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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
PACIFICORP DBA ROCKY MOUNTAIN)	CASE NO. PAC-E-17-01
POWER FOR APPROVAL OF THE 2017 INTER-))	
JURISDICTIONAL COST ALLOCATION)	COMMENTS OF THE
PROTOCOL)	COMMISSION STAFF
)	

The Staff of the Idaho Public Utilities Commission comments as follows on PacifiCorp dba Rocky Mountain Power's Application.

BACKGROUND

On February 1, 2017, PacifiCorp dba Rocky Mountain Power applied to the Commission for an Order that would extend the Company's 2017 Inter-Jurisdictional Cost Allocation Protocol (2017 Protocol) from December 31, 2018 through December 31, 2019. The Company has asked that the case be processed by Modified Procedure, and that an Order issue by March 31, 2017.

The Commission approved the 2017 Protocol in October 2016. *See* Order No. 33623, Case No. PAC-E-15-16. The Company and various stakeholders had negotiated the 2017 Protocol in an effort to equitably allocate PacifiCorp's costs to provide electric service to its customers in the six states it serves, including Idaho. As approved, the 2017 Protocol has a two-year term, and will be used to allocate PacifiCorp's costs from January 1, 2017 through December 31, 2018.

In its Application, the Company notes the 2017 Protocol was intended to be a short-term allocation protocol that would allow the parties some time to study the potential affect of changing energy policies before agreeing on a longer term allocation method. The Company also notes, however, that although it continued to discuss the allocation issues with stakeholders after the 2017 Protocol was approved, it is unlikely the parties will be able to agree on a new cost allocation method to be presented and approved by the commissions before the 2017 Protocol expires on December 31, 2018.

With this Application, the Company seeks to extend the term of the 2017 Protocol for another year, through December 31, 2019, to afford the parties more time to explore allocation issues and reach consensus on a new cost allocation method. The Company notes that the 2017 Protocol contemplates that it can be extended for another year, through December 31, 2019, if all state commissions that approved it determine by March 31, 2017, that it should be extended. The Company thus asks the Commission to issue an Order by March 31, 2017, that approves the Application and extends the 2017 Protocol through December 31, 2019.

STAFF ANALYSIS

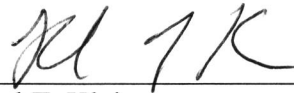
The Company conducted a year-long analysis of the practicality and cost impacts of an alternative corporate structure. An initial strawman allocation option was also explored to achieve similar results as corporate separation to recognize the increased autonomy state Commissions and customers may want with generation resource decisions. The allocation proposal would also allow economic dispatch to continue across the system with cost efficiencies maintained. Both of these preliminary options were presented to the Multi-State Protocol (MSP) Broad Review Group on December 14, 2016, and the Commissioner Forum on January 25, 2017. During both meetings, parties discussed the work required to fully evaluate an alternative cost allocation method beyond 2018 and many parties expressed the concern that time was short making the additional year necessary to complete this review.

Terri Carlock for the Commission Staff and Monsanto representatives participated in both of the above meetings. Staff believes the extensive review required by parties and the time for processing any filing will take additional time. The Commission in Order No. 33623 recognized this possibility when stating "...we believe an extension of this Protocol through 2018 will likely be necessary."

STAFF RECOMMENDATION

Staff recommends the one-year extension be approved making the 2017 Protocol effective through December 31, 2019.

Respectfully submitted this 28th day of February 2017.



Karl T. Klein
Deputy Attorney General

Technical Staff: Terri Carlock

i:umisc/comments/pace17.1kkc comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 28TH DAY OF FEBRUARY 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-17-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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