NEIL PRICE
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0314
BAR NO. 6864

Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

RECEIVED
2014 MAR 20 PM 2:16
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO IMPLEMENT A NET DECREASE IN RATES THROUGH ITS ENERGY COST ADJUSTMENT MECHANISM (ECAM).	**CASE NO. PAC-E-14-01** **COMMENTS OF THE COMMISSION STAFF**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Neil Price, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice of Intervention Deadline issued in Order No. 32979 on February 20, 2014, in Case No. PAC-E-14-01, submits the following comments.

BACKGROUND

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 changes in Idaho rates.

On September 29, 2009, the Commission issued Order No. 30904 approving the implementation of an annual ECAM. The primary component of the ECAM is net power costs ("NPC"). It is defined in the Company's general rate cases and modeled by the Company's GRID model. Base and Actual NPC are recorded in specific Federal Energy Regulatory Commission (FERC) accounts. Other costs and revenue currently included in the ECAM are the following: a Load Change Adjustment (LCA), a credit for sulfur dioxide (SO2) allowance sales, an adjustment for the accounting treatment of coal stripping cost, an adjustment for DSM1 Load Control Program cost, and a true-up of renewable energy credit ("REC") revenue. All, except REC revenue, are subject to a 90 percent (customers)/10 percent (Company) "sharing band" wherein customers pay/receive the increase/decrease in actual cost/revenue compared to base cost/revenue while RMP incurs/retains the remaining 10 percent. The ECAM process allows the Company to credit or collect the difference between the actual cost/revenue incurred and cost/revenue collected through base rates. RMP defers the difference into an ECAM balancing account.

In calculating this year's deferral, Commission Order No. 32432 stipulates that the Company use 2011 actual loads reported in the Company's Annual Results of Operations Report as base load for the purpose of calculating this year's LCA. Additionally, in a settlement reflected in Commission Order No. 32910 pursuant to Commission Order No. 32771, the wholesale line loss adjustment applied to actual loads for Monsanto and Agrium for purposes of calculating the LCA is removed from June 1, 2013 through November 30, 2013 of the deferral period.

Following Commission approval of the deferral amounts, RMP will place Monsanto, Agrium, and tariff customer's share into three separate balancing accounts for recovery from customers through Schedule 94 ECAM rates. Rates must be designed to collect Monsanto and Agrium deferral amounts based on amortization schedules defined in Commission Order No. 32432. Rates are also designed so they are line loss adjusted for the different classes and allocated on a per kilowatt-hour (kWh) basis.

OVERVIEW OF COMPANY APPLICATION

2014 ECAM Deferral

The Company requests a Commission Order approving recovery of approximately $12.8 million in total deferred costs in this year's ECAM filing for the deferral period of December 1, 2012 through November 30, 2013. According to the Application, the Company's 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 for a combined Base NPC of $1.369 billion for the deferral period. A higher actual system NPC resulted in an adjustment of approximately $9.8 million before applying the 90/10 sharing band.

RMP credits customers for over-recovery of energy-classified production cost (excluding NPC) through the LCA due to higher than normal loads using the Load Change Adjustment Rate (LCAR) of $5.14 per megawatt-hour (MWh) established in Commission Order No. 32432. The adjustment is approximately $1.2 million before sharing.

The Company credits a total of $176,329 subject to and before sharing through other adjustments included in the ECAM. This includes: (1) credits to customers for revenue resulting from the sale of sulfur dioxide (SO2) credits of $3,078, (2) credits to customers for over-recovery of Idaho's allocation of incremental DSM1 Load Control Program costs of $213,882, and (3) a $40,631 surcharge to customers due to Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) 04-6 accounting treatment of coal stripping costs. Finally, the deferral balance reflects a surcharge amount of approximately $5.2 million for REC revenue not subject to sharing.

RMP's ECAM deferral is summarized in the following table outlining Monsanto, Agrium, and tariff customer's allocation of the total deferral amount.

Company Proposed Deferral (Dec. 2012 thru Nov. 2013)	Tariff Customers	Monsanto	Agrium	Total
NPC Differential for Deferral	5,784,623	3,714,394	292,377	9,791,394
LCAR	(925,283)	(264,254)	(3,987)	(1,193,524)
SO2 Allowance Credit	(1,655)	(1,310)	(113)	(3,078)
Irrigation Load Control Adjustment	(148,750)	(60,791)	(4,341)	(213,882)
EITF 04-6 Adjustment	38,852	1,737	41	40,631
Total without Sharing	4,747,787	3,389,777	283,977	8,421,541
Customer Sharing	90%	90%	90%	90%
Total with Sharing	4,273,008	3,050,799	255,579	7,579,387
REC Adjustment	2,961,681	2,105,280	163,432	5,230,394
Total Deferral	**7,234,690**	**5,156,080**	**419,011**	**12,809,781**

Balancing Account Activity

The Company maintains three separate balancing accounts for Monsanto, Agrium and tariff customers (see table below). With the proposed deferral, the total ending balance at the end of the 2014 ECAM deferral period on November 30, 2013 was approximately $24.3 million: $9.9 million for tariff Customers, $13.4 million for Monsanto, and $1.0 million for Agrium. Included in the totals are prior ECAM deferrals of $26.7 million, ECAM collections of $15.5 million, and interest of approximately $264,000. The Company estimates the ending balance on November 30, 2013 of $24.3 million will be reduced by approximately $4.7 million when factoring in estimated collections between November, 30, 2013 and April, 1, 2014. New ECAM rates are expected to be in place on April 1, 2014.

