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October 23, 2008

IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT DELIVERY

Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

Re: Case No. PAC-E-08-08
In the Matter of the Application of Rocky Mountain Power for Approval of an Energy
Cost Adjustment Mechanism

Dear Ms. Jewell:

Please find enclosed for filing an original and nine copies of Rocky Mountain Power's Application in the above-referenced matter, along with nine copies of PacifiCorp's direct testimony and exhibits. Also enclosed is a CD containing the Application, direct testimony and exhibits. To the attention of the Court Reporter is a paper copy of all documents along with a CD containing all testimony and exhibits in their original formats.

All formal correspondence and questions regarding this Application should be addressed to:

Ted Weston
Rocky Mountain Power
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4975
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com

Daniel Solander
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4568
Fax: (801) 220-3299
Email: Daniel.solander@pacificorp.com

Communications regarding discovery matters, including data requests issued to Rocky Mountain Power, should be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Idaho Public Utilities Commission

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Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Jeffrey K. Larsen/jk

Jeffrey K. Larsen

Vice President, Regulation

Enclosures

Daniel E. Solander
Yvonne R. Hogle
Rocky Mountain Power
201 South Main Street, Suite 2300
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF ROCKY)	CASE NO. PAC-E-08-08
MOUNTAIN POWER FOR)	
APPROVAL OF AN ENERGY COST)	APPLICATION OF
ADJUSTMENT MECHANISM)	ROCKY MOUNTAIN POWER
)	

Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”) hereby applies to the Commission for approval of an energy cost adjustment mechanism (“ECAM”) as proposed in the exhibits submitted herewith. In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 69,000 customers in the state of Idaho and is subject to the jurisdiction of the Commission.

2. Communications regarding this Application should be addressed to:

Ted Weston
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-2963
Fax: (801) 220-2798
Email: ted.weston@pacificorp.com

and to:

Daniel E. Solander
201 South Main, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4014
Fax: (801) 220-3299
Email: daniel.solander@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (**preferred**) datarequest@pacificorp.com

By regular mail Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

3. Rocky Mountain Power's proposed ECAM is designed to defer the difference between Base net power costs set during a general rate case and collected from customers in their retail rates and Actual net power costs incurred by the Company to serve retail customers. The calculation of the deferral would be on a monthly basis by comparing a monthly Base NPC rate in dollars per megawatt-hour to the Actual NPC rate also in dollars per megawatt-hour. The resulting monthly NPC Differential rate would be applied to actual Idaho retail sales to calculate the NPC Differential for Deferral. A carrying charge equal to the Company's most recently authorized return on rate base would be applied to the deferred balance. Annually on April 1 the Company would file an application with the Commission to adjust the ECAM surcharge rate beginning June 1 to refund or collect the ECAM deferred balance from the end of the prior calendar year.

4. The ECAM is designed to recover the sum of all components of net power costs as traditionally defined in the Company's general rate cases and modeled in its power supply model GRID. Specifically, Base NPC will include costs typically booked to the

following FERC accounts:

Account 447 – Sales for resale, excluding non-GRID transmission services and on-system wholesale sales

Account 501 – Fuel, steam generation; excluding fuel handling, start up fuel/gas¹, diesel fuel, residual disposal and other non-GRID items

Account 503 – Steam from other sources

Account 547 – Fuel, other generation

Account 555 – Purchased power, excluding BPA residential exchange credit pass-through if applicable

Account 565 – Transmission of electricity by others

Actual costs booked to the above accounts, will be subject to review by the Commission and other parties in each of the Company's applications prior to inclusion in the ECAM Surcharge.

5. Rocky Mountain Power's direct case consists of the testimony and exhibits of Company witness Gregory N. Duvall, Director of Power Costs. Mr. Duvall's testimony describes the Company's proposed Energy Cost Adjustment Mechanism (ECAM) including the mechanism structure, costs that would be recovered by the mechanism, and how the proposed mechanism would be administered. It also explains why the Company believes it is necessary to have a recovery mechanism in place to allow changes in net power costs to be passed onto customers between general rate cases.

6. The Company respectfully submits that the Commission's approval of Rocky Mountain Power's Application, including the approval and implementation of the proposed ECAM as filed, is in the public interest. In accordance with Commission Rule 121(d), Rocky Mountain Power represents that it stands ready for immediate consideration of this Application.

¹ Start up fuel is accounted for separate from the primary fuel for steam power generation plants. Start up costs are not accounted for separately for natural gas plants, and therefore all fuel for natural gas plants is included in actual net power costs.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a final order approving the Company's proposed Energy Cost Adjustment Mechanism effective coincident with new rates resulting from Case No. PAC-E-08-07.

DATED this 23rd day of October, 2008.

Respectfully submitted,

By Daniel E. Solander, II
Daniel E. Solander
Attorney for Rocky Mountain Power