



RECEIVED

2009 JUL 30 AM 10:19

201 South Main, Suite 2300
Salt Lake City, Utah 84111

July 30, 2009

IDAHO PUBLIC
UTILITIES COMMISSION

**VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY**

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

Attention: Jean D. Jewell
Commission Secretary

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.

Enclosed please find the original and nine (9) copies of the testimony and exhibits of J. Ted Weston in support of the Stipulation entered into by and between Rocky Mountain Power and the following parties of record in the above captioned matter: Staff for the Idaho Public Utilities Commission, Idaho Irrigation Pumpers Association, Inc. and Monsanto.

Please let me know if you have any further questions.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation
Rocky Mountain Power

Enclosures

Cc: Service List PAC-E-08-08

CERTIFICATE OF SERVICE

RECEIVED

I hereby certify that on this 30th day of July, 2009, I caused to be served, via E-mail and/or overnight delivery, a true and correct copy of Rocky Mountain Power's Testimony of J. Ted Weston supporting the Stipulation in PAC-E-08-08 to the following:

2009 JUL 30 AM 10: 1
IDAHO PUBLIC
UTILITIES COMMISSION

Randall C. Budge (E-mail & Hard Copy)
Racine, Olson, Nye, Budge & Bailey,
Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391
E-Mail: rcb@racinelaw.net

Eric L. Olsen (E-mail only)
Racine, Olson, Nye, Budge & Bailey,
Chartered
201 E. Center
P.O. Box 1391
Pocatello, ID 83204-1391
E-Mail: elo@racinelaw.net

Katie Iverson (E-mail & Hard Copy)
Brubaker & Associates
17244 W. Cordova Court
Surprise, AZ 85387
E-mail: kiverson@consultbai.com

James R. Smith (E-mail only)
Monsanto Company
PO Box 16
Soda Springs, ID 83276
E-mail: jim.r.smith@monsanto.com

Anthony Yankel (E-mail only)
29814 Lake Road
Bay Village, OH 44140
E-mail: tony@yanke1.net

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702
E-mail: Jean.jewell@puc.idaho.gov

Randy Lobb (E-mail & Hard Copy)
Scott Woodbury (E-mail & Hard Copy)
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702
E-mail: Randy.lobb@puc.idaho.gov
E-mail: Scott.woodbury@puc.idaho.gov

Ted Weston
Daniel Solander
PacifiCorp/ dba Rocky Mountain Power
201 S. Main Street, Suite 2300
Salt Lake City, UT 84111
Ted.weston@pacificorp.com
Daniel.solander@pacificorp.com



Carrie Meyer
Coordinator, Administrative Services

RECEIVED

2009 JUL 30 AM 10: 1

IDAHO PUBLIC
UTILITIES COMMISSIC

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)	Direct Testimony of J. Ted Weston
ADJUSTMENT MECHANISM)	
)	

ROCKY MOUNTAIN POWER

CASE NO. PAC-E-08-08

July 2009

1 **Q. Please state your name, business address and present position with Rocky**
2 **Mountain Power (the “Company”), a division of PacifiCorp.**

3 A. My name is J. Ted Weston and my business address is 201 South Main, Suite
4 2300, Salt Lake City, Utah, 84111. I am currently employed as the Manager of
5 Idaho Regulatory Affairs.

6 **Qualifications**

7 **Q. Briefly describe your educational and professional background.**

8 A. I received a Bachelor of Science Degree in Accounting from Utah State
9 University in 1983. I joined the Company in June of 1983 and I have held various
10 accounting and regulatory positions prior to my current position. In addition to
11 formal education, I have attended several educational, professional and electric
12 industry related seminars during my career with the Company.

13 **Q. What are your responsibilities as Manager of Regulatory Affairs?**

14 A. My primary responsibilities include the coordination and management of Idaho
15 regulatory filings, communications with the commission and staff, and oversight
16 of reporting requirements for the Company with the Idaho Public Utilities
17 Commission.

18 **Q. Have you testified in previous regulatory proceedings?**

19 A. Yes. I have testified before the Washington Transportation and Utilities
20 Commission, the Wyoming Public Service Commission and the Idaho Public
21 Utilities Commission.

