

## DECISION MEMORANDUM

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

**FROM:** CECELIA A. GASSNER

**DATE:** JANUARY 12, 2007

**SUBJECT:** PACIFICORP DBA ROCKY MOUNTAIN POWER'S APPLICATION  
FOR APPROVAL OF REDUCTIONS IN BPA REGIONAL EXCHANGE  
CREDITS, CASE NO. PAC-E-07-01

On January 4, 2007, PacifiCorp dba Rocky Mountain Power (RMP or "Company") filed an Application with the Commission for approval of a revised Electric Service Schedule No. 34, which would reflect a reduction in Bonneville Power Administration (BPA) regional exchange credits. This Commission has the jurisdiction over such request pursuant to *Idaho Code* §§ 61-301, 61-307, 61-622 and 61-623.

### THE APPLICATION

According to the Application, RMP participates in the Residential Exchange Program (REP) administered by the BPA. RMP established and maintained accounts to monitor the differences in the program credits provided to the Company's customers and the payments received from BPA. The Company states that as of October 2006, its Idaho balancing account showed a surplus of \$7.2 million; that is, RMP paid out \$7.2 million less in benefits to its Idaho residential and small farm customers than it had received from the BPA.

RMP has recently engaged in negotiations with BPA for the calculation of REP credits effective October 1, 2006 through September 30, 2011. Through these negotiations, the REP benefits passed on to RMP customers are less than benefits received under the parties' prior five-year agreement. The Company is proposing a reduction to the Schedule 34 credit amount to reflect the change in the net credit received from BPA to pass on to RMP customers. Further, RMP proposes to apply \$1 million from the existing Idaho balancing account toward the change in the 2007 BPA credit to help moderate it.

The Company also proposes that certain long-term care facilities served by it be eligible to receive REP benefits. These facilities would include those where the average patient stay is longer than 30 days, but not include those care facilities that provide full medical care similar to hospitals or medical clinics.

The Company has requested that the matter be processed by Modified Procedure, with an effective date of the revised Schedule 34, if approved, of February 15, 2007.

**STAFF RECOMMENDATION**

Staff recommends that the Company's Application be processed by Modified Procedure with a twenty-one (21) day comment period. This should allow sufficient time for interested parties to review the Company's Application and file their comments with the Commission. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

**COMMISSION DECISION**

Does the Commission preliminarily find that the public interest may not require a hearing to consider the issues presented in this case, and that this case is appropriate for Modified Procedure pursuant to Commission Rules of Procedure 201 through 204?

Does the Commission approve of the recommended comment period?



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Cecelia A. Gassner

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