

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION** )  
**OF PACIFICORP DBA ROCKY MOUNTAIN** ) **CASE NO. PAC-E-13-03**  
**POWER FOR AUTHORITY TO INCREASE** )  
**RATES THROUGH THE ENERGY COST** ) **NOTICE OF APPLICATION**  
**ADJUSTMENT MECHANISM (ECAM)** )  
) **NOTICE OF**  
) **INTERVENTION DEADLINE**  
)  
) **NOTICE OF**  
) **MODIFIED PROCEDURE**  
)  
) **ORDER NO. 32748**

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On February 1, 2013, PacifiCorp dba Rocky Mountain Power (“RMP” or “Company”) submitted its annual Energy Cost Adjustment Mechanism (“ECAM”) filing in accordance with *Idaho Code* §§ 61-502 and 61-503 and Rule of Procedure 52. The Company requests an effective date of April 1, 2013, for the proposed increase in Idaho rates.

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YOU ARE HEREBY NOTIFIED that on September 29, 2009, the Commission issued Order No. 30904 approving the implementation and submission of an annual ECAM filing by the Company. The costs included in the ECAM are net power costs (“NPC”), as defined in the Company’s general rate cases and modeled by the Company’s GRID model. Base and actual NPC are booked into specific FERC accounts. The ECAM process allows the Company to credit or collect the difference between the actual NPC incurred to serve its Idaho customers and the NPC collected through rates. RMP defers the difference into an ECAM balancing account.

YOU ARE FURTHER NOTIFIED that the ECAM includes five additional components: the load growth adjustment rate (“LGAR”) or load change adjustment rate (“LCAR”), a credit for SO2 allowance sales, an adjustment for the treatment of coal stripping costs, a renewable resource adder for the renewable resources that are not yet in rate base and a true-up of renewable energy credit (“REC”) revenues, as authorized by the Commission in Order No. 32196. The ECAM includes a 90 percent (customers)/10 percent (Company) “sharing band”

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wherein customers pay/receive the increase/decrease in actual NPC compared to base NPC and RMP incurs/retains the remaining 10 percent.

YOU ARE FURTHER NOTIFIED that RMP is requesting a Commission Order approving the recovery of power costs deferred by the Company for the period of December 1, 2011 through November 30, 2012.

YOU ARE FURTHER NOTIFIED that RMP is requesting approval to recover approximately \$15.9 million in deferred net power costs.

YOU ARE FURTHER NOTIFIED that RMP's Application also seeks to revise Schedule 94, Energy Cost Adjustment, to recover approximately \$15.2 million in total deferred net power costs for the collection period beginning April 1, 2013 through March 31, 2014. RMP states that this amount represents an increase of approximately \$2.2 million over current Schedule 94 rates, *see* Order No. 32597 (Case No. PAC-E-12-03), and will apply exclusively to Monsanto and Agrium. The Company is proposing no increase to the standard tariff customers. Similarly, RMP requests that the Schedule 94 increase become effective on April 1, 2013.

YOU ARE FURTHER NOTIFIED that RMP estimated Monsanto (\$6.3 million) and Agrium's (\$0.5 million) share in the deferral period. This filing includes the first amortized payment of those amounts, approximately \$2.1 million for Monsanto and approximately \$0.1 million for Agrium.

YOU ARE FURTHER NOTIFIED that RMP notes that its base NPC was set at \$1.025 billion and \$1.205 billion, respectively. The combined base NPC for the deferral period is \$1.176 billion. For the deferral period, the NPC differential for deferral was approximately \$18.4 million before the 90/10 sharing band. Higher summer irrigation usage led to a LCAR reduction in the deferral balance by approximately \$0.7 million before sharing.

YOU ARE FURTHER NOTIFIED that credits for SO2 allowance sales revenues received by the Company were also included as an offset to the NPC deferral. Additionally, Idaho's allocated differences between including coal stripping costs incurred by the Company and recorded on the Company's books pursuant to accounting pronouncement EITF 04-6, and the amortization of the coal stripping costs when the coal was excavated were added to the NPC differential for deferral.

YOU ARE FURTHER NOTIFIED that, in addition to the foregoing ECAM calculation components discussed above, the deferral balance reflects the difference between actual REC revenues during the deferral period and the amount of REC revenues included in base rates. The 90/10 sharing band does not apply to the REC revenue true-up included in the ECAM.

YOU ARE FURTHER NOTIFIED that the deferred ECAM balance of \$25.5 million as of November 30, 2012, is derived from the following calculation: 90% X (deferred NPC + LCAR + SO2 revenues + coal stripping costs adjustment) + interest charges + REC revenues. The sum of the three groups' tariff customers, Monsanto and Agrium, ending balances result in the ECAM deferral balance of \$25.5 million.

YOU ARE FURTHER NOTIFIED that RMP notified customers of this filing by issuing a press release sent to local media organizations and messages in customer bills over the course of a billing cycle. Copies of RMP's Application are available for review at the Company's local offices in its Idaho service territory.

YOU ARE FURTHER NOTIFIED that RMP has attached a copy of the direct testimony, including exhibits, of Brian S. Dickman, Manager of Net Power Costs, and Joelle R. Steward, Director of Pricing, Cost of Service, and Regulatory Operations in the Regulation Department, in support of its Application. Mr. Dickman's testimony and exhibits describe the actual NPC incurred by the Company to serve retail load for the historical 12-month period and explain the main increases between actual NPC and base NPC. Ms. Steward's testimony supports the new ECAM tariff surcharge rates.

YOU ARE FURTHER NOTIFIED that RMP requested that this matter be processed through Modified Procedure.

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. PAC-E-13-03 and finds that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

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YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning RMP's ECAM Application may file a written comment in support or opposition with the Commission. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning RMP's ECAM Application shall be filed with the Commission **no later than Tuesday, March 13, 2013**. Written comments concerning this filing should be mailed to the Commission and the Company at the addresses written 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](mailto:ted.weston@pacificorp.com)

Yvonne R. Hogle  
Senior Counsel  
Rocky Mountain Power  
201 S. Main, Suite 2300  
Salt Lake City, UT 84111  
E-mail: [yvonne.hogle@pacificorp.com](mailto:yvonne.hogle@pacificorp.com)

These 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](http://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 Rocky Mountain at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that RMP's ECAM Application can be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Electric Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Rocky Mountain Power Headquarters, 201 S. Main, Salt Lake City, UT 84111.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over the Company, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code.

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

**NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in Case No. PAC-E-13-03 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 Thursday, February 28, 2013.** Persons desiring intervenor status shall also provide the Commission Secretary with their electronic mail address to facilitate future communications in this matter.

**ORDER**

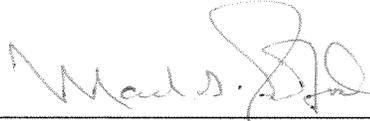
IT IS HEREBY ORDERED that persons interested in submitting written comments regarding RMP's ECAM Application should do so **no later than March 13, 2013.**

IT IS FURTHER ORDERED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission **no later than February 28, 2013.**

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20<sup>th</sup>  
day of February 2013.



PAUL KJELLANDER, PRESIDENT

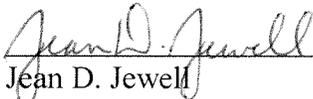


MACK A. REDFORD, COMMISSIONER

**Out of the Office on this Date**

MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

O:PAC-E-13-03\_np

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