1 **Purpose of Testimony**

2 **Q. What is the purpose of your testimony in this proceeding?**

3 A. The purpose of my testimony is to present and support the Stipulation for the
4 Company's Energy Cost Adjustment Mechanism (ECAM) entered into by and
5 among the Company; Staff for the Idaho Public Utilities Commission ("Staff");
6 the Idaho Irrigation Pumpers Association, Inc. ("IIPA"); and Monsanto, which I
7 collectively refer to as the Parties. I will explain how the ECAM will work and
8 describe the terms and conditions of this Stipulation. I will also demonstrate that
9 this Stipulation represents a fair, just and reasonable compromise of the issues in
10 this proceeding and that this Stipulation is in the public interest. My testimony
11 supports the Company's recommendation that the Idaho Public Utilities
12 Commission ("Commission") approve the Stipulation and all of its terms and
13 conditions.

14 **Background**

15 **Q. Would you summarize the proceedings to date of the Company's Energy**
16 **Cost Adjustment Mechanism, Case No. PAC-E-08-08?**

17 A. On October 23, 2008, Rocky Mountain Power filed an application ("Application")
18 seeking approval of an ECAM. On November 5, 2008 the Commission published
19 a notice of the Application and set an intervention deadline. Monsanto and the
20 IIPA intervened in the case. On February 26, 2009 the Company met with staff
21 and the other intervening parties to explain its pending application and answer any
22 questions. During the subsequent month the Company responded to several
23 formal and informal discovery requests. On April 7, 2009 staff formally advised

1 the Commission and the other intervening parties, pursuant to IDAPA
2 31.01.01.271 and .272, of its intent to engage in settlement discussions. With a
3 view toward resolving the issues raised in the Application, the Parties met on May
4 11, 2009 and conference calls were held June 1, 2, 4 and June 5, 2009. Based
5 upon the settlement discussions among the Parties, we have reached a
6 compromise agreement that resolves all outstanding issues and which the Parties
7 believe is in the public interest as set forth in the Stipulation.

8 **Energy Cost Adjustment Mechanism**

9 **Q. Please describe the Energy Cost Adjustment Mechanism.**

10 A. The ECAM is designed to allow the Company to collect or credit the differences
11 between the actual net power costs (NPC) incurred to serve customers in Idaho
12 and the amount collected from Idaho customers through rates set in general rate
13 cases. On a monthly basis, the Company will compare the actual system net
14 power costs (Actual NPC) to the net power costs embedded in rates from the most
15 recent general rate case, (Base NPC), and defer the differences in a balancing
16 account. An ECAM Surcharge rate will be updated annually to collect from or
17 credit to customers the accumulated balance over the subsequent year.

18 **Q. What FERC accounts and types of costs would be included in the ECAM?**

19 A. Base NPC and Actual NPC will include amounts typically booked to the
20 following FERC accounts:

21 Account 447 – Sales for resale, excluding on-system wholesale sales and
22 other revenues that are not modeled in GRID
23 Account 501 – Fuel, steam generation; excluding fuel handling, start up

- 1 fuel/gas¹, diesel fuel, residual disposal and other costs that
- 2 are not modeled in GRID
- 3 Account 503 – Steam from other sources
- 4 Account 547 – Fuel, other generation
- 5 Account 555 – Purchased power, excluding BPA residential exchange credit
- 6 pass-through if applicable
- 7 Account 565 – Transmission of electricity by others

8 **Q. How will the ECAM deferral be calculated?**

9 A. An example of the ECAM deferral calculation is included in Exhibit No. 4,
10 attached hereto. The calculation of the deferral will be on a monthly basis by
11 comparing the system monthly Base NPC rate on a dollars per megawatt-hour
12 basis (shown on line 1 of Exhibit No. 4) to the system Actual NPC rate also in
13 dollars per megawatt-hour (shown on line 4 of Exhibit No. 4). The resulting
14 monthly NPC rate differential (on line 5) would be multiplied by actual Idaho
15 retail load at input (on lines 6 and 7) to calculate the NPC differential for deferral
16 (on line 8).