Balancing Account Activity and Projections	Tariff Customers	Monsanto	Agrium	Total
2014 ECAM Deferral	**7,234,690**	**5,156,080**	**419,011**	**12,809,781**
Prior ECAM Ending Balance	14,033,226	11,850,355	845,421	26,729,003
ECAM Revenue Collections	(11,532,615)	(3,735,441)	(257,271)	(15,525,328)
Interest	123,431	130,941	9,683	264,055
Ending Balance through November 30, 2013	**9,858,732**	**13,401,935**	**1,016,844**	**24,277,511**
Schedule 94 Collection - Dec 2013 - March 2014	(3,071,315)	(1,500,049)	(114,688)	(4,686,052)
Expected Balance as of April 1, 2014	**6,787,417**	**11,901,886**	**902,156**	**19,591,459**

Rate Design and Revenue Recovery

The Company is proposing to collect a total of approximately $13.2 million beginning April 1, 2014 and ending March 31, 2015. This amount represents a total decrease of approximately $2.8 million over current Schedule 94 rates authorized by Order No. 32771 (Case No. PAC-E-13-03). For tariff customers, this will result in an overall projected rate reduction of 2.3 percent or approximately $4.3 million in reduced revenue. The Company proposes to increase Monsanto's rates by 1.7 percent or $1.4 million in revenue; and to increase Agrium's rates 2.1 percent or $130,000 in revenue.

The targeted tariff customer collection amount of $6.8 million includes the deferral amount from this year's ECAM plus account balances from previous ECAM deferrals (including interest) net of collections as of March 30, 2014. Targeted collection amounts for Monsanto ($6.0 million) and Agrium ($451,078) includes half of the deferral amount from this year's ECAM plus amortized account balances due for collection from previous ECAM deferrals (including interest) approved in Commission Order No. 32432 also net of collections as of March 30, 2014. The resulting rates are illustrated in the Company's Exhibit 2, included as Attachment A to these comments.

STAFF REVIEW

Staff's review of the Company's Application focused on three different areas. First, Staff reviewed the overall Application and verified the validity of the proposed cost deferral relative to the Company's operating conditions and environment. Second, Staff reviewed the method and basis used to calculate cost deferrals, account balances, and rates to ensure they were correctly and accurately calculated, aligned to the primary intent of the ECAM, and consistent with previous Commission Orders. Third, Staff performed an audit of contracts, invoices, and documentation of other components of actual cost to ensure completeness and accuracy of the information included in the Company's filing. As a result of this review, Staff highlights the following:

1. The two largest factors driving the Company's proposed deferral is the base-to-actual difference in NPC ($8.8 million) and REC revenue ($5.2 million). The increase in these components is partially offset by the over-collection (credit) for the customers' share of the LCAR adjustment.
2. The Wholesale Loss Adjustment (WLA) was misapplied in the Company's calculation of the NPC deferral which results in an adjustment in the allocation between Monsanto (increase $124,820), Agrium (increase $9,901), and tariff customers (decrease $135,328).
3. Not accounting for differences in line losses between base and actual loads creates an over-collection resulting in a proposed adjustment that reduces the Company's proposed deferral amount by $584,220.
4. Due to Staff's adjustment to the deferral amount, Staff proposes reducing tariff customer's rates by 2.6 percent over current rates, and only increasing Monsanto and Agrium's rates by 1.6 percent and 2.0 percent, respectively.
5. Actual costs (including the offset of wholesale sales) used to compare against the base costs were audited with no major inconsistencies found that would change the filing. Staff's analysis finds that transactions recorded to the specific FERC accounts used to record Actual NPC and as adjusted by the Company in its filing are appropriate for recovery.

The following sections provide additional details of the above finding through an analysis of the major components of the ECAM: (1) the Company's proposed deferral, (2) the balancing account tracking ECAM collections and deferrals, and (3) proposed ECAM rates.

Analysis of Deferral

The two largest components of the Company's proposed deferral are the change in the NPC ($9.8 million) and REC revenue ($5.2 million) base-to-actual differentials. Regarding NPC, Staff performed an analysis based on figures contained in Company Exhibit 1 which is summarized in the table below. Although the individual expense categories in the base do not precisely reflect the "black box" settlement in Case No. PAC-E-11-12, the comparison does provide a rough approximation for factors driving the NPC deferral. Staff agrees with the Company that the largest factor contributing to the NPC deferral is a 41 percent reduction in actual wholesale sales revenue, 33 percent by volume, compared to what was assumed in base rates. Staff believes this is reasonable given that market prices were 12 percent lower.

Another contributing factor was a nine percent increase in actual purchased power expense. Staff calculated an average unit price that was over $53/MWh which was 62 percent higher than that assumed in the base. Staff believes the higher than normal average unit price is likely due to a larger proportion of peak-period real-time purchases than what was assumed in base rates. The higher price explains why the Company reduced the amount of energy purchased by 33 percent.

