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IDAHO PUBLIC
UTILITIES COMMISSION

December 13, 2017

VIA OVERNIGHT DELIVERY

Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

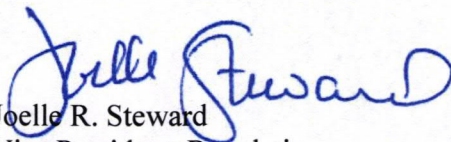
Attention: Diane Hanian
Commission Secretary

**RE: CASE NO. PAC-E-17-06
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
FOR BINDING RATEMAKING TREATMENT FOR WIND REPOWERING**

Please find enclosed for filing an original and seven (7) copies of the Company's Comments supporting the Stipulation filed in the above-referenced matter.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager, at (801) 220-2963.

Very truly yours,


Joelle R. Steward
Vice President, Regulation

Enclosures

Yvonne R. Hogle (ISB No. 8930)
1407 W. North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (801) 220-4050
Facsimile No. (801) 220-3299
E-mail: yvonne.hogle@pacificorp.com

Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION PACIFICORP DBA ROCKY MOUNTAIN POWER FOR BINDING RATEMAKING TREATMENT FOR WIND REPOWERING	CASE NO. PAC-E-17-06 COMMENTS OF ROCKY MOUNTAIN POWER
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PacifiCorp, d.b.a. Rocky Mountain Power (“Rocky Mountain Power” or “Company”), hereby provides Comments in support of the Stipulation filed November 24, 2017, in the above referenced matter entered into by and among Rocky Mountain Power, Staff for the Idaho Public Utilities Commission (“Staff”); the Idaho Irrigation Pumper Association, Inc. (“IIPA”); Monsanto Company (“Monsanto”); and PacifiCorp Idaho Industrial Customers (“PIIC”) collectively referred to as the “Parties”.

BACKGROUND

1. The Company’s 2017 IRP, filed with the Commission on April 4, 2017, identified wind repowering as a least-cost, least-risk resource. The 2017 IRP is designed to ensure, on a long-term basis, an adequate and reliable electricity supply at a reasonable cost and in a manner that is consistent with the public interest. To that end, the IRP’s primary objective is to identify the best mix of resources to serve customers over the short and long-term, based on an analysis of the costs and risks associated with various resource portfolios. The IRP identifies the preferred portfolio as the least-cost, least-risk portfolio that can be delivered through specific action items at a reasonable

cost and with manageable risks, while ensuring compliance with state and federal regulatory obligations.

2. Wind repowering involves the installation of new rotors with longer blades and new nacelles with higher capacity generators, which will increase energy output without changing the footprint, towers, foundations or energy collector systems of the wind facilities. Using modern technology and improved control systems, the repowered wind facilities will produce more cost-effective energy, using zero-cost fuel over an extended useful life at reduced operating costs, saving customers millions of dollars. Because existing towers and foundations will remain in place and the footprint of the existing facilities are unchanged, the wind repowering project also results in minimal environmental impact and permitting requirements.

3. The Company's application proposes to upgrade or "repower" its wind resources because it provides net benefits to customers by increasing energy production, reducing operating costs, and requalifying the Company's existing wind resources for federal production tax credits ("PTCs"), which will fully expire by 2020, 10 years after the final facility's original commercial operation date.

4. On July 3, 2017, Rocky Mountain Power filed an Application for Binding Ratemaking Treatment for Wind Repowering ("Application") with the Commission. The Application requested a Commission determination on the prudence of the Company's plan to upgrade or "repower" most of its wind resources, and Commission approval of the Company's proposed ratemaking treatment for new investment and continued rate recovery of and on the undepreciated balance of the replaced assets associated with the wind repowering project.

5. To match the annual investment, operating costs, and benefits of the repowered wind projects until the costs and benefits are fully included in base rates, the Company proposed

a new Resource Tracking Mechanism (“RTM”), which would be included as a component of the Company’s approved Energy Cost Adjustment Mechanism (“ECAM”). The benefits of repowering the wind facilities include new PTCs for the projects and additional zero-fuel cost energy generation. The ECAM will capture 90 percent of the zero-fuel costs net power cost benefits associated with the incremental energy production and 100 percent of the PTCs as each facility requalifies. The Company proposed that there would be no sharing of the incremental energy generated from the repowered wind projects. Customers would receive 100 percent of the benefit of the incremental energy produced from these projects. Once the full costs and benefits are included in base rates, only the incremental fluctuations associated with production levels of energy and PTCs would continue to be tracked in the ECAM, as they are today, since these are entirely dependent on the variable output of the facilities.

6. On July 26, 2017, the Commission issued a Notice of Application and Order setting an intervention deadline of August 8, 2017, and directing Staff to develop a procedural schedule for the processing of the matter. On August 18, 2017, the Commission issued a Notice of Scheduling and Notice of Technical Hearing setting a procedural schedule that included a technical evidentiary hearing on December 7, 2017.

7. The Parties to the Application met on October 19, 2017, to engage in settlement discussions. Based upon these settlement discussions the Parties were able to reach a comprehensive settlement agreement and on November 24, 2017, filed a Stipulation resolving all issues in the docket with the Idaho Public Utilities Commission.