17 **Q. Why is the Idaho tariff and tariff contract load broken out separately?**

18 A. The Idaho tariff and tariff contract load are separated to isolate the tariff
19 customers share from the contract tariff customers. Line 6 of Exhibit No. 4 is the
20 Idaho tariff load and line 7 is for the tariff contract customers. Line 7 will be zero
21 until January 1, 2011 because tariff contract loads are not subject to any ECAM
22 surcharges/sur-credits until January 1, 2011.

¹ Start up fuel is accounted for separately 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 the determination of both Base NPC and Actual NPC.

1 **Q. Why isn't the Company proposing to defer the net power costs associated**
2 **with the two tariff contract customers prior to January 1, 2011?**

3 A. In Case No. PAC-E-07-05, the Commission approved as part of the overall
4 stipulation an energy service agreement with specific planned rate increases for
5 these customers through December 31, 2010. The Company agreed not to
6 increase these customers' rates outside this service agreement before January 1,
7 2011 and is not proposing any modifications to that rate plan in this ECAM
8 application. Initially these two tariff contract customer's load will be excluded
9 from Idaho's load when calculating the NPC deferral. The tariff contract
10 customers' loads will be included in the ECAM cost deferral calculation
11 beginning January 1, 2011 (the rate plan expires December 31, 2010), and would
12 be subject to the ECAM rate from that date forward. If the ECAM is approved,
13 any balance at December 31, 2010 would be isolated from the balance calculated
14 beginning January 1, 2011 to assure these contract tariff customers have no
15 impact of the ECAM deferral prior to the end of the service agreement.

16 **Q. How would the Base NPC rate be calculated?**

17 A. Base NPC would be determined and approved in a general rate case proceeding
18 based on total company net power costs. Initially, Base NPC of \$982 million as
19 stipulated to and approved in Order No. 30783 from Case No. PAC-E-08-07 will
20 be used for the ECAM, until re-set in the next general rate case. The monthly net
21 power costs from the most recent general rate case will be divided by the monthly
22 normalized load used to determine those net power costs to express the costs on a
23 dollar per megawatt-hour basis.

1 **Q. How is the Actual NPC rate calculated?**

2 A. Actual NPC will be calculated using all components of net power costs as
3 traditionally defined in the Company's general rate cases. The actual monthly
4 system NPC will be divided by the system load for that month to calculate the
5 Actual NPC dollars per megawatt-hour rate (shown on lines 2 through 4 of
6 Exhibit No. 4) and that rate is then compared to the Base NPC rate to determine
7 the NPC differential (shown on line 5 of Exhibit No. 4).

8 **Q. Do Actual NPC include adjustments prior to the comparison with Base
9 NPC?**

10 A. Yes. The types of adjustments that will be made to Actual NPC would be (1) the
11 removal of prior period accounting entries and (2) the addition of applicable
12 Commission-adopted adjustments reflected in the most recent general rate case to
13 make the Actual NPC consistent with the Base NPC. Actual NPC will not be
14 adjusted for hydro conditions and forced outages because they give rise to the
15 fluctuations in net power costs that the ECAM is designed to capture. Actual
16 NPC will be subject to review by the Commission, staff, and other parties
17 annually when the Company files its applications for recovery of the deferred
18 NPC.

19 **Q. What deferral period will be used in the ECAM?**

20 A. The ECAM deferral period will be December 1 through November 30, with an
21 application to adjust the ECAM Rate to refund or collect the ECAM deferral
22 balance from the prior year filed with the Commission by the Company on
23 February 1. Parties and Commission staff would then review the application, and

1 assuming the application is approved, the ECAM rate would then be updated
2 annually and would be effective April 1.

3 **Q. What will the deferral period be for the first year of the ECAM?**

4 A. The Parties agreed that the ECAM would be effective July 1, 2009, provided that
5 the Commission issues an order approving the Stipulation. Therefore the initial
6 deferral period will be July 1 through November 30, 2009.