Total coal fuel expense increased by 11 percent. This is partially explained by a slightly higher amount of coal-fired generation, but also due to a six percent higher coal cost than used in the base. Reduced natural gas expense moderated increases in other NPC categories by decreasing 18 percent from the base. This is mainly due to a 37 percent decrease in the price of natural gas since base rates were developed, which drove a 32 percent increase in the amount of natural gas generation. Based on this analysis, Staff believes the Company's NPC was reasonable.

Net Power Cost Analysis	% Change NPC Base-to-Actual		
	NPC ($)	Energy (MWh)	Unit cost ($/MWh)
Wholesale Sales Revenue	-41%	-33%	-12%
Purchased Power Expense	9%	-33%	62%
Coal Fuel Expense	11%	4%	6%
Natural Gas Expense	-18%	32%	-37%
Wheeling, Hydro and Other Expense	-5%	-11%	7%

Regarding the \$5.2 million true-up of REC revenue, there was \$6.5 million of revenue assumed in base rates and only \$1.3 million in actual revenue. This is likely a direct result of significantly lower REC prices since the 2011 rate case. Staff believes this is reasonable.

Staff has identified the following two adjustments to the Company's proposed deferral in this year's ECAM: (1) an improper application of the Wholesale Loss Adjustment (WLA); and (2) over-collection of revenue through base rates. The sum total of Staff's adjustments is a decrease in the deferral of \$584,827: \$474,544 for tariff customers, \$102,230 for Monsanto, and \$8,054 for Agrium. A summary of the adjustments and the impact to the Company's proposed deferral is included in the following table.

Summary of Staff Adjustments	Tariff Customer ($)	Monsanto ($)	Agrium ($)	Total Company ($)
Company Proposed Deferral ($)	7,234,690	5,156,080	419,011	12,809,781
WLA Adjustment	(135,328)	124,820	9,901	(607)
Base Rate Over-collection Adjustment	(339,216)	(227,050)	(17,955)	(584,220)
Total Adjustments	(474,544)	(102,230)	(8,054)	(584,827)
Deferral with Staffs Adjustments	6,760,146	5,053,850	410,957	12,224,954

Wholesale Loss Adjustment

While reviewing RMP's deferral calculations, Staff discovered an error in the application of the WLA per Commission Order Nos. 32597, 32771, and 32910. The wrong WLAs were applied to January through May 2013 actual loads resulting in an incorrect allocation of deferral amounts between Agrium, Monsanto, and tariff customers. Staff's correcting adjustments to Company Exhibit 1 are shown in Attachment B to these comments. The following table provides a summary of Staff's calculation of the adjustment.

Adjustment for Improper WLA	Company Application ($)	Deferral with WLA Adjustment ($)	WLA Adjustment ($)
Tariff Customer Deferral	7,234,690	7,099,362	(135,328)
Monsanto Deferral	5,156,080	5,280,900	124,820
Agrium Deferral	419,011	428,912	9,901
Total Company	12,809,781	12,809,174	(607)

Base Rate Over-Collection Adjustment

Staff identified an issue in the Company's method of calculating the NPC deferral amount. Staff discovered inaccuracies due to a difference between line losses that actually occur during the deferral period and line losses used to calculate base rates. This error affects any ECAM deferral component that recovers cost or credits revenue through base rates. This includes deferrals for NPC, LCA, DSM1 Load Control Program cost, and REC revenue.

Using NPC as an example, the Company's method currently "approximates" the amount of the NPC deferral by multiplying the system base and actual unit NPC differential by actual load measured at the point of generation. However, base rates are determined using jurisdictional sales measured at the customer's meter; and the difference between load measured at generation and sales measured at customer meter are line losses. If the Company's method is to accurately adjust for the over-recovery or under-recovery of NPC through base rates, the line losses used to calculate base rates and the line losses that actually occur must be equivalent. Additionally, Staff has found that relatively small differences in line loss between base and actual loads can drive large inaccuracies in deferral amounts when using the Company's current ECAM methodology (e.g., a one percent line loss difference can cause approximately a six percent error in the NPC deferral). In this year's ECAM, Staff calculated a 1.3 percent difference in the line loss between base and actual loads.

Staff, in collaboration with the Company, proposed a method to check the accuracy of its deferral amounts. It is based on the ECAM's primary purpose: a mechanism to adjust for the over or under-recovery of ECAM-related actual cost through base rates. It was also used to determine Staff's adjustments to the Company's proposed deferral amounts. The method can be expressed by the following generic equation:

$$\begin{matrix}\text{Actual Cost} \\ \text{(e.g., NPC)}\end{matrix} = \overbrace{\begin{matrix}\text{Revenue Recovery of Actual} \\ \text{Cost through Base Rates}\end{matrix} + \begin{matrix}\text{ECAM Cost} \\ \text{Adjustment}\end{matrix}}^{\text{Total Recovery}}$$

Staff believes using this equation to calculate the deferral is more precise and mirrors the ECAM's primary intent. It is functionally identical to the Company's current method but eliminates inaccuracies caused by base and actual line loss differences by using sales at customer meter to calculate revenue generated through base rates.

