear Judge Hayes:

This letter is to update you regarding the status of Docket No. UM 1261, which concerns Idaho Power Company's application to defer certain excess net variable power costs. The parties to this docket, which include Idaho Power Company ("Idaho Power"), the Citizens' Utility Board and staff of the Public Utility Commission, met today for a settlement conference. The parties continued their discussion of a power cost adjustment mechanism for Idaho Power and also discussed Idaho Power's deferral application. The parties agreed to meet again after the Commission issues its decision in Portland General Electric Company's ("PGE") pending rate case, Docket UE 180. PGE has asked the Commission to approve two power cost adjustment mechanisms in Docket No. UE 180 and the parties in this docket believe that the Commission's decision in that case may inform their ongoing settlement discussions.

The parties have not yet agreed on another date for settlement conference, but anticipate that it will be no sooner than mid-January. Counsel for staff will notify you when another settlement conference has been scheduled.

Thank you for your attention.

Very truly yours,

Stephanie S. Andrus  
Assistant Attorney General

c. Service list

1 **CERTIFICATE OF SERVICE**

2 I certify that on November 27, 2006, I served the foregoing upon all parties of record in  
3 this proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid  
4 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

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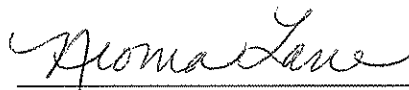
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