7 **Q. In addition to the comparison of Actual to Base net power costs what other
8 components are included in the ECAM?**

9 A. There are two additional components included in the ECAM, a Load Growth
10 Adjustment Rate (LGAR) and a credit for any SO2 allowance sales.

11 **Q. Please describe your understanding of the purpose of the Load Growth
12 Adjustment Rate (LGAR), its calculation, and how it impacts the ECAM.**

13 A. The LGAR is a symmetrical adjustment to offset any over or under collection of
14 the Company's production related revenue requirement due to variances in Idaho
15 load. The LGAR has typically been calculated by dividing the total Company
16 production revenue requirement from the most recent general rate case by system
17 load from that case to produce the dollars per megawatt-hour rate. A component
18 of the Company's production related revenue requirement is NPC. Rocky
19 Mountain Power's ECAM differs from Idaho Power and Avista's PCA
20 mechanisms in that the Company's ECAM is calculated using dollars per
21 megawatt-hour differential between Base NPC and Actual NPC. This calculation
22 subtracts the base dollars per megawatt-hour rate established in a general rate case
23 from the actual dollars per megawatt-hour NPC expense incurred to serve

1 customers. Therefore, the ECAM excludes the base net power costs collected in
2 rates from any load growth or decline leaving only the incremental increase or
3 decrease in NPC. Including NPC expense in the calculation of the LGAR for
4 Rocky Mountain Power would adjust these costs twice, once through the NPC
5 differential and again through the LGAR. Therefore based on the Company's
6 ECAM design it is necessary to exclude NPC from the production related revenue
7 requirement when calculating the LGAR. The Parties agree that a symmetrical
8 LGAR of \$17.48 per megawatt-hour will be applied to the incremental load from
9 the base load established in Case No. PAC-E-08-07, and that the LGAR and base
10 load will be updated each time base NPC are updated in a general rate case.

11 The load growth adjustment is calculated by subtracting Idaho's Base Load which
12 is the load from the most recent general rate case (shown on line 9 of Exhibit No.
13 4), from Actual Idaho load (shown on lines 6 and 7 of Exhibit No. 4). The
14 difference (on line 10) is multiplied by the LGAR of \$17.48 (on line 11) and the
15 product is the load growth adjustment (on line 12).

16 **Q. How are SO2 sales treated in the ECAM?**

17 A. The Parties agree that SO2 sales made after June 30, 2009 will be included as an
18 offset to the ECAM deferral. The Parties further agree that sales made prior to
19 such date will continue to be amortized over fifteen years consistent with current
20 practice as reflected in Case No. PAC-E-06-04 (Larson Direct Testimony, Exh. 1,
21 pp. 3.6 and 3.6.1).

22 Line 13 of Exhibit No. 4 of the ECAM template would contain total Company
23 SO2 sales (line 14 is Idaho's SE percentage from the last general rate case). A

1 multiplication of line 13 by line 14 produces Idaho's allocation of the SO2 sales.
2 Line 16, Idaho Tariff customer percentage, is calculated by dividing line 6, Idaho
3 tariff load by total Idaho load. Line 17, Idaho SO2 offset, is calculated by
4 multiplying line 15 by line 16.

5 Line 18 is the sum of the NPC differential for deferral on line 8 plus the load
6 growth adjustment revenues on line 12 and the SO2 sales from line 17.

7 **Q. Does the ECAM have a sharing band?**

8 A. Yes. The Parties agree that the ECAM will include a symmetrical sharing band
9 wherein when there is a difference between Actual NPC and Base NPC,
10 customers pay, if there is an increase in NPC, or receive, if there is a decrease in
11 NPC, 90 percent of the difference, and the Company is responsible for the
12 remaining 10 percent. Line 19 of Exhibit No. 4 is the 90 percent customer's
13 sharing ratio of the symmetrical sharing band and line 20 is customer's share of
14 line 18 NPC deferral. The Company's absorption of 10 percent of the differential
15 is one of the customer benefits from this mechanism.

