

Williams · Bradbury

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IDAHO PUBLIC
UTILITIES COMMISSION

November 27, 2012

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

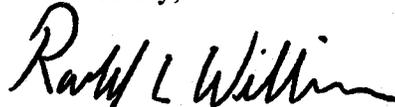
Re: PAC-E-12-12

Dear Ms. Jewell:

Please find enclosed an original and seven copies of Application for Intervenor Funding of PacifiCorp Idaho Industrial Customers for filing in the above referenced case.

Thank you for your assistance in this matter. Please feel free to give me a call should you have any questions.

Sincerely,



Ronald L. Williams

RLW/jr
Enclosures

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for PIIC

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	Case No. PAC-E-12-12
OF ROCKY MOUNTAIN POWER FOR)	
AUTHORITY TO CANCEL SCHEDULE)	APPLICATION FOR INTERVENOR
NO. 17 AND IMPLEMENT A NEW)	FUNDING OF PACIFICORP IDAHO
PARTIAL REQUIREMENTS TARIFF)	INDUSTRIAL CUSTOMERS
)	
)	

COMES NOW the PacifiCorp Idaho Industrial Customers (PIIC) and, pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission's Rules of Procedure, IDAPA 31.01.01, petitions this Commission for an award of intervenor funding in the above captioned proceeding.

Rocky Mountain Power (RMP) is a regulated electric public utility with gross Idaho intrastate annual revenues exceeding three million five hundred thousand dollars (\$3,500,000.00).

1. **Itemized List of Expenses.** Consistent with Rule 162.01 of the Commission's Rules of Procedure, an itemized list of all expenses incurred by PIIC in this proceeding is attached hereto as Exhibit A.

2. **Statement of Proposed Findings.** The proposed findings and recommendation of PIIC are as follows:

- a. That RMP be required to revise proposed Tariff 31 by:
 - (i) Eliminating the Excess Power Service from the proposed tariff, including all rates, terms and conditions,
 - (ii) Revising the Back-up Facilities rates in the proposed tariff to be the values shown on Table 4 contained in the report produced by PIIC's consultants, Regulatory & Cogeneration Services, Inc. (RCS) (Summer: \$5.16; Winter: \$3.90),
 - (iii) Revising the daily Back-up rates in the proposed tariff to the values shown on Table 7 of the RCS report (Summer: \$0.17; Winter: \$0.13),
 - (iv) Revising the applicability of the Back-up Power rates to only on-peak periods of Monday through Friday, 7 AM to 11 PM, and
 - (v) Revising the Scheduled Maintenance Power rate to be set a \$0.00.
- b. That with the five revisions above implemented, Schedule 31 be allowed to go into effect, on an interim basis, but that this docket remain open.
- c. That RMP be ordered to submit studies that determine the costs it incurs in providing Partial Requirements, Back-up and Scheduled Maintenance services to partial requirements customers in Idaho.
- d. That the Commission issues an additional scheduling order providing:
 - (i) The date on which RMP would submit additional cost based studies for Partial Requirements service,
 - (ii) Adequate time for additional discovery by interested parties, including PIIC, and
 - (iii) A second date on which parties can submit written comments on RMP's second proposed Schedule 31, based on the cost studies to be provided.

3. **Statement of Showing Costs.** The costs shown on Exhibit A are reasonable in amount. The costs incurred by PIIC primarily relate to the cost of PIIC's retained consultant, RCS. PIIC conducted two rounds of discovery in the proceeding to acquire the information necessary for RCS to prepare its report. The data files produced by RMP pursuant to the requests were voluminous, adding to the time spent by RCS in crafting its recommendations and preparing its report.

4. **Explanation of Cost Statement.** PIIC is an unincorporated non-profit association organized pursuant to Chapter 7, Title 53, Idaho Code. Membership in PIIC is available to RMP customers in Idaho on RMP rate schedules 6, 6A, 9, 23, 23A and Special Contract 2 (regarding Nu-West Industries), or successor or affiliated rate schedules. PIIC sets budgets and collects dues from its members, for regulatory proceedings and purposes, but PIIC did not budget for and anticipate this special regulatory proceeding regarding RMP proposed Tariff No. 31.

