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November 7, 2012

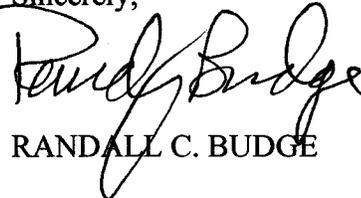
Mrs. Jean Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. PAC-E-12-12

Dear Jean:

Enclosed for filing please find the original and seven copies of *Comments and Recommendations of Monsanto Company*. Thank you for your assistance.

Sincerely,


RANDALL C. BUDGE

RCB:rr

Enclosures

cc: Service List (via email)

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Intervenor Monsanto Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR) **Case No. PAC-E-12-12**
AUTHORITY TO CANCEL SCHEDULE NO. 17)
AND IMPLEMENT A NEW PARTIAL)
REQUIREMENTS TARIFF)
)
)
)
_____)

**COMMENTS AND RECOMMENDATIONS OF
MONSANTO COMPANY**

INTRODUCTION

COMES NOW Intervenor Monsanto Company (“Monsanto”) through counsel and submits these Comments and Recommendations with respect to the August 13, 2012 Application of PacifiCorp, d/b/a Rocky Mountain Power (“Company”) seeking authorization to cancel Electric Service Schedule No. 17, Standby Service, and replace it with a new Electric Service Schedule No. 31, Partial Requirements Service. Monsanto’s Comments and Recommendations are in response to the Commission’s Order No. 3266 dated October 17, 2012, giving notice of the Application, that this matter will proceed under Modified Procedure, authorizing interested persons to file written comments in support or opposition, and providing rights or participation by filing a Petition to Intervene. Monsanto previously timely filed its Petition to Intervene dated September 18, 2012.

The Company's Application describes the proposed Partial Requirements Service under Schedule 31 as follows:

"5. Partial Requirements Service is designed for customers with on-site generation, or whose electric service requirements are obtained from any service other than the Company. Specifically, it consists of Back-up, Supplementary, Excess and Maintenance power. A customer can contract for Partial Requirements Service for a minimum of one year. Schedule 31 is not required where on-site generation is used only for emergency supply during times of utility outage. Service under Schedule 31 would be available to high voltage customers with loads up to 15,000 kW. Consistent with Schedule 9, General Service – High Voltage, customers with loads in excess of 15,000 kW will require special contract arrangements."

The proposed Schedule 31 would not be applicable to Monsanto, whose loads substantially exceed 15,000 kW. Accordingly, should Monsanto desire Partial Requirements Service in the future, special contract arrangements would need to be established with the Company. Notwithstanding, Monsanto has an interest in this proceeding because the proposed Schedule 31 would establish the rate for a Partial Requirements Service for Monsanto's load up to 15,000 kW if a future need arose and also could establish precedent for the need for Partial Requirements Service for a load in excess of 15,000 kW should Monsanto obtain Electric Service Requirements from an alternative supplier other than the Company in the future. For these reasons, Monsanto submits the following Comments and Recommendations.

COMMENTS AND RECOMMENDATIONS

1. Idaho's Schedule No. 31 does not provide for seasonal variation in contract demand. Utah's Schedule No. 31, however, makes an allowance for seasonal variation in load through a temporary reduction in the Supplementary Contract Power as explained on Utah Original Sheet No. 31.6.

Recommendation: The opportunity for seasonal variation in contract demand may be helpful to Idaho customers, and should be incorporated in Idaho's proposed Schedule No. 31.

2. RMP proposes to base the Back-up Facilities Rate on the cost of service results for Schedule No. 9 from the last general rate case, Case No. PAC-E-11-12, specifically the full transmission demand cost of \$4.14 per kW-month, plus 13% of the full generation cost of \$8.45 per kW-month for an annual average Back-up Facilities Rate of \$5.24 per kW-month. There is no reason why the Back-up Facilities Rate should include the full transmission cost, since both transmission and generation are allocated on the same basis in the cost study, and the reserve portion can be applied to transmission as well as generation.

The proposed Idaho Back-up Facilities Rate is 58% of the Supplementary Power Rate.¹ In contrast, the Utah Back-up Facilities Charge is less than 20% of the Supplementary Power Charge² and the Wyoming Back-up Facilities Charge is 25% of the Supplementary Demand Charge.³ Consequently, the Idaho Back-up Facilities Rate is out of line with the other states' partial requirements tariff.

Recommendation: The Back-up Facilities Rate should be based on 13% of both transmission and generation costs. This results in a charge of \$1.64 per kW-month, on average. Applying the seasonal rate design, the Back-up Facilities Rate is \$1.87 (summer) and \$1.41 (winter) per kW-month.