16 **Q. Does the ECAM Stipulation contain an agreement to account for the impact
17 of new renewable resources not yet in rates?**

18 A. Yes. The Parties recognize that the Company has made significant investment in
19 renewable generation projects that are not yet being recovered in Idaho rates and
20 that these projects provide significant benefits to customers through the ECAM.
21 Therefore, from the effective date of the ECAM to the effective date of rates in
22 the next rate case, the Parties agree that the ECAM will include a renewable
23 generation investment offset adjustment. The adjustment recognizes that actual

1 NPC have been reduced by power generated from these renewable generation
2 projects, but that the costs of these projects are not yet being recovered in Idaho
3 rates. The adjustment will be based on \$55.00 per megawatt-hour, as calculated
4 in Exhibit No. 5, attached hereto, multiplied by the actual megawatt-hour output
5 generated by the renewable resources that were not included in rate base in Rocky
6 Mountain Power's Case No. PAC-E-08-07. This calculation occurs on lines 21
7 through 23 with the Idaho allocation calculated on lines 24 through 27.

8 In recognition for and as a result of the implementation of the ECAM with an
9 adjustment for renewable generation projects not yet in rate base as specified
10 above, the Company agrees not to file a general rate case prior to May 1, 2010.
11 This rate stability and assurance of no rate increase prior to April 1, 2010, the
12 effective date of the ECAM rate, is another key customer benefit.

13 **Q. Please explain the balancing account and the calculation of the ECAM rate.**

14 A. The balancing account and ECAM surcharge rate serve as a true-up mechanism to
15 recover or credit the differences between Base NPC and Actual NPC. On a
16 monthly basis, the Company will calculate Idaho's NPC differential, load growth
17 adjustment, SO2 sales, and the renewable resource adder. These amounts will be
18 deferred in the balancing account. The monthly under or over recovery will
19 accumulate in the balancing account and accrue a carrying charge equal to the
20 Commission's most recently approved customer deposit rate. On an annual basis
21 the cumulative deferred balance in the balancing account will be converted to a
22 Schedule 94 ECAM rate expressed on a cents per kilowatt-hour basis for
23 projected Idaho sales for the next twelve months of the ECAM recovery period.

1 **Q. Has the Company provided a copy of Schedule 94?**

2 A. No. As noted in item 11 of the Stipulation the Company is working with the other
3 Parties to the Stipulation to design rates that reflect line losses and distinguish
4 between transmission, primary and secondary voltage delivery service. On
5 February 1, 2010 the Company will file an application with the Commission that
6 will include the ECAM deferred account balances at November 30, 2009 with
7 proposed rates by customer class for Commission approval.

8 **Q. When will the Company reconcile the ECAM deferral and rate recovery and
9 update the ECAM rates?**

10 A. The Company proposes to file annual ECAM reconciliations and updated rates on
11 February 1 with a new ECAM rate effective April 1. The first application
12 addressing a deferred amount in the balancing account would be made February
13 1, 2010 with rates effective April 1, 2010.

14 **Q. Does the ECAM Stipulation specify any additional issues?**

15 A. Yes. There are two additional issues specified in the Stipulation. First, the
16 Company agrees to hold a risk management hedging seminar to educate Parties
17 about the Company's risk management practices and hedging strategies. Second,
18 the Parties agreed that the Company's filed Case No. PAC-E-08-07 included an
19 annual level of amortization of three regulatory liabilities for the West Valley
20 lease, administrative and general expense merger commitment, and the gain on
21 the sale of the Goose Creek transmission line which reduced the revenue
22 requirement used in establishing the current base rates. The current rates will
23 continue until new rates are set at the end of 2010 or later and, as a result,

1 customers continue to receive the benefit of the amortization in rates until that
2 time. As of December 31, 2010, an unamortized balance of \$156,434 for the
3 Goose Creek sale will remain on the Company's books and records. The
4 Stipulation specifies that upon Commission approval thereof, the Company will
5 credit the ECAM deferral for the Goose Creek sale in the amount of \$156,434.
6 Accordingly, the Parties agree that the Company can write-off the remaining
7 balances of these regulatory liabilities.