While developing the method used to calculate the adjustment, Staff has been careful to be consistent with past orders and to maintain the limited "scope" of the ECAM by only including those costs (and revenues) currently authorized for recovery minus sharing. Staff believes this is both required by the Commission and in the public's interest. It keeps the scope of the ECAM small, limiting guaranteed recovery to a small subset of costs that are substantial, highly unpredictable, and subject to a high degree of volatility largely outside of the Company's control while leaving all other costs subject to the benefits of traditional ratemaking.

The following table provides a summary of Staff's adjustment for base rate over-collection. As reflected in the table, Staff recommends the total adjustment amount be allocated between Agrium, Monsanto and tariff customers based on proportion of actual energy sold. This complies with the method of allocation in the ECAM and in other power cost adjustment mechanisms used by other utilities in Idaho. Details of the base rate over-collection adjustment for each ECAM component can be found in the narrative below and in Attachment C to these comments.

Base Rate Over-Collection Adjustment	Total Adjustment ($)	Tariff Customer Allocation ($)	Monsanto Allocation ($)	Agrium Allocation ($)
NPC Deferral	(644,459)	(374,192)	(250,461)	(19,807)
LCA Deferral	(269,177)	(156,292)	(104,612)	(8,273)
Irrigation Load Control Cost Deferral	(55,488)	(32,218)	(21,565)	(1,705)
REC Revenue Deferral	384,904	223,487	149,588	11,830
Total Adjustments	**(584,220)**	**(339,216)**	**(227,050)**	**(17,955)**
Idaho Actual Load Allocation Percentages		58.06%	38.86%	3.07%

NPC Deferral Adjustment - To calculate an adjustment to the Company's proposed NPC deferral, Staff subtracted the recovery of NPC through Idaho base rates from actual jurisdictional NPC and then netted it against the Company's proposed NPC deferral. Using this method, Staff proposes to reduce the NPC deferral amount by $716,066 before sharing and $644,459 after sharing.

LCA Deferral Adjustment – The Load Change Adjustment Rate (LCAR) that was set in general rate case PAC-E-11-12 through Commission Order No. 32432 was used to calculate the Company's proposed LCA in the Company's Application. The current LCAR is the amount of revenue the Company collects to recover the fixed cost (non-NPC) portion of energy-classified production revenue requirement for every megawatt-hour the Company generates. By multiplying the LCAR by the difference of base and actual Idaho load measured at the point of generation, it is assumed that the amount of over or under-recovery of LCA related expense through base rates can be determined. However, due to differences in base and actual line losses and because the calculation uses loads measured at generation, the same inaccuracy identified for the NPC deferral occurs for the recovery of LCA-related costs.

Staff calculated an adjustment to the Company proposed LCA by directly calculating the amount of LCA expense recovered through base rates and netting it against (1) actual jurisdictional LCA-related cost, and (2) the LCA proposed by RMP. Staff eliminated the line loss error by calculating the amount of LCA expense recovered through base rates using the Commission approved LCAR based on Idaho jurisdictional cost and jurisdictional sales used to determine base rates. Multiplying the re-formulated LCAR by Idaho actual sales determines the amount of LCA-related revenue RMP earned through base rates. When netted against actual cost and the Company's proposed LCA deferral, it provides the basis for Staff's adjustment: a reduction of $299,086 before sharing and $269,177 after sharing.

Staff believes Idaho actual sales used to calculate the LCA adjustment must be adjusted for curtailment consistent with current ECAM methodology to comply with previous Commission orders. However, through discussions with RMP, the Company does not agree that actual loads should be adjusted for curtailment. Nevertheless, in Reconsideration Order No. 32597, the Commission found "that the proposed adjustment to Rocky Mountain's ECAM Application presented by Staff, and agreed to by Monsanto and Rocky Mountain, are fair, just and reasonable." *Id.* at 7. Furthermore, Staff believes that circumstances have not changed since the Commission made its Order, nor does Staff believe the rationale for its proposed adjustment interferes with or changes its relevancy. Additionally, in Reconsideration Order No. 32597:

> Staff noted that per the Company's filing and in accordance with Order No. 32507, 'RMP is currently able to recover energy-related fixed cost of load economically curtailed through the Load Change Adjustment (LCAR) portion of the ECAM' .... Staff believes that this must be corrected to avoid allowing the Company a 'double recovery of energy-related fixed costs associated with load that is economically curtailed'..... Staff believes that the choice to economically curtail is within the Company's control and should be viewed as a 'sunk cost embedded in rates.' Staff asserted that if Monsanto is curtailed Rocky Mountain will almost certainly recover its fixed costs because it will either sell the generation at a higher price or it will avoid a more expensive energy purchase. 'The ability of RMP to fully recover the fixed energy costs associated with economic curtailment without LCAR recovery forms the basis of Staff's proposed adjustment.'

Id. at 5.

DSM1 Load Control Program Cost Adjustment – DSM1 Load Control costs were added to the ECAM pursuant to Commission Order No. 32432. There was $1 million of program costs embedded in base rates and $831,541 in actual cost allocated to Idaho. The Company calculated the deferral by taking the difference between the two amounts. Staff believes this calculation is inaccurate because it does not account for the larger amount of sales that actually occurred during the deferral period over what was used in establishing base rates leading to an over-recovery through base rate revenue. Staff applied the same methodology it used to calculate the NPC deferral adjustment resulting in a reduction in the DSM1 Load Control Program cost deferral of $61,653 before sharing and $55,488 after sharing.

