

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY

DATE: AUGUST 10, 2006

SUBJECT: CASE NO. PAC-E-06-4 (RATE INCREASE – SCHEDULES 10, 400, 401)
CASE NO. PAC-E-06-8 (NU-WEST STIPULATION – SCHEDULE 401)
CASE NO. PAC-E-06-9 (MONSANTO SERVICE AGREEMENT –
SCHEDULE 400)
PROPOSED SCHEDULING AND HEARING DATES

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-06-4, 06-8 and 06-9 are intended to satisfy its 2005 Stipulation filing commitment.

Applications

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-06-4 requesting authority to implement revised rates in electric tariff Schedules 10 (Irrigation), 400 (Monsanto Company) and 401 (Nu-West Industries). Simultaneous and related filings are made in Case Nos. PAC-E-06-8 (Nu-West Stipulation) and PAC-E-06-9 (Monsanto Service Agreement). PacifiCorp requests that its filings be processed pursuant to Modified Procedure. Reference IDAPA 31.01.01.201-204. In a departure from the terms of the existing Nu-West agreement, Nu-West has agreed by Stipulation to allow for the proposed rate

adjustment to electric tariff Schedule 401 to be effective September 1, 2006. PacifiCorp requests that Nu-West's Application be processed under Modified Procedure under a schedule that will permit an effective date of September 1, 2006. In the event that a final Order regarding Nu-West cannot be issued before September 1, 2006, PacifiCorp requests that the revised Nu-West Schedule 401 become effective September 1, 2006 subject to refund at the time of the Commission's final Order.

Notices of Application and Intervention Deadline in Case Nos. PAC-E-06-4, PAC-E-06-8 and PAC-E-06-9 were issued on June 30, 2006. Community Action Partnership Association of Idaho (CAPAI) was the only party to file a Petition to Intervene. CAPAI was granted intervention in Case No. PAC-E-06-4. Reference Order No. 30103.

COMMISSION DECISION

Staff continues to be engaged in the examination of the Company's supporting documentation regarding revenue requirement and cost of service. Staff is also engaged in continuing audit and discovery. Based on the results of its preliminary investigation, Staff concurs in the Company's recommendation that the three filings be processed pursuant to Modified Procedure. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204. Staff believes, however, that the three cases need to be processed together and not separately, i.e., Nu-West. Commission Staff recommends that the requested September 1, 2006 for the Nu-West rate change be authorized subject to refund.

Pursuant to agreement, Staff and Company propose a November 3, 2006 Staff/Intervenor comment deadline, a November 17, 2006 reply comment deadline, a scheduled hearing date for the proposed Stipulation of November 28, 2006 and a deadline for intervenor funding of December 1, 2006. Does the Commission find Modified Procedure for the three cases to be reasonable? Does the Commission find a September 1 effective date for changes to the Nu-West Schedule 401 subject to refund to be acceptable? Does the Commission find the proposed comment deadline scheduling and proposed hearing date acceptable?

Scott Woodbury

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