In addition, the PIIC member most impacted by proposed Tariff No. 31 is BYU-Idaho, which is a rate schedule 9 customer of RMP and currently in the process of installing self-generation. BYU-Idaho will be paying a material portion of PIIC's costs of participating in this proceeding, but such costs were not part of BYU-Idaho's budget for installing self-generation.

5. **Statement of Difference.** There are material and substantial differences in the positions of PIIC and the Commission Staff. First and foremost, PIIC recommends that RMP be required to provide actual cost of service studies regarding the different types of partial requirements service being proposed; instead of "bootstrapping" off Schedule 9 rates. Staff does not. With respect to this recommendation, PIIC also suggests that, with the rate adjustments listed above, that Schedule 31 should only go into effect on an interim basis, until such studies

are performed and additional adjustments can be considered. Staff recommends full implementation.

Staff believes the Excess Power Rate proposed by RMP is reasonable, while PIIC asserts that RMP's Excess Power Rates are punitive and inconsistent with PURPA. As described in the RCS report, PIIC also finds that RMP's proposed Back-Up Facilities rate is 14% too high, while Staff finds it reasonable. Staff recommends the proposed Scheduled Maintenance Rate be reduced by 50%, while PIIC proposes that it be completely eliminated. PIIC also asserts that RMP's proposed charges for Back-up and Maintenance services are inconsistent with PURPA.

6. **Statement of Recommendation.** PIIC's recommendations in this case address areas of concern to the general body of RMP customers in Idaho. As BYU-Idaho, and other potential PIIC members consider different forms of self-generation, it is important that this Commission correctly establish the price for partial requirements services, based on RMP's actual cost to provide these services. The RMP current proposal violates PURPA's requirement that such tariffs "not discriminate" against self-generating QFs, "compar[ed] to the rates for sale to other customers served by the electric utility."¹

Partial requirements services that are priced above RMP's actual cost of providing the service will act as a deterrent to PIIC members developing their own self-generation, where it would otherwise be economical to do so. All other things being equal, generation that could have been developed in Idaho, by PIIC members, but that is forgone because of an improperly priced partial requirements tariff, likely means that RMP will instead develop the equivalent amount of generation outside the state of Idaho. It would be important and meaningful for the state of Idaho, if RMP were to locate a portion of its future planned thermal generating fleet in Idaho. That is not likely to happen. Alternatively, RMP should not discourage its larger energy

¹ 18 C.F.R. 292.305(a)(1).

customers in Idaho from doing the same, through the filing of a partial requirements tariff that contain prices above the actual cost of providing the partial requirements service.

7. **Statement Showing Class of Customer.** PIIC's members are customers of RMP that are provided electric service pursuant to RMP rate schedules 6, 6A, 9, 23, 23A and Special Contract 2.

RESPECTFULLY SUBMITTED, this 27th day of November, 2012.



Ronald L. Williams

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 27 day of November, 2012, I caused to be served a true and correct copy of the foregoing document upon the following individuals in the manner indicated below:

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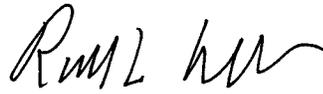
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Ronald L. Williams

EXHIBIT A

(List of Expenses)

PIIC ITEMIZED EXPENSES FOR CASE NO. RMP-E-12-12

RCS consulting fees Donald W. Schoenbeck. 32 hrs @ \$205/ hr	\$ 6,560.00
RCS consulting fees Robynn L. Woodbury 22.5 hrs @ \$150/hr	\$3,375.00
Legal Fees, Williams Bradbury P.C. Ronald L. Williams. 10.2 hrs @ \$240/hr	<u>\$2,424.00</u>
TOTAL	<u>\$ 12,359.00</u>