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

May 27, 2011

2011 MAY 27 AM 10: 29

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-11-12
In the Matter of the Application of Rocky Mountain Power for Approval of Changes to its Electric Service Schedules and a Price Increase of \$32.7 Million, or Approximately 15.0 Percent

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, summary of testimony, testimony and exhibits, customer notice and press release; and a confidential CD containing confidential 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 regarding this Application should be addressed to:

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

Daniel E. Solander
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4014
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

Mark C. Moench, *Pro Hac Vice*
Daniel E. Solander, *Pro Hac Vice*
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Telephone: (801) 220-4014
Email: mark.moench@pacificorp.com
daniel.solander@pacificorp.com

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UTILITIES COMMISSION

Paul J. Hickey, *Pro Hac Vice*
Hickey & Evans, LLP
1800 Carey Avenue, Suite 700
P.O. Box 467
Cheyenne, WY 82003-0467
Telephone No. 307-634-1525
Facsimile No. 307-638-7335
Email: phickey@hickeyevans.com

Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF ROCKY)	CASE NO. PAC-E-11-12
MOUNTAIN POWER FOR)	
APPROVAL OF CHANGES TO ITS)	APPLICATION OF
ELECTRIC SERVICE SCHEDULES)	ROCKY MOUNTAIN POWER
AND A PRICE INCREASE OF \$32.7)	
MILLION, OR APPROXIMATELY)	
15.0 PERCENT)	

Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”) hereby applies to the Idaho Public Utilities Commission (“Commission”) for approval of proposed changes to the Company’s electric service schedules 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 72,400 customers in

the state of Idaho and is subject to the jurisdiction of the Commission. Rocky Mountain Power is a public utility in the state of Idaho pursuant to Idaho Code § 61-129.

2. Communications regarding this Application should be addressed to:

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

and to:

Paul J. Hickey, *Pro Hac Vice*
Hickey & Evans, LLP
1800 Carey Avenue, Suite 700
P.O. Box 467
Cheyenne, WY 82003-0467
Telephone No. 307-634-1525
Facsimile No. 307-638-7335
Email: phickey@hickeyevans.com

and to:

D. Matthew Moscon
Stoel Rives LLP
201 South Main Street, Suite 1100
Salt Lake City, UT 84111
Phone: (801) 328-3131
Fax: (801) 578-6999
Email: mmoscon@stoel.com

Idaho Public Utilities Commission

May 27, 2010

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

Very truly yours,

Handwritten signature of Jeffrey K. Larsen in cursive, followed by the initials "TW" in a similar style.

Jeffrey K. Larsen
Vice President, Regulation

cc: Service List

Enclosures

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 revised tariff schedules, which are filed with this Application, would result in a net increase of \$32.7 million, or 15.0 percent on average, in prices for the Company's Idaho retail customers. The revised tariff schedules reflect a proposed effective date of June 27, 2011.

4. The Company's requested rate increase is based on a test year that covers the period of January 1, 2010, through December 31, 2010, with known and measurable adjustments through calendar year 2011. The Company expects to earn a return on equity ("ROE") of 5.3 percent during the test period, which is significantly below the Company's currently authorized return, the returns authorized for other Idaho investor-owned utilities, and the 10.5 percent ROE supported by the Company's testimony filed with this Application. Without the requested increase in revenues, it will be increasingly difficult for the Company to maintain its utility infrastructure and continue to provide adequate and efficient service to its Idaho customers.

5. The major factor for the requested revenue increase is an increase in net power costs, which represents approximately 51 percent of the requested additional revenue. Total Company net power costs have increased \$287 million above the costs currently included in customers' rates. The increase is driven by a range of factors, including increased

load, changes in the Company's portfolio of wholesale purchase and sales contracts, and increases in coal costs.

6. Capital additions are also a significant factor in the need for an increase in revenues, representing approximately 31 percent of the increase.