Renewable Energy Credit Revenue Deferral – REC revenue was authorized to be added to the ECAM through Commission Order No. 32916. The Company's method calculates REC revenue deferral in the same way the DSM1 Load Control Program deferral is calculated which Staff maintains is inaccurate. However, using Staff's methodology, the recommended adjustment results in an increase to the Company's proposed deferral because in this case, the larger amount of actual sales over the amount of sales used to determine base rates over-credits customers by $384,904 after taking into account the Company's proposed deferral. REC revenue is not subject to sharing through the ECAM.

Analysis of Balancing Accounts

Staff reviewed Agrium, Monsanto and tariff customer's balancing accounts and believes they are accurately tracking ECAM revenues, monthly deferral amounts, and a Commission approved interest rate of one percent. If the Commission approves Staff's deferral adjustments, these amounts should be subtracted from the ending balances of the Company's respective balancing accounts as follows: $8,504 for Agrium; $102,230 for Monsanto, and $474,544 from tariff customers.

In a settlement approved by Commission Order No. 32910, Agrium and Monsanto deferrals will be combined with remaining customer classes starting December 1, 2013 and allocated through line loss differentiated rates on a per kWh basis in next year's ECAM. However, Monsanto and Agrium will have amortized balances that remain to be collected from the 2012 through 2014 ECAM deferrals (plus interest). Staff recommends that the separate balancing accounts be maintained until remaining amortized amounts from these deferrals are fully collected based on the amortization schedules set forth in Commission Order No. 32432.

Analysis of Proposed Rates

Staff thoroughly reviewed the Company's methodology to establish rates for implementation starting April 1, 2014 and ending March 31, 2015. Staff believes the Company's methodology and calculations properly comply with Commission Order No. 32432 for amortizing Agrium and Monsanto ECAM balances.

However, if the Commission authorizes Staff's proposed deferral adjustments, Staff believes the new ending balances justify reductions in the Company's proposed ECAM rates. In the ECAM rate for tariff customers, Staff's adjustment would result in a 2.6 percent decrease instead of the 2.3 percent decrease proposed by the Company; a 1.6 percent increase instead of the 1.7 percent increase for Monsanto; and a 2.0 percent increase instead of the 2.1 percent increase for Agrium. A copy of the Company's Exhibit 2 rate calculations with Staff's deferral adjustments is included as Attachment D to these comments.

CONSUMER COMMENTS

The Customer Notice and Press Release were included in Rocky Mountain Power's Application. Both were compliant with Procedural Rule 125, IDAPA 31.01.01.125.

According to RMP, Customer Notices were mailed with cyclical billings beginning February 7, 2014 and ending March 7, 2014. The final date for customers to file comments is March 20, 2014. As of March 20, 2014, no customers had filed comments.

Last year, RMP failed to send approximately one-half of its customers the required customer notice in a timely manner. In Order No. 32771, the Commission reminded RMP of "the importance of allowing an adequate time period for customers to review and file comments regarding the Company's Application. We expect that this will not be an issue in subsequent ECAM filings." Order at 6. Staff reports that timely notice was provided.

STAFF RECOMMENDATION

Staff recommends that a total deferral amount of $12,224,954 for the period of December 1, 2012 through November 30, 2013 be approved for recovery from ratepayers with an allocation as follows:

Tariff customers	$6,760,146
Monsanto	$5,053,850
Agrium	$410,957

Furthermore, Staff recommends that:

1. The Company utilize Staff's base rate over-collection adjustment methodology to perform a check on deferral amounts in all future ECAM applications so that adjustments can be made as necessary.
2. The Company maintain separate balancing accounts for Monsanto and Agrium amortized deferrals until the amounts have been fully collected.
3. Schedule 94 ECAM rates as illustrated in Attachment D be approved by the Commission effective April 1, 2014. The new rates constitute a 2.6 percent reduction for tariff customers, a 1.6 percent increase for Monsanto, and a 2.0 percent increase for Agrium from current Schedule 94 rates.
4. The Company file tariffs that reflect Commission approved rates.

Respectfully submitted this 20th day of March 2014.

Neil Price
Deputy Attorney General

Technical Staff: Mike Louis
Keith Hessing
Patricia Harms
Nikki Karpavich
Marilyn Parker

i:umisc:comments/pace14.1npphswkhmlnkmp comments

EXHIBIT 2
ESTIMATED IMPACT OF PROPOSED ECAM ADJUSTMENT
FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
DISTRIBUTED BY RATE SCHEDULES IN IDAHO
HISTORIC 12 MONTHS ENDED DECEMBER 2012

