

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) **CASE NO. PAC-E-06-08**
POWER FOR APPROVAL OF A)
STIPULATION WITH NU-WEST)
INDUSTRIES) **ORDER NO. 30196**
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Background

Pursuant to Commission approved Stipulation in PacifiCorp's 2005 rate case (PAC-E-05-1, Order No. 29833) PacifiCorp agreed to file a general rate case no later than April 29, 2006 to address cost of service issues not resolved in the 2005 Stipulation and to time the effective date of new rates to coincide with the expiration of the current Monsanto contract (December 31, 2006). The Company's 2006 filing was delayed to permit Company contract negotiations to proceed with Monsanto. The Company's filings in Case Nos. PAC-E-06-04, 06-08 and 06-09 are intended to satisfy its 2005 Stipulation filing commitment.

On June 21, 2006, PacifiCorp dba Rocky Mountain Power (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission (Commission) in Case No. PAC-E-06-04 requesting authority to implement revised rates in electric tariff Schedules 10 (Irrigation), 400 (Monsanto Company) and 401 (Nu-West Industries). Simultaneous and related filings were made in Case Nos. PAC-E-06-08 (Nu-West Stipulation) and PAC-E-06-09 (Monsanto Service Agreement).

Application – PAC-E-06-08 – Nu-West Stipulation

PacifiCorp in this case requests Commission approval of a June 9, 2006 Stipulation between PacifiCorp and Nu-West Industries, Inc. (Stipulation) proposing an adjustment to electric tariff Schedule No. 401 (reference PAC-E-06-04).

Nu-West is a special contract customer producing phosphate fertilizer at facilities in Soda Springs, Idaho. The Electric Service Agreement currently governing electric service to Nu-West under Schedule 401 (existing Agreement) was approved in Order No. 29940 and terminates December 31, 2010. The existing Agreement states that the Commission authorized tariff rate changes, effective semiannually each July 1 and January 1, apply to service under Schedule No.

401. In a departure from the terms of the existing Agreement, Nu-West has agreed by Stipulation to allow for the proposed rate adjustment to be effective September 1, 2006. Future Commission authorized adjustments are anticipated to be made according to the terms of the existing Agreement.

PacifiCorp requested that Nu-West's Application be processed under a schedule that would permit an effective date of September 1, 2006. In the event that an Order approving the Stipulation could not be issued before September 1, 2006, PacifiCorp requested that the revised Schedule No. 401 become effective September 1, 2006 subject to refund at the time of the Commission's final Order. In Order No. 30117 issued August 21, 2006, the Commission approved a September 1, 2006 effective date for proposed changes to Nu-West Schedule 401, subject to refund.

On August 21, 2006, the Commission issued Notices of Modified Procedure, Scheduling and Hearing in Case No. PAC-E-06-08. The deadline for filing written comments was November 3, 2006; the deadline for filing reply comments was November 17, 2006. Also scheduled was a hearing date of November 28, 2006 to spread the Company's prefiled testimony in Case No. PAC-E-06-04 and to provide an opportunity for Commission inquiry regarding filings in Case Nos. PAC-E-06-04, PAC-E-06-08 (Nu-West Stipulation) and PAC-E-06-09 (Monsanto Service Agreement).

Timely comments in Case No. PAC-E-06-08 were filed by Commission Staff. In a letter filed with the Commission on November 14, 2006, PacifiCorp expresses its general support for the comments filed by all parties in Case Nos. PAC-E-06-04, PAC-E-06-08 and PAC-E-06-09. PacifiCorp expressed its belief that the current written record provides a sufficient basis for the Commission to make its decision on the merits of each Application and requested that the hearing set for November 28, 2006 be vacated.

On November 20, 2006, the Commission finding that the written record formed a sufficient basis for decision, issued Order No. 30180 vacating the hearing scheduled for November 28, 2006.

STAFF COMMENTS

Commission Staff was the only party to file comments in Case No. PAC-E-06-08. Staff notes that the proposed Nu-West Schedule 401 rates, which became effective September 1, 2006, subject to refund, represent a 3.8% increase over prior Schedule 401 rates and that the

rates proposed are acceptable to both parties and appear to be reasonable. Staff's evaluation of the increased amount is addressed in its cost of service analysis in Case No. PAC-E-06-04. Staff recommends that the Commission approve the proposed rates and charges for Nu-West.

