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IDAHO PUBLIC
UTILITIES COMMISSION

RANDALL C. BUDGE
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March 13, 2015

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

Hand Delivered

Re: IPUC Case No. PAC-E-15-01

Dear Ms. Jewell:

Enclosed you will find the original and seven (7) copies of *Comments of Monsanto Company*. Please file the same with the Commission's records. If you have any questions, please don't hesitate to call.

Thank you.

Sincerely,

RANDALL C. BUDGE

RCB:ts

cc: Service List

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UTILITIES COMMISSION

Attorneys for Intervenor Monsanto Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-15-01
OF ROCKY MOUNTAIN POWER FOR)	
AUTHORITY TO INCREASE RATES BY)	APPLICATION OF ROCKY
\$10.7 MILLION TO RECOVER)	MOUNTAIN POWER
DEFERRED NET POWER COSTS)	
THROUGH THE ENERGY COST)	
ADJUSTMENT MECHANISM)	

COMMENTS OF MONSANTO COMPANY

INTRODUCTION

COMES NOW Intervenor Monsanto Company ("Monsanto") through counsel and submits these Comments with respect to the February 2, 2015 Application of PacifiCorp, d/b/a Rocky Mountain Power ("Company") seeking authorization to increase rates by \$10.7 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. 33235 dated February 25, 2015, giving notice of the Application, and 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 February 25, 2015 by Order No. 33232.

MONSANTO COMMENTS

Monsanto has reviewed the testimony and exhibits in this case and requests the Commission and Company consider an alternative structure for the payment of Monsanto's prior deferral balance of \$6,175,247. The Company proposes to recover this amount as a 0.441 cents/kWh charge over the next twelve months. The Company further proposes that Monsanto pay the 2014 Deferral rate of 0.467 cents/kWh, for a combined total rate of 0.908 cents/kWh. In order to split apart the prior deferral revenues from the 2014 Deferral revenues, the Company proposes to apply 54.0 percent of the 0.908 cents/kWh against the balance of the prior deferrals, and 46.0 percent against the 2014 Deferral balance. We have two primary concerns with this treatment: (1) ensuring that Monsanto neither over-pays or under-pays its actual prior deferral balance, and (2) ensuring that Monsanto does not pay the portion of the 2014 Deferral related to the under-collection from the standard tariff customers.

Monsanto Should Pay Its Prior Deferral Balance

The Company has estimated that Monsanto's prior deferral balance is \$6,175,247 based on forecasted information for the months of January, February and March 2015. Since the Company filed its Application on February 2, 2015, updated billing information has become available. Using actual ECAM revenues for January, February and March 2015, the deferral balance is actually \$6,106,392, as shown on Attachment A to these Comments.¹ We recommend the Commission use this updated figure for purposes of establishing Monsanto's payment of its prior deferral balance.

Second, Monsanto is concerned that the Company neither over-collect or under-collect the prior deferral balance. As this is the final year for Monsanto to pay down its individual prior deferral balance, it would be best if the amount were paid off as accurately as possible. Recovering Monsanto's prior deferral balance on a cents/kWh basis as the Company proposes may either over-collect or under-collect depending on Monsanto's loads and depending on the proportionate tracking of the collections. For example, the Company proposes to track the

¹Due to the lag in ECAM revenues, the actual revenues for these three months are from the December 2014, January 2015 and February 2015 invoices.

recovery of the prior deferral balance by proportioning Monsanto's monthly collections as 46.0 percent applied against the balance for the 2014 Deferral, and 54.0 percent applied against the prior deferral balance. We estimate that applying 54.0 percent of the proposed collections from Monsanto against the balance of the prior deferral could result in an over-collection by as much as \$678,000 above the \$6,175,247 estimated balance.² Furthermore, Monsanto questions whether the 54.0 percent allocator is the proper percentage to apply. As explained in the testimony of Ms. Joelle Steward, the 54.0 percent is premised on the assumption that 10.5 percent, or \$1.7 million, of the 2014 Deferral is related to the outstanding balance from standard tariff customers. A closer inspection of the work papers, however, reveals that of the \$16,703,740 to be recovered for the 2014 Deferral, the outstanding balance from standard tariff customers appears to be \$69,178 after the forecasted Schedule 94 collections for December 2014 through March 2015 are included.³ Hence, the 54.0 percent allocator may over-recover Monsanto's prior deferral balance, and simultaneously under-recover the 2014 Deferral shared by all customers.

Consequently, Monsanto suggests that a simpler approach would be for Monsanto to make equal monthly payments in order to pay down its \$6,106,392 balance to \$0, as well as pay the monthly interest. A monthly payment of \$511,413.50 will pay back the prior deferral balance at the annual interest rate of 1%. Attachment B to these comments provides the details of this pay-off for the months April 2015 through March 2016.

Monsanto Should Not Pay for the Standard Tariff Under-Collection

The Company is rightfully concerned that Tariff Contract 400 and 401 customers not pay for the portion of the 2014 Deferral related to the under-collection from the standard tariff customers from the prior year. To accomplish this, the Company proposes to correspondingly reduce the percentage of collections allocated to the 2014 Deferral for Tariff Contract 400 and 401, and increase the percentage of collections allocated to the prior deferral balance. However, the Company has not provided any explanation of how that percentage reduction will result in

² Assuming Monsanto loads are the same as last year's loads.

³ See the Excel file entitled "ID 2015 ECAM Rate Design Workpaper", sheet "NPC – Exhibit 1", cell U74.