Line No.	Description	Sch.	Average Cust	MWH	Present Rev ($000)	At Meter MWh by Voltage S	P	T	At Generation MWh[1]	ECAM Proposal Rev ($000)	Rate ¢/kWh[2] S	P	T	Present ECAM Rev ($000)[3]	Net Change ($000)	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Residential Sales															
1	Residential Service	1	43,685	424,866	$46,305	424,866			467,981	$1,479	0.348	0.336	0.327	$2,417	($939)	-1.9%
2	Residential Optional TOD	36	14,279	260,612	$24,053	260,612			287,059	$907	0.348	0.336	0.327	$1,483	($576)	-2.3%
3	AGA Revenue				$3											
4	Total Residential		57,964	685,477	$70,361	685,477	0	0	755,040	$2,386				$3,900	($1,515)	-2.0%
5	**Commercial & Industrial**															
6	General Service - Large Power	6	1,048	281,899	$21,796	235,944	45,956		308,818	$976	0.348	0.336	0.327	$1,595	($620)	-2.6%
7	General Svc. - Lg. Power (R&F)	6A	219	32,396	$2,739	32,396			35,683	$113	0.348	0.336	0.327	$184	($72)	-2.4%
8	*Subtotal-Schedule 6*		*1,267*	*314,295*	*$24,535*	*268,339*	*45,956*	*0*	*344,501*	*$1,088*				*$1,780*	*($691)*	*-2.6%*
9	General Service - High Voltage	9	15	118,837	$7,145			118,837	123,122	$389	0.348	0.336	0.327	$636	($247)	-3.2%
10	Irrigation	10	4,894	658,325	$56,316	658,325			725,131	$2,291	0.348	0.336	0.327	$3,746	($1,455)	-2.4%
11	Comm. & Ind. Space Heating	19	116	8,559	$672	8,559			9,428	$30	0.348	0.336	0.327	$49	($19)	-2.6%
12	General Service	23	6,841	145,173	$13,776	143,798	1,376		159,855	$505	0.348	0.336	0.327	$826	($321)	-2.2%
13	General Service (R&F)	23A	1,823	24,281	$2,413	24,281			26,745	$85	0.348	0.336	0.327	$138	($54)	-2.1%
14	*Subtotal-Schedule 23*		*8,664*	*169,454*	*$16,189*	*168,079*	*1,376*	*0*	*186,600*	*$590*				*$964*	*($374)*	*-2.2%*
15	General Service Optional TOD	35	3	1,144	$91	1,144			1,260	$4	0.348	0.336	0.327	$7	($3)	-2.6%
16	Contract 1[4]	400	1	1,400,114	$78,233			1,400,114	1,450,588	$5,951			0.425	$4,536	$1,415	1.7%
17	Contract 2[4]	401	1	106,646	$5,923			106,646	110,491	$451			0.423	$321	$130	2.1%
18	AGA Revenue				$599											
19	Total Commercial & Industrial		14,961	2,777,374	$189,703	1,104,445	47,331	1,625,597	2,951,120	$10,794				$12,038	($1,244)	-0.6%
20	**Public Street Lighting**															
21	Security Area Lighting	7	194	256	$96	256			282	$1	0.348	0.336	0.327	$1	($1)	-0.6%
22	Security Area Lighting (R&F)	7A	134	108	$44	108			119	$0	0.348	0.336	0.327	$1	($0)	-0.5%
23	Street Lighting - Company	11	30	71	$31	71			78	$0	0.348	0.336	0.327	$0	($0)	-0.5%
24	Street Lighting - Customer	12	276	2,444	$429	2,444			2,691	$9	0.348	0.336	0.327	$14	($5)	-1.2%
25	AGA Revenue				$0											
26	Total Public Street Lighting		634	2,878	$600	2,878	0	0	3,170	$10				$16	($6)	-1.0%
27	**Total Sales to Ultimate Customers**		73,559	3,465,729	$260,664	1,792,800	47,331	1,625,597	3,709,330	$13,189				$15,955	($2,765)	-1.0%
28	**Total (Excluding Sch 400, 401)**		73,557	1,958,969	$176,509	1,792,800	47,331	118,837	2,148,251	$6,787				$11,097	($4,310)	-2.3%
29	[1] Equal to MWh sales by voltage times the corresponding loss factors in this line:					1.10148	1.06475	1.03605		$6,787	< Tariff Cust			Present		
30	[2] Total Proposed ECAM Revenue ($000) and Rate by Voltage (cents/kWh):					0.348	0.336	0.327	0.316	$5,951	< Sch 400			0.324	< Sch 400	
31	[3] Equal to MWh sales by voltage times the corresponding present rate in this line:					0.569	0.550	0.535		$451	< Sch 401			0.301	< Sch 401	
32	[4] Rates designed to amortize the ECAM Deferral Balances for Schedules 400 and 401 over two years.															

