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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)
AUTHORITY TO DECREASE RATES BY)
\$2.8 MILLION TO RECOVER DEFERRED)
NET POWER COSTS THROUGH THE ENERGY)
COST ADJUSTMENT MECHANISM)
_____)
)

Case No. PAC-E-14-01

COMMENTS OF MONSANTO COMPANY

INTRODUCTION

COMES NOW Intervenor Monsanto Company (“Monsanto”) through counsel and submits these Comments with respect to the January 31, 2014 Application of PacifiCorp, d/b/a Rocky Mountain Power (“RMP” or “Company”) seeking authorization to decrease rates by \$2.8 million to recover deferred net power costs through the Energy Cost Adjustment Mechanism (ECAM). Monsanto’s Comments are in response to the Commission’s Order No. 32979 dated February 20, 2014, 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’s Petition to Intervene was granted by Order No. 32977 dated February 7, 2014.

MONSANTO COMMENTS

Based on a review of the testimony, exhibits and responses to data requests in this case, Monsanto has found that several errors with Monsanto's monthly energy usage and ECAM rider revenues paid over the period December 2012 through November 2013 in Exhibit 1 included with the Company's filing. These errors are addressed below.

Monsanto Actual Energy Usage

Last year's ECAM filing (Case No. PAC-E-13-03) covered the months of December 2011 through November 2012. Monsanto's sales at customer meter in November 2012 shown on Exhibit No. 1 of Case No. PAC-E-13-03 was 100,500 MWH, of which 804 MWH were for replacement energy. See Confidential Attachment to Monsanto Data Request 1.5. These amounts correctly match Monsanto's November 2012 invoice.

This year's ECAM filing covers the months of December 2012 through November 2013. RMP Exhibit 1 shows Monsanto's sales at customer meter in December 2012 of 100,500 MWH. This is not correct. That 100,500 MWH sales figure is from November 2012, not December 2012. In December 2012, Monsanto's actual energy usage was 128,900 MWH based on Monsanto's invoice from Rocky Mountain Power dated January 3, 2013. In fact, the energy sales for Monsanto included in Exhibit 1 sheet "ID Actual Loads", row 21 titled "Monsanto sales @ customer meter (includes replacement)" are consistently off by a month over the entire period. A comparison of the loads included in Exhibit 1 and Monsanto's correct loads are shown in Attachment A to these comments.

Monsanto Replacement Energy

Replacement energy is not subject to the Net Power Cost differential and must be subtracted from Monsanto's metered energy. The Company's 9,447 MWH shown in July is in error and should be 9,649 MWH. See July 2012 Corrected Version invoice of Monsanto included in Attachment Monsanto 1.9 to RMP's response to Monsanto Data Request No. 1.9. The corrected replacement energy amounts are shown in Attachment A to these comments.

Monsanto ECAM Rider Revenues

Just as the Company's filing has Monsanto's energy sales off by a month, so too are the ECAM revenues paid by Monsanto. For example, the ECAM revenues paid by Monsanto in November 2012 were \$174,468 as shown in the November 2012 column of last year's Exhibit 1 filing in Case No. PAC-E-13-03. See Confidential Attachment to Monsanto Data Request 1.5. This dollar amount correctly matches Monsanto's November 2012 invoice.

For December 2012, Monsanto paid ECAM revenues of \$218,071. However, the Company erroneously included \$174,468 of revenues for December 2012 in Exhibit 1. The ECAM revenues are again off by a month. Furthermore, corrections were made to several of Monsanto's bills in 2013, and those corrected amounts must also be incorporated into the ECAM analysis. In summary, the Company included \$3,735,441 of ECAM revenues paid by Monsanto, when the actual amount paid is \$3,860,239 as shown in Attachment A to these comments.

The total impact of correcting the sales and ECAM revenues lowers Monsanto's ending balance from the \$13,401,935 proposed by the Company, down to \$13,263,054.

REC Revenues

While no adjustment is proposed to the REC revenues included in the Company's filing, Monsanto has a general comment regarding the Company's application.

The Company's filing is void of any detailed information supporting the renewable energy credit ("REC") revenue received by the Company throughout the ECAM period. The Company's witness Brian Dickman attests that the Company received approximately \$15 million in REC revenues during the period, but does not provide any supporting data that parties may use to verify this claim. It is especially important that the decline in the Company's REC revenues be fully disclosed and substantiated since the 2013 amount is less than 20% of the Company total REC revenues built into base rates, and there is currently no financial incentive for the Company to sell these RECs given any shortfall is made up 100% by Idaho ratepayers.

The Company has claimed in responses to data requests as part of this proceeding that certain lucrative REC sales contracts have expired, but that it engages in regular reverse auctions to sell its excess RECs. The Company has yet to provide sufficient information to prove that it is working diligently to maximize the value of these excess RECs, which provide no benefit to

Idaho ratepayers because Idaho has no state renewable mandate. If RECs that Idaho ratepayers helped purchase do not get sold to third parties, they provide no value.

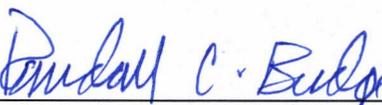
Furthermore, when certain renewable generation resources were added by the Company to its portfolio in the recent past, RMP had to assume some critical threshold value of RECs in order for the resources to be cost-justified. See e.g., Public Service Commission of Utah Docket No.07-035-93, Report and Order On Revenue Requirement issued August 11, 2008. Now that the cost of those resources are being paid for by Idaho ratepayers, the associated revenues from the sale of RECs appear to be falling short of the threshold value projection. Since Idaho ratepayers make the Company 100% whole on changes in REC revenue sales through the ECAM, the ratepayers are shouldering both the resource investment plus taking on all the downside risk of plummeting REC revenues. At the least, the Commission should require that the Company fully disclose and justify the dramatic decline in REC revenues in future filings and how it plans to mitigate the adverse effects on Idaho ratepayers.

On-Going Requests for Quarterly Reports

Monsanto appreciates that the Company has provided ECAM reports on a quarterly basis. This has enabled Monsanto to track and anticipate future rate impacts associated with ECAM changes. Additionally, this advance information has provided Monsanto with a reasonable opportunity to review and analyze data and methodologies and attempt to identify and resolve problems in advance thus minimizing the time constraints and difficulties that otherwise arise from the handling of the filings under modified procedure. Accordingly, Monsanto respectfully requests that the Company continue to transmit copies of its quarterly ECAM reports, and other relevant information relating to the ECAM filing to Monsanto and other interested parties.

RESPECTFULLY SUBMITTED this 20th day of March, 2014.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By 

RANDALL C. BUDGE

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 19th day of March, 2014, 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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