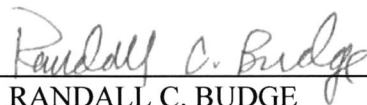
any lower cost to Tariff Contract customers since the proposed rate of 0.467 cents/kWh includes recovery of the standard tariff under-collection. Monsanto is still concerned that despite the Company's good intentions, the details of this proposal have not yet been adequately resolved.

Monsanto suggests two possible resolutions to this situation. The first alternative would be to design the ECAM rate for Tariff Contract customers without the standard tariff under-collection, and likewise design the ECAM rate for standard tariff customers with the standard tariff under-collection. As shown in Attachment B, Monsanto's ECAM rate would be 0.465 cents/kWh (as opposed to the proposed 0.467 cents/kWh). This would place the cost of the standard tariff under-collection back onto the appropriate customers.

A second alternative solution would be to have Monsanto pay the 0.468 cents/kWh Schedule 94 ECAM rate,⁴ and provide a monthly credit to Monsanto for its share of the \$69,178 standard tariff customers' under-collections. As shown on Attachment B, we calculate Monsanto's share of the under-collection from the standard tariff customers to be \$42,000, or a monthly credit of \$3,500. Consequently, Monsanto would pay a net fixed monthly amount of \$507,913 to pay off its prior deferral balance, while paying the same ECAM rate as all transmission customers, that is, 0.468 cents/kWh over the next twelve months. Monsanto would be open to discussing these alternative solutions with the Company and Commission Staff.

RESPECTFULLY SUBMITTED this 13th day of March, 2015.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By 
RANDALL C. BUDGE

⁴ The 0.468 cents/kWh ECAM rate is based on the fact that only standard tariff customers are allocated the \$69,178 under-collection. See Attachment B.

CERTIFICATE OF MAILING

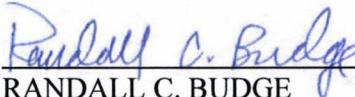
I HEREBY CERTIFY that on this 13th day of March, 2015, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

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RANDALL C. BUDGE

ATTACHMENT A
Monsanto Prior Deferral Balance as of April 1, 2015 Based on Actuals

Line No.			AS FILED BY RMP IN ITS APPLICATION			
			Dec-14	Jan-15	Feb-15	Mar-15
1	Interest Rate	Order Nos. 32403, 32684	1.00%	1.00%	1.00%	1.00%
2	Monsanto Balance	Exhibit No. 3	7,949,050	7,610,601	7,097,996	6,590,101
3	Less: Monthly Payment	Forecast	(344,930)	(518,731)	(513,596)	(420,171)
4	Interest		<u>6,480</u>	<u>6,126</u>	<u>5,701</u>	<u>5,317</u>
5	Ending Balance		7,610,601	7,097,996	6,590,101	6,175,247
			UPDATED USING ACTUAL REVENUES			
			Dec-14	Jan-15	Feb-15	Mar-15
6	Monsanto Balance	Exhibit No. 3	7,949,050	7,610,601	7,096,109	6,604,193
7	Less: Monthly Payment	Actual	(344,930)	(520,617)	(497,622)	(503,095)
8	Interest		<u>6,480</u>	<u>6,125</u>	<u>5,706</u>	<u>5,294</u>
9	Ending Balance		7,610,601	7,096,109	6,604,193	6,106,392

Proposed Monthly Payments By Monsanto to Recover Prior Deferral Balance

Line No.	Month		Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
1	Interest Rate	Order Nos. 32403, 32684	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2	Monsanto Balance	Attachment A	6,106,392	5,599,854	5,092,894	4,585,512	4,077,706	3,569,478	3,060,826	2,551,750	2,042,250	1,532,325	1,021,976	511,201
3	Less: Monthly Payment	Proposed	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)	(511,414)
4	Interest		4,876	4,453	4,031	3,608	3,185	2,761	2,338	1,913	1,489	1,064	639	213
5	Ending Balance		5,599,854	5,092,894	4,585,512	4,077,706	3,569,478	3,060,826	2,551,750	2,042,250	1,532,325	1,021,976	511,201	0
6	Adjustment to eliminate Monsanto's Share of Standard Tariff customers under-collection:		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
7	Proposed Payment by Monsanto		(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)	(507,913)
			Without Standard Tariff Under-Collection	Standard Tariff Under-Collection	With Standard Tariff Under-Collection	Without Standard Tariff Under-Collection			Standard Tariff Under-Collection	With Standard Tariff Under-Collection				
Determination of Monsanto's Share of Standard Tariff Customers Under-Collection														
8	Total Company Recovery for NPC Deferral	Exhibit No. 3	\$16,634,562				\$16,634,562	\$69,178	\$16,703,740					
9	Sales at Generation (MWH)	Exhibit No. 2	3,709,330				3,709,330	2,148,251						
10	ECAM Rate (\$ per kWh)		0.448		0.452		0.448	0.003	0.452					
11	Times Transmission Loss Factor	Exhibit No. 2	1.03605		1.03605									
12	ECAM Rate (\$ per kWh) - Transmission Voltage		0.465		0.468		Secondary	Primary	Transmission					
13	Monsanto MWH	Exhibit No. 2	1,400,114		1,400,114		1,10148	1,06475	1,03605					
14	Monsanto Revenues		6,510,530		6,552,534		0.498	0.481	0.468					
15	Monsanto's Share of the Standard Tariff Under-Collection			\$42,003										
16	Monthly Adjustment			\$3,500										