

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN POWER'S TARIFF ADVICE NO. 13-01 TO ADJUST THE BPA RESIDENTIAL EXCHANGE PROGRAM (REP) CREDIT IN SCHEDULE 34)))))	CASE NO. PAC-E-13-11 ORDER NO. 32959
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On August 20, 2013, PacifiCorp dba Rocky Mountain Power filed Tariff Advice No. 13-01 to revise its tariff Schedule No. 34 (Pacific Northwest Electric Power Planning and Conservation Act Residential and Farm Kilowatt-Hour Credit (commonly referred to as the “REP Credit”). Rocky Mountain proposed that the rate credit be increased from the existing 0.1839¢ per kilowatt-hour (kWh) to 0.3095¢ per kWh effective October 1, 2013. In Order No. 32901 the Commission partially approved the tariff advice and opened a docket so Staff could further examine one issue.

THE TARIFF ADVICE

Under the Pacific Northwest Electric Power Planning and Conservation Act, the Bonneville Power Administration (BPA) passes benefits from the federal Columbia River power system to qualifying residential and small farm customers of the investor-owned utilities (IOUs) such as Rocky Mountain Power. 16 U.S.C. 839c(c). The amount of Residential Exchange Program (REP) benefits is the difference between an IOU's average system cost and BPA's priority firm (PF) exchange rate. The Company reported that its FY14 and FY15 REP benefits for Idaho, Oregon and Washington is \$34.741 million per fiscal year. Rocky Mountain proposed to allocate Idaho customers \$3.188 million per year. Thus, the existing REP credit for Idaho customers will increase, thereby providing greater monthly credits to eligible customers.

The one issue left for further examination concerns the “reallocation” of REP benefits contained in the REP Settlement Agreement approved by the BPA Administrator in late 2010 and by this Commission in April 2011.¹ Section 6 of the REP Settlement Agreement contains a mechanism for reallocating REP benefits among the six investor-owned utilities (IOUs). This “reallocation” agreed to by the IOUs and the three State Commissions became necessary so the benefits of settling the various BPA cases are roughly equal among the IOUs.

¹ On October 28, 2013, the Ninth Circuit Court of Appeals affirmed the BPA Administrator's adoption of the REP Settlement Agreement. *Association of Public Agency Customers v. BPA*, 733 F.3d 939 (9th Cir. 2013).

Under Section 6 of the REP Settlement Agreement there are two primary reallocation adjustments. First, the “annual” adjustment is allocated among the five IOUs (excluding NorthWestern) based on each IOUs share of the “Lookback” adjustments. Table 6.2.2. The second adjustment relates to NorthWestern Energy. This latter adjustment reallocated funds from four IOUs (not including Idaho Power) to NorthWestern.

Rocky Mountain calculated its Idaho jurisdictional share of the first reallocation adjustment is 28.5%, and calculated the second Idaho jurisdictional share of the adjustment paid to NorthWestern is 12.95%. Staff was concerned about the consistency of the two reallocation adjustments. Rocky Mountain maintained there was a reasonable basis for the proposed different treatment. Staff and representatives of Rocky Mountain met on October 10, 2013, to further discuss this issue.

Following that discussion and further analysis by Staff, Staff recommended this docket be closed and the REP rate credits remain as calculated by Rocky Mountain. Staff recognizes the reallocations to NorthWestern were unique. At the time of the Settlement Agreement, NorthWestern had paid its Lookback amounts and had resolved its deemer issues. In addition, changing Rocky Mountain’s allocation to the Idaho jurisdiction would either require other jurisdictions to agree to the change or Rocky Mountain would be responsible for funding the change in jurisdictional allocation. Based upon the unique facts of the settlement agreement, Staff believes that the difference between its concern and the Company’s proposal is de minimus.

DISCUSSION

Based upon our review of the tariff advice and Staff’s recommendation, we find it is appropriate to close this docket without further adjustment to Rocky Mountain’s REP credit.

ORDER

IT IS HEREBY ORDERED that this docket be closed with no further adjustment at this time to the REP credit set out in tariff Schedule No. 34.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. PAC-E-13-11 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in

this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st day of December 2013.



PAUL KJELLANDER, PRESIDENT

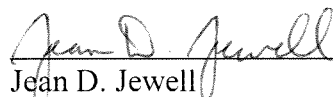


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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