8 **Conclusion**

9 **Q. Is it the Company's position that the Stipulation represents a fair, just and**
10 **reasonable compromise of the issues and is in the public interest?**

11 A. Yes. The Stipulation as filed contains a symmetrical sharing band, a LGAR, SO2
12 sales credit, renewable resource adder, and a commitment from the Company not
13 to file a general rate case before May 1, 2010. The ECAM will send better price
14 signals to customers of the cost of power by adjusting their rates on a more
15 current basis while continuing to provide an incentive to the Company to actively
16 control NPC. The ECAM will provide an opportunity for interested parties to
17 review and provide input on one of the Company's main cost drivers.

18 **Q. Does this conclude your direct testimony?**

19 A. Yes.

RECEIVED

2009 JUL 30 AM 10: 20

IDAHO PUBLIC
UTILITIES COMMISSION

Case No. PAC-E-08-08

Exhibit No. 4

Witness: J. Ted Weston

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of J. Ted Weston

July 2009

Idaho ECAM Deferral (PAC-E-08-08)

Line No.		Jan-09	Feb-09	Mar-09	Apr-09	May-09
1	Base NPC Rate (\$/MWh) - See footnote #1 below	14.48	13.89	11.44	18.23	15.93
2	Total Company Adjusted Actual NPC (\$)	72,935,924	72,605,090	69,405,416	68,614,088	75,450,101
3	Actual Retail Load (MWh)	5,255,917	4,579,857	4,700,251	4,254,657	4,424,642
4	Actual NPC (\$/MWh) Line 4 = Line 2 / Line 3	13.88	15.85	14.77	16.13	17.05
5	NPC Differential \$/MWh Line 5 = Line 4 - Line 1	(0.60)	1.96	3.32	(2.10)	1.13
6	Actual Idaho Tariff Load (MWh)	160,260	137,083	132,778	116,526	189,202
7	Actual Idaho Tariff Contract Load (MWh) - See footnote #2 below					
8	NPC Differential for Deferral (\$) Line 8 = Line 5 * Lines 6+7	(95,981)	269,163	441,421	(244,989)	213,204
9	Base Load - (1) See footnote below	147,983	135,627	134,939	112,794	194,884
10	Difference Base Load to Actual Load Line 10 = Line 6 + Line 7 - Line 9	12,277	1,456	(2,161)	3,732	(5,682)
11	Load Growth Adjustment Rate (\$/MWH)	\$17.48	\$17.48	\$17.48	\$17.48	\$17.48
12	Load Growth Adjustment Revenues Line 12 = Line 10 x Line 11	(214,600)	(25,444)	37,767	(65,239)	99,328
13	SO2 Allowances Sales	(194,500)	0	0	(173,141)	0
14	Idaho SE Factor	6.5865%	6.5865%	6.5865%	6.5865%	6.5865%
15	Idaho Allocation Line 15 = Line 13 x Line 14	(12,811)	0	0	(11,404)	0
16	Idaho Tariff Customers Percent	57.9757%	54.1625%	56.1032%	55.5323%	70.5349%
17	Idaho SO2 Offset Line 17 = Line 15 x Line 16	(7,427)	0	0	(6,333)	0
18	Total NPC Differential + LGA + SO2 Line 18 = Line 8 + Line 12 + Line 17	(318,008)	243,719	479,189	(316,560)	312,532
19	Customer / Company Sharing ratio	90.00%	90.00%	90.00%	90.00%	90.00%
20	Customer / Company Sharing (90/10) Line 20 = Line 18 x Line 19	(286,207)	219,347	431,270	(284,904)	281,279
21	Renewables Generation (MWhs)	57,331	92,104	94,253	55,653	64,961
22	Renewable Adder Rate per MWh	\$55.00	\$55.00	\$55.00	\$55.00	\$55.00
23	Total Renewable Resources Adder Line 23 = Line 21 x Line 22	3,153,205	5,065,720	5,183,915	3,060,915	3,572,855
24	Idaho SG Factor	6.0479%	6.0479%	6.0479%	6.0479%	6.0479%
25	Idaho Allocation Line 25 = Line 23 x Line 24	190,703	306,370	313,518	185,121	216,083
26	Idaho Tariff Customers Percent	57.9757%	54.1625%	56.1032%	55.5323%	70.5349%
27	Renewable Resources Adder Line 27 = Line 25 x Line 26	110,561	165,937	175,894	102,802	152,414
28	Recovery of Deferred Balances					
29	Deferred Balance (\$)					
30	Projected Retail Sales (MWh)					
31	ECAM Surcharge Rate (\$/MWh) Line 31 = Line 29 / Line 30					
32	Actual Idaho Tariff Sales (MWh)					
33	Actual Tariff Contract Sales (MWh)					
34	Recovery of Deferral (\$) Line 34 = Line 31 * Lines 32+33					
35	Balancing Account (\$)					
36	Beginning Balance		(175,793)	209,520	817,539	636,647
37	Incremental Deferral	(286,207)	219,347	431,270	(284,904)	281,279
26	Renewable Resources Adder	110,561	165,937	175,894	102,802	152,414
27	Recovery Adjustment Line 27 = -Line 34					
29	Regulatory Liability Write-off (Un-Amortized Balance at Jan 2010)					
30	Interest	(146)	28	855	1,211	1,422
31	Ending Balance (\$)	(175,793)	209,520	817,539	636,647	1,071,763
32	Interest Rate	2.00%	2.00%	2.00%	2.00%	2.00%

