



SNAKE RIVER ALLIANCE

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November 6, 2015

To: Idaho Public Utilities Commission

From: Ken Miller, Clean Energy Program Director, Snake River Alliance

Re: Snake River Alliance Comments In the Matter of PacifiCorp DBA Rocky Mountain Power's Application to Modify the Energy Cost Adjustment Mechanism and Increase Rates, Case No. PAC-E-15-09.

On behalf of our members in Rocky Mountain Power's Idaho service territory, the Snake River Alliance appreciates this opportunity to provide comments on the above-referenced case, filed with the Public Utilities Commission on May 27, 2015. These comments are submitted to the Commission in response to its Notice of Proposed Settlement Stipulation, Notice of Modified Procedure, and Notice of Schedule, ORDER NO. 33403.

The Snake River Alliance is not a party to PAC-E-15-09, but has reviewed the documents filed in this case, including the stipulation filed on Oct. 15, 2015. The Alliance appreciates that Rocky Mountain Power (RMP), Idaho Public Utilities Commission staff, and parties Monsanto Company and PacifiCorp Idaho Industrial Customers were able to reach a proposed settlement stipulation that the Alliance believes is in the best interest of Rocky Mountain Power customers. The parties agree that Idaho retail revenues should increase by \$10.2 million (3.9 percent) effective January 1, 2016. (Notice of Proposed Settlement Stipulation, P. 2). The Alliance supports the stipulation and believes it is in the best interest of Rocky Mountain Power customers for reasons outlined below.

RMP satisfied PUC staff and the parties that a portion of the company's variable power supply expenses should be transferred into permanent base rates. As it has in earlier, unrelated cases in which a utility has sought ratemaking treatment for certain demand side management (DSM) expenses, the Alliance supports allowing the utility to recover ongoing and permanent power costs through base rates rather than through the Energy Cost Adjustment Mechanism (ECAM). (Application, P. 4). The ECAM will continue to identify expenses, particularly fuel and power purchases that vary annually due to such variables as weather and market prices.

While there will be a ratepayer impact should the Commission approve this settlement, the projected increase of \$2.35 a month for the average RMP residential ratepayer is almost certainly far lower than a

possible rate increase that could occur should this case be fully litigated as a general rate case.

The Alliance also appreciates that parties agreed to a two-year RMP “stay-out” that will forestall the next base rate increase to no sooner than Jan. 1, 2018. We believe that avoiding the need to litigate a rate case is almost always in the best interest of all parties and customers, and this is such a case.

The amount proposed to be shifted into permanent base rates, while not insignificant, is reasonable. We note that of the \$10.2 million currently collected through RMP’s annual ECAM, \$6.5 million is attributed to revenues from the trading of Renewable Energy Credits (RECs) that the company will no longer realize. The \$3.2 million in power supply expenses that would be moved into base rates reflects expenses for fuel and power purchases. The parties agreed in this settlement that the \$3.2 million in power supply expenses is reasonable and accounted for, and the Alliance has no reason to believe otherwise. We also support terms of the settlement that spread the amount across all rate schedules (Settlement, P. 2).

We also support RMP’s willingness to “file an application for review by interested parties and for approval by the Commission no later than September 1, 2016, proposing the change to base rates, the NPC from the 2015 annual results of operations report, the associated rate changes and spreads to customer classes, and updated electric service schedules.” (Settlement, P. 3). And given that revenues from SO2 allowance sales have fallen to next to nothing (\$71 in 2014), we support the decision to remove them from being tracked in the ECAM.

The Alliance again appreciates this opportunity to comment on PAC-E-15-09, and we recommend that the Commission approve the proposed settlement. Again, we commend the Company and all parties to this case for their efforts to strike the compromise that led to this proposed settlement and that avoided the need for a protracted general rate case.

Respectfully submitted,



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