

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF PACIFICORP'S</b>	)	
<b>ANNUAL UPDATE TO LOAD AND GAS</b>	)	<b>CASE NO. PAC-E-13-13</b>
<b>FORECASTS AND LONG-TERM</b>	)	
<b>CONTRACTS FOR ITS INTEGRATED</b>	)	
<b>RESOURCE PLAN AVOIDED COST</b>	)	<b>ORDER NO. 32943</b>
<b>METHODOLOGY.</b>	)	

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Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), the Idaho Public Utilities Commission (Commission) has approved an Integrated Resource Plan (IRP) methodology for calculation of avoided cost rates paid to certain PURPA qualifying facilities (QFs). Avoided cost rates are the purchase price paid to QFs for purchases of QF energy and capacity.

In Order Nos. 32697 and 32802, the Commission determined that the load forecast and natural gas forecast inputs to the IRP avoided cost methodology should be updated annually by October 15 of each year. The Commission stated

We find that, in order to maintain the most accurate and up-to-date reflection of a utility's true avoided cost, utilities must update fuel price forecasts and load forecasts annually – between IRP filings. . . . In addition, it is appropriate to consider long-term contract commitments because of the potential effect that such commitments have on a utility's load and resource balance. We find it reasonable to include long-term contract considerations in an IRP Methodology calculation at such time as the QF and utility have entered into a signed contract for the sale and purchase of QF power. We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance.

Order No. 32697 at 22.

On October 15, 2013, in compliance with Order Nos. 32697 and 32802, PacifiCorp dba Rocky Mountain Power (Rocky Mountain Power) submitted its annual updates for fuel prices and load forecasts. The Company also submitted information regarding new and expiring QF contracts, as well as changes to its long-term contracts for purchases or sales.

## **LOAD FORECAST**

Rocky Mountain Power states that its current long-term load forecast was prepared in June 2013 using the same methodology as the forecast used in the IRP, with a refinement to the forecasted commercial usage. The Company's filing provided the July 2012 and June 2013 load forecast summarized annually by jurisdiction. The long-term load forecast used in the 2013 IRP was prepared in July 2012, and was provided for reference only.

## **GAS FORECAST**

The Company's Official Forward Price Curve was prepared September 20, 2013 (1309 OFPC). The natural gas forecast used in the 2013 IRP was prepared September 28, 2012, and is referred to as the Company's September 2012 Official Forward Price Curve (1209 OFPC). The Company's filing provided the 1309 OFPC natural gas prices summarized annually by market hub. The 1209 OFPC from the IRP was also provided for reference only.

## **CONTRACT TERMINATIONS, EXPIRATIONS AND ADDITIONS**

Rocky Mountain Power's long-term contract inputs into the 2013 IRP were also locked down in September 2012. Since September 2012, the Company has signed 17 long-term PURPA QF contracts with a total nameplate capacity rating of 367.8 megawatts (MW). Five long-term contracts with a nameplate capacity of 42 MW were terminated. The Company's filing provided a list of the contracts.

## **COMPLIANCE WITH ORDER NOS. 32697 AND 32802**

Staff reviewed the Company's forecast and contract updates. Staff reported that the load and gas price forecasts submitted by Rocky Mountain Power reflect the Company's most current estimates and were prepared consistent with the methods used in the IRP. Staff maintained that the load and gas price forecasts and the long-term contract changes submitted by the Company comply with the requirements of Order Nos. 32697 and 32802. Staff recommended that the Commission accept the forecasts and contract changes without further process.

## **DISCUSSION AND CONCLUSIONS**

The Commission has jurisdiction over Rocky Mountain Power pursuant to the authority and power granted it under Title 61 of the Idaho Code and Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided

costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

Pursuant to its authority, the Commission has reviewed and considered the filings of record. We find that Rocky Mountain Power's filing complies with the directives issued by this Commission in Order Nos. 32697 and 32802. Based upon our review of the totality of the updates, we accept the updated inputs to Rocky Mountain Power's IRP avoided cost calculation for filing.

### **ORDER**

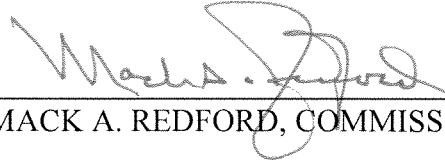
IT IS HEREBY ORDERED that Rocky Mountain Power's annual update to its load and gas price forecast and long-term contract status for purposes of its IRP avoided cost methodology are accepted, effective October 15, 2013.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. 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 6<sup>th</sup>  
day of December 2013.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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