(1) Base NPC Rate and Load from Case No. PAC-E-08-07 \$982 million
 (2) Customers served under tariff contracts 400 and 401 are not impacted by the ECAM until January 1, 2011.

RECEIVED

2009 JUL 30 AM 10: 20

IDAHO PUBLIC
UTILITIES COMMISSION

Case No. PAC-E-08-08

Exhibit No. 5

Witness: J. Ted Weston

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of J. Ted Weston

July 2009

1) Market Price Forecast for Mid-Columbia and Palo Verde.

Source: Company's Official Forward Price Curve dated 3/31/2009

Month	Mid-C	PV	Mid-C/PV Average
Jul 2009	\$ 31.28	\$ 37.03	\$ 34.15
Aug 2009	\$ 36.54	\$ 37.00	\$ 36.77
Sep 2009	\$ 33.08	\$ 30.88	\$ 31.98
Oct 2009	\$ 32.41	\$ 28.42	\$ 30.41
Nov 2009	\$ 36.04	\$ 28.56	\$ 32.30
Dec 2009	\$ 45.16	\$ 32.08	\$ 38.62
Jan 2010	\$ 49.89	\$ 38.69	\$ 44.29
Feb 2010	\$ 43.03	\$ 36.70	\$ 39.86
Mar 2010	\$ 35.54	\$ 34.10	\$ 34.82
Apr 2010	\$ 34.32	\$ 38.15	\$ 36.24
May 2010	\$ 24.93	\$ 35.81	\$ 30.37
Jun 2010	\$ 23.46	\$ 40.81	\$ 32.13
Jul 2010	\$ 44.10	\$ 53.66	\$ 48.88
Aug 2010	\$ 50.17	\$ 54.51	\$ 52.34
Sep 2010	\$ 49.16	\$ 47.02	\$ 48.09
Oct 2010	\$ 48.30	\$ 40.67	\$ 44.48
Nov 2010	\$ 49.05	\$ 39.74	\$ 44.40
Dec 2010	\$ 51.37	\$ 41.67	\$ 46.52
Average	\$ 39.88	\$ 38.64	\$ 39.26

2) Idaho Schedule 37 prices for Wind Resources.

Contract Year	Non-Levelized Rates (1)	Wind Integration Charge (2)	Wind Resource Rate (1) - (2)
2009	\$ 76.73	\$ 5.10	\$ 71.63
2010	\$ 75.83	\$ 5.10	\$ 70.73
		Average*	\$ 71.03

*Weighted average for the period 7/1/09 - 12/31/10

3) The resultant average cost per megawatt of wind generation is calculated as an average of 1&2 above.

$$\text{Average} = \frac{(\$39.26 / MWh + \$71.03 / MWh)}{2} = \boxed{\$55}$$