

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-10-01
POWER FOR AUTHORITY TO)	
IMPLEMENT POWER COST ADJUSTMENT)	NOTICE OF APPLICATION
RATES FOR ELECTRIC SERVICE FROM)	
APRIL 1, 2010 THROUGH MARCH 31, 2011)	NOTICE OF
THROUGH THE ENERGY COST)	MODIFIED PROCEDURE
ADJUSTMENT MECHANISM)	
)	NOTICE OF
)	COMMENT/PROTEST DEADLINE
)	
)	NOTICE OF REPLY DEADLINE

YOU ARE HEREBY NOTIFIED that on February 1, 2010, PacifiCorp dba Rocky Mountain Power (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to implement a power cost adjustment to rates for all customer classes excluding tariff contract customers (Monsanto Company and Agrium, Inc.).¹ The proposed power cost adjustment is calculated pursuant to an Energy Cost Adjustment Mechanism (ECAM) approved by the Commission on September 29, 2009 in Case No. PAC-E-08-08, Order No. 30904. The energy cost adjustment is calculated to collect or credit the accumulated difference between total Company base net power costs (Base NPC) collected from Idaho customers through rates and total Company actual net power costs (Actual NPC) incurred to serve customers in Idaho calculated on a cents-per-kilowatt-hour basis. The initial deferral period was July 1, 2009 through November 30, 2009. The Company is proposing to recover approximately \$2.2 million in total deferred net power costs. The energy cost adjustment is set forth in a new electric service Schedule No. 94. The proposed effective date is April 1, 2010.

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 production dispatch model GRID. The mechanism addresses only power cost expenses and does not include any

¹ Tariff contract loads (Monsanto and Agrium) are not subject to any ECAM surcharges/credits until January 1, 2011. Reference Case No. PAC-E-07-05, Order No. 30482.

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costs associated with fixed-cost recovery, i.e., capital investment in rate base. Specifically, base and actual NPC will include costs typically booked to the following Federal Energy Regulatory Commission (FERC) accounts.

Account 447 – Sales for resale, excluding on-system wholesale sales and other revenues that are not modeled in GRID.

Account 501 – Fuel, steam generation, excluding fuel handling, start-up fuel/gas,² diesel fuel, residual disposal and other costs that are not modeled in GRID.

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 (wheeling).

In addition to the comparison of actual NPC to base NPC, the ECAM includes three additional components: The load growth adjustment rate (LGAR) revenues, a credit for SO2 allowance sales, and a renewable resource adder. The ECAM also includes a symmetrical sharing band of 90% (customers)/10% (Company) that shares the NPC differential between actual NPC and base NPC, SO2 sales and LGAR revenues between the customers and the Company.

Pursuant to the ECAM, a renewable resources adder recognizes that the Company has made significant investments in renewable generation projects that are not yet being recovered in Idaho rates, even though these projects provide significant benefits to customers. Specifically, the adjustment recognizes that actual NPC were reduced by power generated from these renewable generation projects. Pursuant to Commission Order No. 30904, the Commission approved a renewable resource adjustment of \$55 per megawatt-hour (MWh) multiplied by the actual MWh output generated by the renewable resources that were not included in rate base in Case No. PAC-E-08-07.

² Start-up fuel is accounted for separately from the primary fuel for steam-powered 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.

The components making up the deferred ECAM balance are reflected in the following table:

NPC Differential for Deferral	\$ 121,504
LGAR	1,499,793
SO2	<u>(120,562)</u>
Total	\$1,500,735
	90%
Customer Responsibility	\$1,350,662
Renewable Resource Adder	811,412
Interest	<u>8,022</u>
Total Company Recovery	\$2,170,096

The proposed Schedule 94 energy cost adjustment will have the following rate impacts:

Residential Customers – an increase of 1.29%, i.e., approximately \$0.91 per month for the average residential home using 850 kWh per month.

Irrigation Customers (Schedule 10): 1.55% increase

General Service

Schedule 23/23A: 1.34% increase

Schedule 6/6A/8/35: 1.70% increase

Schedule 9: 2.13% increase

Schedule 19: 1.57% increase

Public Street Lighting

Schedules 7/7A, 11, 12: 0.46% increase

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. PAC-E-10-01. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to PacifiCorp's Application and the use of Modified Procedure in Case No. PAC-E-10-01 is **Wednesday, March 10, 2010**.

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YOU ARE FURTHER NOTIFIED that the deadline for filing the Company reply to written comments or protests filed in Case No. PAC-E-10-01 is Wednesday, March 17, 2010.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. PAC-E-10-01 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Ted Weston
Idaho Regulatory Affairs Manager
Rocky Mountain Power
201 S. Main, Suite 2300
Salt Lake City, UT 84111
E-mail: ted.weston@pacificorp.com

Yvonne R. Hogle
Senior Counsel
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E-mail: Yvonne.hogle@pacificorp.com

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to PacifiCorp at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. PAC-E-10-01 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W.

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Washington Street, Boise, Idaho and at the Idaho offices of PacifiCorp dba Rocky Mountain Power, located in Rexburg, Preston, Shelley and Montpelier, Idaho.

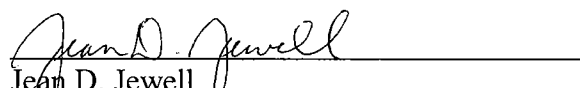
DATED at Boise, Idaho this 12th day of February 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bls/O:PAC-E-10-01_sw

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