

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF ROCKY MOUNTAIN POWER FOR)	CASE NO. PAC-E-14-01
AUTHORITY TO IMPLEMENT A NET)	
DECREASE IN RATES THROUGH ITS)	NOTICE OF APPLICATION
ENERGY COST ADJUSTMENT)	
MECHANISM (ECAM))	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 32979

On January 31, 2014, 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, 2014, for the proposed decrease in Idaho rates. RMP requests that this matter be processed through Modified Procedure.

On January 30, 2014, Monsanto Company (“Monsanto”) filed a Petition to Intervene as a party in this case. The Commission granted Monsanto’s request on February 7, 2014. *See* Order No. 32977.

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YOU ARE HEREBY NOTIFIED that the Company noted that on September 29, 2009, the Commission issued Order No. 30904 approving the implementation of an annual ECAM. 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

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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% (customers)/10% (Company) “sharing band” wherein customers pay/receive the increase/decrease in actual NPC compared to base NPC and RMP incurs/retains the remaining 10%.

YOU ARE FURTHER NOTIFIED that RMP requests a Commission Order approving the recovery of total deferred net power costs for the collection period beginning April 1, 2014 through March 31, 2015 (“Deferral Period”).

YOU ARE FURTHER NOTIFIED that RMP seeks to revise Schedule 94, Energy Cost Adjustment, to recover approximately \$13.2 million in total deferred net power costs over the Deferral Period. RMP states that this amount represents a decrease of approximately \$2.8 million over current Schedule 94 rates authorized by Order No. 32771 (Case No. PAC-E-13-03). The Company states that the rates of Monsanto and Agrium, Inc. (“Agrium”) will increase while all other customers’ rates will be reduced.

YOU ARE FURTHER NOTIFIED that the \$13.2 million recovery includes an amortization of Monsanto and Agrium’s shares of the 2011-2013 deferrals, as set forth as part of the general rate case stipulation (“Stipulation”) in the Company’s last general rate case (Case No. PAC-E-11-12) and approved by Commission Order No. 32432. The Company’s Application incorporates further changes to the ECAM calculation in accordance with Commission Order 32910 in Case No. PAC-E-13-04.

YOU ARE FURTHER NOTIFIED that RMP states that the combined amortization of the amounts from the three ECAM deferral periods result in tariff surcharge rates in this case for Monsanto (\$6.0 million) and Agrium’s (\$.5 million) share in the Deferral Period.

YOU ARE FURTHER NOTIFIED that RMP states that its Base NPC originated from the 2011 Stipulation approved by the Commission. The Base NPC was set at \$1.205 billion for the 2012 calendar year and \$1.385 billion for the 2013 calendar year. The combined Base NPC for the Deferral Period is \$1.369 billion. For the Deferral Period, the NPC differential for deferral was approximately \$9.8 million before applying the 90/10 sharing band. The LCAR reduced the deferral balance by approximately \$1.1 million, before sharing, due to higher usage during the Deferral Period.

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 (\$3,000 before sharing). Additionally, Idaho's share of incremental load control costs, pursuant to Commission Order No. 32432, is tracked in the ECAM and resulted in an adjustment reducing the deferral by \$0.2 million before sharing.

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 difference 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 was added to the NPC differential for deferral (\$41,000 before sharing).

YOU ARE FURTHER NOTIFIED that the deferred ECAM balance of \$24.3 million as of November 30, 2013, is derived from the following calculation: 90% X (deferred NPC + LCAR + SO₂ revenues + coal stripping costs adjustment) + interest charges + REC revenues. The Company's Confidential Exhibit 1 illustrates the detailed calculations for tariff customers, with an ending balance of \$9.9 million; Monsanto, with an ending balance of \$13.4 million; and Agrium, with an ending balance of \$1.0 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.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. PAC-E-14-01 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.

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 28 days from the service date of this Order**. 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

Yvonne R. Hogle
Senior Counsel
Rocky Mountain Power
201 S. Main, Suite 2300
Salt Lake City, UT 84111
E-mail: 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. Click the "Case Comment or Question Form" under the "Consumers" tab, 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.

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YOU ARE FURTHER NOTIFIED that RMP's ECAM Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

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.

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-14-01 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 within seven days from the service date of this Order.** 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 28 days from the service date of this Order.

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 seven days from the service date of this Order.

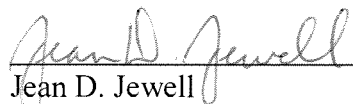
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th
day of February 2014.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:PAC-E-14-01_np