

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC-E-10-07
POWER FOR APPROVAL OF CHANGES TO)
ITS ELECTRIC SERVICE SCHEDULES) NOTICE OF APPLICATION
)
) NOTICE OF
) INTERVENTION DEADLINE

On May 28, 2010, PacifiCorp dba Rocky Mountain Power (RMP; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the Company's base rates for electric service. The Commission herein provides notice of the Application and establishes a deadline for interested persons to intervene as parties.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on May 28, 2010, PacifiCorp dba Rocky Mountain Power (RMP; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to change its electric service schedules to reflect a proposed revenue increase of \$27.7 million, or 13.7%.

RMP serves more than 70,000 customers in southeastern Idaho. The Company provides electric service to more than 1,000,000 customers in Utah, Wyoming and Idaho. The Company owns more than 10,000 megawatts of generation from coal, hydro, natural gas-fueled combustion turbines and renewable wind and geothermal power. The proposed increase is based upon normalized results of operations for the test period ending December 31, 2009, with known and measurable changes.

The Company requests a return on equity (ROE) of 10.6% and contends that it is presently earning a ROE of only 5.7%. Without the requested increase in revenues, RMP contends that it will be increasingly difficult for the Company to maintain its utility infrastructure and continue to provide adequate, efficient, just and reasonable service to its Idaho customers. PacifiCorp contends that it is in the midst of a multi-year program of investing in renewable energy, transmission facilities and environmental controls to serve its customers in Idaho and across its six-state system. At a total Company level, the test period includes over \$4 billion of new plant investment and \$87 million in increased power costs.

Presented in this case is a class cost of service study that functionalizes, classifies, and allocates cost to each customer class based on the test year in the Company's filing. Guided by its cost of service study the Company proposes to allocate the net price increase for major customer classes as follows:

- Residential Schedule 1: 8.0%
- Residential Schedule 36: 15.6%
- General Service:
 - Schedule 23/23A: 10.8%
 - Schedule 6/6A/35/35A: 14.9%
 - Schedule 9: 14.6%
 - Schedule 19: 12.0%
- Irrigation Schedule 10: 9.6%
- Public Street Lighting: 0%
- Industrial Contract Schedule 400 (Monsanto): 19.6%
- Industrial Contract Schedule 401 (Nu-West): 15.9%

These changes are intended to bring all customer prices closer to the actual cost to serve them.

Schedule 1 – Residential

For Residential Schedule 1 customers, the Company proposes a seasonally differentiated two-tiered inverted block pricing structure for energy use and a \$12 per month fixed customer service charge. The first energy block in each season will apply to usage for the first 800 kWh per month. Currently residential customers served on Schedule 1 pay a flat, seasonally differentiated energy charge applied equally to all kilowatt hours. Under the existing rate design a monthly minimum charge also applies.

As a result of the proposed two-block inverted structure, the average Idaho residential customer using 839 kWh year-round will see an average rate increase of only \$.84 per month, or 1% per month overall. Larger users with more discretionary usage will see substantially larger increases. The Company believes that this rate design balances cost recovery, fairness, and provides customers price signals concerning the higher costs of increasing energy usage.

Schedule 36 – Residential (Optional Time of Day)

For time-of-use Residential Schedule 36 customers, the Company proposes to retain the existing rate structure and to apply increases to both the customer service charge and to the on-and-off peak energy charges. Even with these changes, the Company maintains that customers on Schedule 36 will continue to benefit from the time-of-use rate design. If the

Company's proposed rates are approved as filed, the average rate for a time-of-use customer will be 1.35¢ per kWh lower than the average rate for Schedule 1 residential customers.

The revised tariff schedules proposed by the Company reflect an effective date of June 28, 2010. Tariff Schedules 400 (Monsanto) and 401 (Nu-West) will remain unchanged pursuant to special contract with existing service rates through year-end 2010. The proposed effective date was suspended by the Commission in Order No. 32001.

YOU ARE FURTHER NOTIFIED that RMP's intrastate revenue requirement, and every component of it, both rate base and expense, are at issue. The Commission may grant, deny, or modify the revenue requirement requested and may find that a revenue requirement different from that proposed by any party is just, fair and reasonable. IDAPA 31.01.01.124.01.

YOU ARE FURTHER NOTIFIED that the rates and charges for all RMP's retail customers, both recurring and non-recurring, are at issue, and every component of every existing and proposed rate and charge is at issue. The Commission may approve, reject or modify the rates and charges proposed and may find that rates and charges different from those proposed by any party are just, fair and reasonable. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may approve, reject or modify existing or proposed relationships between and among rates and charges within, between or among customer classes or rate groupings and may approve, reject or modify existing or proposed relationships among and between customer classes or rate groupings. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the Commission may abolish, reduce or create rate blocks or categories of rates and charges; abolish, create or reduce components of rates and charges; abolish, reduce or create customer classes or rate groupings; and abolish, reduce or create absolute or relative differences among and between existing classes or rate groupings of customers. IDAPA 31.01.01.124.02.

YOU ARE FURTHER NOTIFIED that the tariffs, practices, rules and regulations, service, instrumentalities, equipment, facilities, classifications and customer relations of the utility are at issue, and the Commission may address any of them in its Order. IDAPA 31.01.01.124.02.

INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in Case No. PAC-E-10-07 for the purpose of becoming a party, i.e., to present evidence, to acquire rights of cross-examination, to participate in settlement or negotiation conferences, and to make and argue motions must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072 and .073. Persons desiring to acquire intervenor rights of participation **must file a Petition to Intervene on or before Friday, June 30, 2010**. Persons desiring intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate future communications in this matter.

YOU ARE FURTHER NOTIFIED that a prehearing conference in Case No. PAC-E-10-07 will not be calendared if the only purpose is to schedule dates for public workshops, testimony prefile and hearings. Petitioners requesting to intervene shall identify in their Petition any issues, other than scheduling, that require a prehearing conference. If no issues are identified a prehearing conference will not be calendared and the parties will develop a schedule for processing this case.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding. IDAPA 31.01.01.230.

YOU ARE FURTHER NOTIFIED that persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that discovery is available pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.221-234.

YOU ARE FURTHER NOTIFIED that the Company's Application, testimony, exhibits and workpapers in Case No. PAC-E-10-07 can be reviewed during regular business hours at the Commission's office in Boise, Idaho and at the following Idaho offices of Rocky Mountain Power:

25 East Main, Rexburg, Idaho

509 South 200 East, Preston, Idaho

852 East 1400 North, Shelley, Idaho

24852 U.S. Highway 89, Montpelier, Idaho

The Application is also available for public inspection on the Commission's website at www.puc.idaho.gov under the "File Room" and "Electric Cases."

YOU ARE FURTHER NOTIFIED that the following persons are designated as RMP's representatives in this matter:

Ted Weston
Rocky Mountain Power
201 S. Main Street, Suite 2300
Salt Lake City, UT 84111
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Daniel Solander
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YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, specifically *Idaho Code* §§ 61-502, 61-503, 61-507, 61-520, 61-523, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted according to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all hearings and any prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
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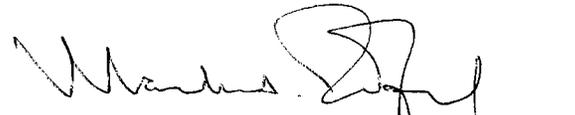
DATED at Boise, Idaho this

10th

day of June 2010.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bls/N:PAC-E-10-07_sw