7. Incremental operating costs associated with added generation and environmental facilities require an increase in operation and maintenance expense to ensure proper plant operations, and represent approximately 17 percent of the increase. This Application includes the investments, costs, and benefits of the Company's activities during the test period, and reflects other changes in costs during that period.

8. Rocky Mountain Power's direct case consists of the testimony and exhibits of fourteen witnesses. Below is a brief summary of their testimony.

- (a) A. Richard Walje, President, Rocky Mountain Power, will present an overview of the Company's justification for its case, identify the major capital investment the Company is making to serve its customers, the cost control efforts the Company is undertaking to minimize rate impact on customers, and introduce other witnesses.
- (b) Steven R. McDougal, Director, Revenue Requirement, will present the Company's overall revenue requirement based on the forecasted results of operations for the test year. In addition, Mr. McDougal will explain why the test year that begins on January 1, 2010, and ends on December 31, 2010, with known and measurable adjustments through calendar year 2011 best reflects the conditions that the Company expects to experience in the rate effective period.

- (c) Bruce N. Williams, Vice President and Treasurer, will testify in support of the Company's cost of debt, preferred stock and capital structure.
- (d) Samuel C. Hadaway, FINANCO, Inc., will testify in support of the Company's requested rate of return on equity. He will also describe the significant changes in the capital markets that affect Rocky Mountain Power. Dr. Hadaway's analysis suggests a rate of return on equity for the Company of 10.5 percent.
- (e) Cathy S. Woollums, Senior Vice President of Environmental Services and chief environmental counsel for MidAmerican Energy Holdings Company, will testify to the prudence of the Company's pollution control expenditures for coal-fired power generation plants.
- (f) Chad A. Teply, Vice President of Resource Development and Construction for PacifiCorp Energy, will testify regarding the prudence of generation plant capital investments being placed in service and associated incremental operation and maintenance costs during the test period.
- (g) Darrell T. Gerrard, Vice President of Transmission Planning, will explain and support the major capital investments in the Company's transmission system. He explains the primary drivers creating the need for these projects, and describes the benefits to customers and the electrical system overall. Mr. Gerrard will also provide additional information supporting rate recovery of the entire investment in the Populus to Terminal line.
- (h) Gregory N. Duvall, Director of Net Power Costs, will testify regarding the Company's net power costs, describe the key changes that occur in the test

period, and sponsor the GRID model that supports the net power costs in this application. In addition, Mr. Duvall will address the specific issues related to the GRID model described in the Commission's Order No. 32196 in the Company's 2010 general rate case.

- (i) Cindy A. Crane, Vice President, Interwest Mining Company and Fuel Resources for PacifiCorp Energy, will explain the Company's overall approach to providing the coal supply for the Company's coal plants.
- (j) Erich D. Wilson, Director, Human Resources, will provide an overview of the compensation and benefit plans provided to employees at the Company and support the costs related to these areas included in the test period.
- (k) Paul H. Clements, Originator/Power Marketer for PacifiCorp Energy, will summarize the status of the Company's efforts to enter into a long-term contract with Monsanto for curtailment products and offer an update to the curtailment valuation based on current conditions.
- (l) Barbara A. Coughlin, Director of Customer and Regulatory Liaison, will summarize the progress the Company has made working with Commission staff on the miscellaneous consumer and customer service issues and present the Company's position on low income weatherization assistance as directed by the Commission in Case No. PAC-E-10-07.
- (m) C. Craig Paice, regulatory consultant in the pricing and cost of service department will present the Company's class cost of service study.

(n) William R. Griffith, director of pricing, cost of service, and regulatory operations, will present the Company's rate spread and rate design proposals that determine the prices customers will see.

6. Rocky Mountain Power is notifying its customers of this Application by means of a press release sent to local media organizations, bill inserts included in customer bills over the course of a billing cycle, and, in some cases, personal contact with customers or their representatives. In addition, copies of this Application will be made available for review at the Company's local offices in its Idaho service territory.