8. Parties to the Stipulation agreed to waive their rights to testify at the scheduled technical hearing on December 7, 2017, and instead requested that the Application and associated Stipulation be processed under Modified Procedure. On November 30, 2017, Commission Order

33939 provided notice of the proposed Stipulation, Modified Procedure, and set December 13, 2017, as the deadline for comments.

THE STIPULATION

9. The Stipulation was negotiated in good faith by all the Parties to this Application. In support of the Stipulation, the Company respectfully requests that the Commission issue an order finding that the wind repowering project is prudent and in the public interest. Additionally, consistent with the terms of the Stipulation, the Company requests that the Commission approve the Company's RTM as a component of the ECAM and approve the Stipulation as filed.

10. The Company acknowledges there are always risks associated with any project and has therefore incorporated protections and off-ramps to the best of its ability to protect itself and customers from the risks that are within the Company's control.

11. Paragraph 16 of the Stipulation states that if there is a material change in circumstance, such as changes to federal tax laws, change in the projected costs or benefits, or for some other reason, the Parties agree that the Company will make a filing with the Commission to allow for additional review and a determination of whether the Company should proceed with the implementation of the wind repowering project under the terms and conditions of this Stipulation.

12. As part of Utah Docket No. 17-035-39 and Wyoming Docket 20000-519-EA-17, the Company committed to provide an analysis of the Repowering project with the most updated information it has available. This will include incorporating the results of the final equipment selected for the project, any contract terms with the equipment suppliers, and the most current information associated with tax reform. The Company commits to provide this update to the Commission and Parties to the Stipulation by February 7, 2018. In the event this supplemental analysis results in a material change to the wind repowering project, the Company anticipates that

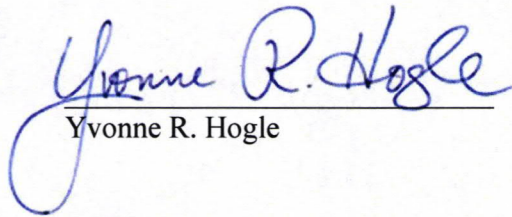
paragraph 16 would be implicated to allow the Commission and Parties an additional formal review opportunity.

REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests that the Commission approve the Stipulation as filed and issue an order: (1) finding that the wind repowering project is prudent and in the public interest; (2) approving the RTM as described in the Stipulation; and (3) approving the continued rate recovery of and on the replaced assets associated with the wind repowering project.

DATED this December 13, 2017.

RESPECTFULLY SUBMITTED,
ROCKY MOUNTAIN POWER


Yvonne R. Hogle

CERTIFICATE OF SERVICE

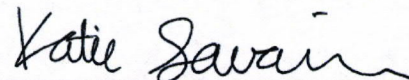
I hereby certify that on this 13th day of December, 2017, I caused to be served, via e-mail a true and correct copy of Rocky Mountain Power's Comments in Case No. PAC-E-17-06 to the following:

Service List

IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.	
Eric L. Olsen ECHO HAWK & OLSEN, PLLC 505 Pershing Ave., Ste. 100 P.O. Box 6119 Pocatello, Idaho 83205 E-mail: elo@echohawk.com	Anthony Yankel 12700 Lake Avenue, Unit 2505 Lakewood, Ohio 44107 E-mail: tony@yankel.net
MONSANTO COMPANY	
Randall C. Budge Racine, Olson, Nye & Budge, Chartered P.O. Box 1391; 201 E. Center Pocatello, Idaho 83204-1391 E-mail: rcb@racinelaw.net	Brubaker & Associates 16690 Swingley Ridge Rd., #140 Chesterfield, MO 63017 E-mail: bcollins@consultbai.com kiverson@consultbai.com
IDAHO INDUSTRIAL CONSUMERS	
Ronald L. Williams Williams Bradbury, P.C. P.O. Box 388 Boise ID, 83701 E-mail : ron@williamsbradbury.com	Jim Duke Idahoan Foods E-mail: jduke@idahoan.com
Kyle Williams BYU Idaho E-mail : williamsk@byui.edu	Val Steiner Nu-West Industries, Inc. E-mail : val.steiner@agrium.com
Bradley Mullins 333 SW Taylor, Suite 400 Portland, OR 97204 E-mail: brmullins@mwanalytics.com	
COMISSION STAFF	
Brandon Karpen Deputy Attorney General Idaho Public Utilities Commission 472 W. Washington (83702) PO Box 83720 Boise, ID 83720-0074 E-mail: brandon.karpen@puc.idaho.gov	

PACIFICORP, DBA ROCKY MOUNTAIN POWER	
Ted Weston PacifiCorp, dba Rocky Mountain Power 1407 West North Temple Suite 330 Salt Lake City, UT 84116 E-mail: ted.weston@pacificorp.com	Yvonne Hogle PacifiCorp, dba Rocky Mountain Power 1407 West North Temple Suite 320 Salt Lake City, UT 84116 E-mail: yvonne.hogle@pacificorp.com
Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 E-mail: datarequest@pacificorp.com	

Dated this 13th day of December, 2017.



Katie Savarin
 Coordinator, Regulatory Operations