3. RMP proposes a Back-up Power Rate of \$0.18 in the summer and \$0.13 in the winter. These seasonal charges are based on difference between the proposed seasonal Back-up Facilities Rate and the seasonal Supplementary Power Rate, spread over approximately 30 days in a month, and adjusted by a "ratio of average daily to monthly kW" of 80%. For example, RMP calculates the summer Back-Up Power Rate as:

$$(\$10.26 - \$5.97) \div \text{average days in the month} \div \text{ratio} = \\ \$4.29 \div 30.4 \text{ days/month} \div 80\% \text{ ratio} = \$0.18 \text{ per kW per day}$$

The application of the 80% ratio in RMP's rate design calculation means that a customer

¹ Summer: $\$5.97 \div \$10.26 = 58\%$. Winter: $\$4.51 \div \$7.74 = 58\%$.

² The Supplementary Power Charge is \$12.92 during the five summer months, and \$8.76 during the seven winter months, resulting in an average annual rate of \$10.49. The Back-up Facilities Charge is \$2.02. $\$2.02 \div \$10.49 = 19.3\%$.

³ $\$3.56 \div \$14.07 = 25\%$.

requiring back-up power will most likely pay more than a full requirements customer over the course of a month. For example, a partial requirements customer requiring 30 days of back-up power in the summer would pay \$5.97 plus ($\0.18×30 days), or \$11.37 per kW for the month as opposed to a full requirements customer paying \$10.26 for the same service.

Recommendation: The Commission should avoid establishing rates which can cause a partial requirements customer to pay more for the same service than a full requirements customer would pay. The application of a "ratio" in the rate design should be eliminated. This results in proposed seasonal Back-up Facilities Rates of \$1.87 and \$1.41 per kW-month, and Back-up Power Rates of \$0.28 and \$0.21 per kW per day (summer and winter, respectively).

4. Both the Utah and Wyoming partial requirements tariffs offer time of day components for the Back-up Power Rate, most likely due to the fact that their otherwise applicable full requirements tariffs offer time of day pricing. In Utah and Wyoming, back-up demand is determined only during on-peak hours, and thus back-up demand taken during off-peak hours is at no charge. (Energy charges, of course, would apply.) While Schedule No. 9 in Idaho does not currently offer time-of-day demand pricing, time of day pricing could potentially be added to Schedule No 31 in order to incentivize customers to move their maintenance usage to off-peak hours.

Recommendation: The Commission should explore adding a time of day criteria to Idaho's Back-up Power Rate.

5. Both the Utah and Wyoming tariffs include an entire section on how changes may be made to Total Contract Demand, Supplementary Contract Demand, and Back-up Contract Demand. See Original Sheet No. 33-9 of Wyoming's Schedule 33, and Original Sheet No. 31.6 of Utah's Schedule 31. The Idaho tariff as proposed by RMP has no provision for changes to contract demands, either prospectively or retroactively.

Recommendation: A section on "Total Contract Power, Supplementary Contract Power, and Back-up Contract Power" should be added to Idaho's Schedule 31, including provisions for seasonal variation in load, based on similar language found in the Utah tariff:

TOTAL CONTRACT POWER, SUPPLEMENTARY CONTRACT POWER, AND BACK-UP CONTRACT POWER: The Customer shall contract for Total Contract Power. This shall be the sum of the Supplementary Contract Power and the Back-up Contract Power. The Customer may elect to increase Total Contract Power by increasing Supplementary Contract Power and/or Back-up Contract Power prospectively at any time, provided there are facilities of adequate capacity, by providing notice to the Company. The Customer may elect to increase Total Contract Power by increasing Supplementary Contract Power and/or Back-up Contract Power retroactively to the most recently completed billing cycle, provided there are facilities of adequate capacity, by providing notice to the Company by the statement due date of the billing cycle. Any increase in Total Contract Power shall establish a new Total Contract Power which shall be in effect for the term of the contract, unless superseded by subsequent increases.

Customers experiencing seasonal variations in their load may temporarily reduce their Supplementary Contract Power during one continuous portion of each year when usage is low. The period and the amount of the reduction shall be specified by contract. The period of reduction shall commence at the beginning of a billing cycle and terminate at the end of a billing cycle. In the event that the Measured Power exceeds the sum of the reduced Supplementary Contract Power and the Back-up Contract Power, in any billing cycle during the period of reduced Supplementary Contract Power, then, for that billing cycle, the reduced Supplementary Power shall be set equal to the Measured Power less the Back-up Contract Power, but not greater than the Supplementary Contract Power unless the Customer elects to increase the Supplementary Contract Power in accordance with provisions of the previous paragraph.

RESPECTFULLY SUBMITTED this 12th day of November, 2012.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By Randall C. Budge
RANDALL C. BUDGE

CERTIFICATE OF MAILING

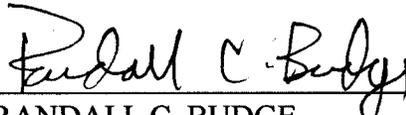
I HEREBY CERTIFY that on this 12th day of November, 2012, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

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