Attachment A
Case No. PAC-E-14-01
Staff Comments
03/20/14

ATTACHMENT B IS CONFIDENTIAL AND PROTECTED UNDER THE PROTECTIVE AGREEMENT

Staff Base Rate Over-collection Adjustments - PAC-E-14-1

Staff Adjustment to Net Power Cost Deferral	December 2012 (Stipulated - 2012)	Jan - Nov 2013 (Stipulated - 2013)	Total ECAM
Actual Idaho Jurisdictional NPC			**101,000,879**
Recovery of Actual NPC			
Recovery of Actual NPC through Base Rates			
Annual Cost embedded in base rates ($)[1]	76,555,188	87,555,188	
Annual Idaho Base Load @ meter (Cost of Service - MWh)	3,328,058	3,328,058	
NPC Rate Embedded in Base Rates ($/MWh)	23.00	26.31	
Idaho Actual Load @ meter without replacment (from billing data - MWh)	239,970	3,284,358	
Revenue Collected through Base Rates ($)	5,520,032	86,405,519	91,925,551
Recovery of Actual NPC through ECAM			
Company Proposed NPC Deferral (before sharing)			9,791,394
Total Recovery of Actual NPC			**101,716,945**
Over/(Under) Collection before sharing			**716,066**
Over/(Under) Collection after 90% sharing			**644,459**

[1] Amounts were stipulated for 2012 and 2013 in PAC-E-11-12

Staff Adjustment to Load Change Adjustment Deferral	Load Change Adjustment (LCA) December '12 - November '13	Total ECAM
Actual Idaho Production Revenue Requirement minus NPC[2]		
LCAR (effective April 1, 2011 - $/MWh)	5.47	
Idaho Base Load @ input (MWh)	3,685,546	
Total Actual Idaho Production Revenue Requirement minus NPC		**20,175,962**
Recovery of Idaho Production Revenue Requirement minus NPC		
Recovery of Idaho Production Revenue Requirement minus NPC through Base Rates		
Idaho Production Revenue Requirement minus NPC embedded in Base Rates ($)	20,175,962	
Idaho Base Load @ meter (MWh)	3,328,058	
LCAR based on Load @ meter ($/MWh)	6.06	
Idaho Actual Load @ meter adjusted for curtailment (MWh)	3,574,266	
Revenue Collected through Base Rates ($)		21,668,572
Recovery of Actual Production R.R. minus NPC through ECAM		
Company Proposed LCA Deferral (before sharing)		(1,193,524)
Total Recovery of Actual Production R.R. minus NPC		**20,475,048**
Over/(Under) Collection before sharing		**299,086**
Over/(Under) Collection after 90% sharing		**269,177**

[2] Assumes Idaho Production Revenue Requirment minus NPC embedded in Base Rates are equal to Actual cost.

Staff Adjustment to Irrigation Load Control Program Cost Deferral	DSM1 Cost December '12 - November '13	Total ECAM
Actual DSM1 Cost		**831,541**
Recovery of REC Revenue		
Recovery of DSM1 Cost in Base Rates		
Idaho DSM1 Cost Embedded in Base Rates ($)	1,045,423	
Idaho Base Load @ meter (MWh)	3,328,058	
DSM1 Cost Rate ($/MWh)	0.31	
Idaho Actual Load @ meter without replacement (MWh)	3,524,328	
Revenue Recovered through Base Rates		1,107,076
Recovery of DSM1 Cost through ECAM		
Company Proposed DSM1 Deferral (before sharing)		(213,882)
Total Recovery of Actual DSM1 Cost		**893,194**
Over/(Under) Collection before sharing		**61,653**
Over/(Under) Collection after 90% sharing		**55,488**

Staff Adjustment to REC Revenue Deferral	REC Revenue December '12 - November '13	Total ECAM
Actual REC Revenue		**(1,296,228)**
Recovery of REC Revenue		
Credit of REC Revenue in Base Rates		
Idaho REC Revenue Embedded in Base Rates ($)	(6,526,622)	
Idaho Base Load @ meter (MWh)	3,328,058	
REC Revenue Rate ($/MWh)	(1.96)	
Idaho Actual Load @ meter without replacement (MWh)	3,524,328	
Revenue Credited through Base Rates		(6,911,526)
Credit of REC Revenue through ECAM		
Company Proposed REC Deferral (before sharing)		5,230,394
Total Credit of Actual REC Revenue		**(1,681,132)**
Over/(Under) Collection		**(384,904)**

Total Over Collection Adjustment	**584,220**

Attachment D
Case No. PAC-E-14-01
Staff Comments
03/20/14

EXHIBIT 2
ESTIMATED IMPACT OF PROPOSED ECAM ADJUSTMENT
FROM ELECTRIC SALES TO ULTIMATE CONSUMERS
DISTRIBUTED BY RATE SCHEDULES IN IDAHO
HISTORIC 12 MONTHS ENDED DECEMBER 2012