PacifiCorp, Staff notes, on June 21, 2006 in Case No. PAC-E-06-04, submitted Revised Tariff Sheet No. 401, reflecting new rates for Nu-West pursuant to the 2006 Stipulation. The Company requested and the Commission approved an effective date of September 1, 2006. Order No. 30117. Those rates, subject to refund, represent a 3.8% increase over the prior rates. Nu-West has agreed to the \$150,000, 3.8% increase which moves it towards the \$428,000 increase specified in the cost of service study provided in Case No. PAC-E-06-04. Staff believes the Schedule 401 increases represent a reasonable move toward full cost of service. Staff's analysis of revenue requirement and cost of service is detailed in the PAC-E-06-04 case.

The following is a summary of the tariff Schedule No. 401 monthly charges that will apply to Nu-West:

MONTHLY CHARGES					
		Prior May-October	Current Proposal	Prior November-April	Current Proposal
Customer Charge	\$ Per Month	\$282.89	\$293.00	\$282.89	\$293.00
Demand Charge	\$ Per kW-Month	\$ 11.19	\$ 11.61	\$ 9.03	\$ 9.37
Energy Charge (HLH)	\$ Per MWh Mon - Fri HE0800- HE2300 MPT	\$ 23.11	\$ 23.98	\$ 19.22	\$ 19.94
(LLH)	All other hours and holidays	\$ 17.33	\$ 17.99	\$ 17.33	\$ 17.99

The Nu-West Service Agreement provides that the Commission has the authority to modify the rates for service under the Agreement under the same standard that applies to tariff customers generally. Commission authorized tariff rate changes, including surcharges or credits that apply to tariff customers generally, will also apply to service under the Agreement.

Commission Findings

The Commission has reviewed and considered the filings of record in Case No. PAC-E-06-08 including the comments and recommendations of Commission Staff. The Commission has also reviewed and considered the filings of record in Case No. PAC-E-06-04 wherein the

Company includes its proposed adjustment to electric tariff Schedule No. 401 and wherein Staff has filed its analysis of Nu-West revenue requirement and cost of service. The Commission continues to find it reasonable to process this case pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.204.

As reflected above, the existing Electric Service Agreement covering service to Nu-West became effective January 1, 2006 and will terminate on December 31, 2010. The Nu-West Service Agreement was not re-negotiated in this Application. In Order No. 30117 the Commission approved an effective date of September 1, 2006 for proposed revisions to Nu-West's Schedule 401 rates, subject to refund. The 3.8% (\$150,000) increase in rates to Nu-West we find is an increase agreed to by Nu-West and we find is a justified increase that moves Nu-West closer to the \$428,000 required by the Company's study to attain full cost of service. Reference Staff Analysis of Revenue Requirement and Cost of Service, Case No. PAC-E-06-04. We accordingly find it reasonable to approve the June 9, 2006 Stipulation between PacifiCorp and Nu-West Industries, Inc. Our approval of the Stipulation approves also the adjustment to electric tariff Schedule No. 401 for Nu-West in Case No. PAC-E-06-04 and an effective date of September 1, 2006 with no refund required.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, and the Application in Case No. PAC-E-06-08 pursuant to Title 61, Idaho Code, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

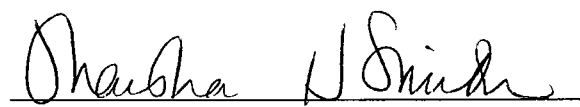
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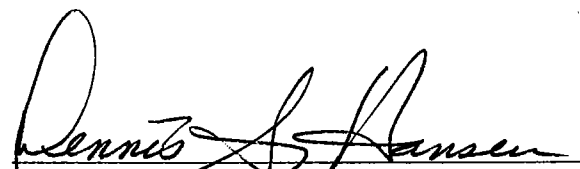
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve the June 9, 2006 Stipulation between PacifiCorp and Nu-West Industries submitted in Case No. PAC-E-06-08.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

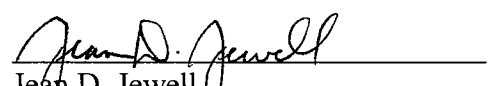
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 18th
day of December 2006.


PAUL KIELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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