7. In accordance with Commission Rule 121(e), (f), and (g) Rocky Mountain Power represents that the Application provides testimony with supporting exhibits, along with any associated workpapers or documentation showing how test year data was adjusted. In addition, cost of capital, revenue requirement, net power costs, cost of service and rate design studies and associated models are included with this Application. The Company respectfully requests that the Commission require intervening parties to provide any models and workpapers used to prepare their positions concurrently with the filing of testimony in this Case. In addition, the Company requests that intervening parties be required to comply with identical discovery timelines imposed by the Commission in any scheduling or procedural orders in this Case. Unless otherwise ordered by the Commission, in accordance with Commission Rule 63, the Company will serve discovery responses on any intervening parties only by electronic mail.

8. The Company respectfully submits that Commission approval of Rocky Mountain Power's Application, including the approval and implementation of the proposed electric service schedules 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.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a final order approving the Company's proposed electric service schedules effective June 27, 2011.

DATED this 27th day of May, 2011.

Respectfully submitted,

By  _____

Mark C. Moench
Paul J. Hickey
Daniel E. Solander

Attorneys for Rocky Mountain Power

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION 2011 MAY 27 AM 10:30

IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
 APPLICATION OF ROCKY) CASE NO. PAC-E-11-12
 MOUNTAIN POWER FOR)
 APPROVAL OF CHANGES TO ITS) APPLICATION OF
 ELECTRIC SERVICE SCHEDULES) ROCKY MOUNTAIN POWER
 AND A PRICE INCREASE OF \$32.7)
 MILLION, OR APPROXIMATELY)
 15.0 PERCENT)

AFFIDAVIT OF DANIEL E. SOLANDER

I, Daniel E. Solander, being duly sworn on oath, depose and say:

1. I am an attorney representing Rocky Mountain Power in the above-captioned proceeding.
2. The testimony of Gregory N. Duvall, Cindy A. Crane and Paul H. Clements, and Exhibits: 3, 22, 23, 24, 25, 26, 27, 32, and 37 filed with the Application, contain confidential information and trade secrets as defined in Idaho Code § 9-340 *et seq.* and § 48-801 *et seq.* that may jeopardize the interests of Rocky Mountain Power and its customers and could cause economic or other harm if it were disclosed.
3. On information and belief, the Company understands that certain data related to Monsanto's rate as referenced in the testimony of Paul Clements may have entered the public domain by virtue of Monsanto's own disclosure of such information. Notwithstanding this understanding, Rocky Mountain Power is treating this information as Confidential until Monsanto and the Company discuss this issue further.
4. Rocky Mountain Power requests that the Commission consider these documents Confidential and protect them from public disclosure.

Further affiant sayeth not.

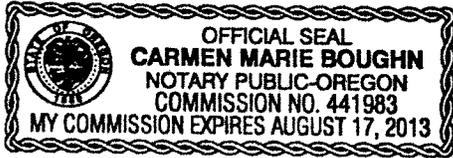

 Daniel E. Solander

State of Oregon)
 County of Multnomah) SS

On the 26th Day of May, 2011, the above appeared before me and signed this affidavit.

Carmen Marie Boughn

Notary Public



CERTIFICATE OF SERVICE

RECEIVED

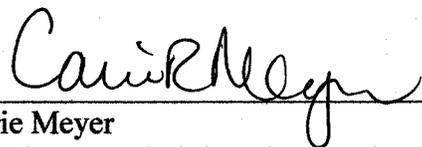
I hereby certify that on this 27th day of May, 2011, I caused to be served, via overnight delivery, a true and correct copy of Rocky Mountain Power's Application for Approval of changes to its electric service schedules and a price increase of \$32.7 million, or approximately 15.0 percent in PAC-E-11-12 to the following:

MAY 27 AM 10:30
IDAHO PUBLIC
UTILITIES COMMISSION

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Carrie Meyer
Coordinator, Administrative Services