Line No.	Description	Sch.	Average Cust	MWH	Present Rev ($000)	At Meter MWh by Voltage S	P	T	At Generation MWh[1]	ECAM Proposal Rev ($000)	Rate ¢/kWh[2] S	P	T	Present ECAM Rev ($000)[3]	Net Change ($000)	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Residential Sales															
1	Residential Service	1	43,685	424,866	$46,305	424,866			467,981	$1,375	0.324	0.313	0.304	$2,417	($1,042)	-2.1%
2	Residential Optional TOD	36	14,279	260,612	$24,053	260,612			287,059	$844	0.324	0.313	0.304	$1,483	($639)	-2.5%
3	AGA Revenue				$3											
4	Total Residential		57,964	685,477	$70,361	685,477	0	0	755,040	$2,219				$3,900	($1,682)	-2.3%
5	**Commercial & Industrial**															
6	General Service - Large Power	6	1,048	281,899	$21,796	235,944	45,956		308,818	$907	0.324	0.313	0.304	$1,595	($688)	-2.9%
7	General Svc. - Lg. Power (R&F)	6A	219	32,396	$2,739	32,396			35,683	$105	0.324	0.313	0.304	$184	($79)	-2.7%
8	*Subtotal-Schedule 6*		*1,267*	*314,295*	*$24,535*	*268,339*	*45,956*	*0*	*344,501*	*$1,012*				*$1,780*	*($767)*	*-2.9%*
9	General Service - High Voltage	9	15	118,837	$7,145			118,837	123,122	$362	0.324	0.313	0.304	$636	($274)	-3.5%
10	Irrigation	10	4,894	658,325	$56,316	658,325			725,131	$2,131	0.324	0.313	0.304	$3,746	($1,615)	-2.7%
11	Comm. & Ind. Space Heating	19	116	8,559	$672	8,559			9,428	$28	0.324	0.313	0.304	$49	($21)	-2.9%
12	General Service	23	6,841	145,173	$13,776	143,798	1,376		159,855	$470	0.324	0.313	0.304	$826	($356)	-2.4%
13	General Service (R&F)	23A	1,823	24,281	$2,413	24,281			26,745	$79	0.324	0.313	0.304	$138	($60)	-2.3%
14	*Subtotal-Schedule 23*		*8,664*	*169,454*	*$16,189*	*168,079*	*1,376*	*0*	*186,600*	*$548*				*$964*	*($416)*	*-2.4%*
15	General Service Optional TOD	35	3	1,144	$91	1,144			1,260	$4	0.324	0.313	0.304	$7	($3)	-2.9%
16	Contract 1[4]	400	1	1,400,114	$78,233			1,400,114	1,450,588	$5,900			0.421	$4,536	$1,363	1.6%
17	Contract 2[4]	401	1	106,646	$5,923			106,646	110,491	$447			0.419	$321	$126	2.0%
18	AGA Revenue				$599											
19	Total Commercial & Industrial		14,961	2,777,374	$189,703	1,104,445	47,331	1,625,597	2,951,120	$10,432				$12,038	($1,606)	-0.8%
20	**Public Street Lighting**															
21	Security Area Lighting	7	194	256	$96	256			282	$1	0.324	0.313	0.304	$1	($1)	-0.6%
22	Security Area Lighting (R&F)	7A	134	108	$44	108			119	$0	0.324	0.313	0.304	$1	($0)	-0.6%
23	Street Lighting - Company	11	30	71	$31	71			78	$0	0.324	0.313	0.304	$0	($0)	-0.5%
24	Street Lighting - Customer	12	276	2,444	$429	2,444			2,691	$8	0.324	0.313	0.304	$14	($6)	-1.4%
25	AGA Revenue				$0											
26	Total Public Street Lighting		634	2,878	$600	2,878	0	0	3,170	$9				$16	($7)	-1.1%
27	**Total Sales to Ultimate Customers**		73,559	3,465,729	$260,664	1,792,800	47,331	1,625,597	3,709,330	$12,660				$15,955	($3,295)	-1.2%
28	**Total (Excluding Sch 400, 401)**		73,557	1,958,969	$176,509	1,792,800	47,331	118,837	2,148,251	$6,313				$11,097	($4,784)	-2.6%
29	[1] Equal to MWh sales by voltage times the corresponding loss factors in this line:					1.10148	1.06475	1.03605		$6,313	< Tariff Cust			Present		
30	[2] Total Proposed ECAM Revenue ($000) and Rate by Voltage (cents/kWh):					0.324	0.313	0.304	0.294	$5,900	< Sch 400			0.324	< Sch 400	
31	[3] Equal to MWh sales by voltage times the corresponding present rate in this line:					0.569	0.550	0.535		$447	< Sch 401			0.301	< Sch 401	
32	[4] Rates designed to amortize the ECAM Deferral Balances for Schedules 400 and 401 over two years.															

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20TH DAY OF MARCH 2014, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF,** IN CASE NO. PAC-E-14-01, BY E-MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

TED WESTON
ID REGULATORY AFFAIRS MANAGER
ROCKY MOUNTAIN POWER
201 S MAIN ST STE 2300
SALT LAKE CITY UT 84111
E-MAIL: ted.weston@pacificorp.com

YVONNE HOGLE
ROCKY MOUNTAIN POWER
201 S MAIN ST STE 2300
SALT LAKE CITY UT 84111
E-MAIL: yvonne.hogle@pacificorp.com

DATA REQUEST RESPONSE CENTER
E-MAIL ONLY:
datarequest@pacificorp.com

ELECTRONIC ONLY
JAMES R SMITH
MONSANTO COMPANY
E-MAIL: jim.r.smith@monsanto.com

RANDALL C BUDGE
RACINE OLSON NYE BUDGE
& BAILEY
PO BOX 1391
POCATELLO ID 83204
E-MAIL: rcb@racinelaw.net

BRUBAKER & ASSOCIATES
16690 SWINGLEY RIDGE RD
#140
CHESTERFIELD MO 63017
E-MAIL: bcollins@consultbai.com

Jo Nelson
SECRETARY