

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-17-06
OF ROCKY MOUNTAIN POWER FOR A)	
CERTIFICATE OF PUBLIC)	NOTICE OF
CONVENIENCE AND NECESSITY AND)	PROPOSED SETTLEMENT
BINDING RATEMAKING TREATMENT)	
FOR NEW WIND AND TRANSMISSION)	NOTICE OF
FACILITIES)	MODIFIED PROCEDURE
)	
)	NOTICE OF COMMENT
)	DEADLINE
)	
)	ORDER NO. 33939

On July 3, 2017, Rocky Mountain Power applied for Commission approval of the Company's plan to upgrade, or "repower," its existing wind resources, and of the associated rate-making treatment. The Company claimed that repowering its wind resources would increase production, reduce costs, and qualify the Company for federal production tax credits (PTCs). The Company estimated that upgrades to the system would increase output by about 19% with no additional facilities. The Company further estimated that the project would cost approximately \$1.13 billion.

On August 18, 2017, the Commission issued a scheduling order for a settlement conference, prefiled testimony deadline, rebuttal deadline, and a technical hearing date. Order No. 33850. Monsanto, the Idaho Irrigation Pumpers Association, and the PacifiCorp Idaho Industrial Customers timely intervened. On October 2, 2017, the parties reported that a settlement had been reached, and by request, the Commission vacated the pending testimony deadlines. Order No. 33927. On November 24, 2017, the Company filed a settlement stipulation. The parties requested that the proposed settlement be processed by Modified Procedure, with a general comment deadline for all parties and the public of December 13, 2017.

With this Order, we provide notice of the settlement, notice of modified procedure, and set a comment deadline.

NOTICE OF PROPOSED SETTLEMENT
 NOTICE OF MODIFIED PROCEDURE
 NOTICE OF COMMENT DEADLINE
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NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that the parties have entered into a settlement stipulation to fully resolve the case, as summarized as follows:

1. Overview of Settlement¹

If approved, PacifiCorp would be allowed ratemaking treatment for recovery of the replacement of certain assets, new investment, incremental energy production, and production tax credits (“PTC”) associated with the wind repowering project through a Resource Tracking Mechanism (“RTM”) as a component of the Company’s annual Energy Cost Adjustment Mechanism (“ECAM”). The RTM and ECAM will capture the costs and benefits of the repowered wind facilities until such time as they are recovered through a general rate case.

2. Resource Tracking Mechanism

Customers will receive 100% of the benefit of the incremental energy produced by the repowered facilities. Under the ECAM’s existing sharing bands, benefits associated with incremental energy production will be shared, with 90% credited to customers, and 10% to the Company. Through the ECAM, the RTM will pass back to customers the Company’s 10% associated with the wind repowering project.

The RTM calculation will use a pretax return on investment rate of 10.4%, or an after tax return on investment rate of 6.45%. The Company will begin deferring the cost and benefits associated with the project in the first month after its in-service date. The Company has agreed to maintain a cap in the RTM until its next general rate case where it may request, if appropriate, to remove the cap.

3. Change in Circumstances

The parties have agreed, if there is a significant change in circumstances, such as changes to the federal tax code, or a change in the projected costs or benefits to the project, that the parties may initiate a further review before the Company proceeds any further. The stipulation includes a “more favorable terms and conditions” clause allowing the parties to reconvene and amend the terms of this agreement, with Commission approval, if more favorable terms are reached in Utah or Wyoming.

¹ The actual Stipulation and Settlement is more detailed than this summary. The complete Stipulation may be viewed in its entirety on the Commission’s web site.

4. Signing Parties

The Company, Commission Staff, Monsanto, the Idaho Irrigation Pumpers Association, and the PacifiCorp Idaho Industrial Customers have all signed the Stipulation and represent that it is in the public interest and is fair, just, and reasonable.

COMMISSION SETTLEMENT RULES

YOU ARE FURTHER NOTIFIED that the Commission will review the proposed settlement consistent with Commission Rules 271-280.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the agreement of the signing parties. The Commission will independently review the proposed settlement to decide whether to approve it, reject it, or state conditions under which to accept it. The proposed settlement's proponents ultimately bear the burden to prove that it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

YOU ARE FURTHER NOTIFIED that the Stipulation, Application, and supporting workpapers, testimony, and exhibits are available for public inspection during regular business hours at the Commission offices. The Application and accompanying documents are also available on the Commission's Website at www.puc.idaho.gov under "File Room" and then "Electric Cases."

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has now determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person or party desiring to state a position on the Stipulation may file a written comment in support or opposition with the Commission **no later than December 13, 2017**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Stipulation shall be mailed to the Commission and the Applicant at the addresses reflected below:

NOTICE OF PROPOSED SETTLEMENT
NOTICE OF MODIFIED PROCEDURE
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Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
472 W. Washington Street
Boise, ID 83702-5918

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Idaho Irrigation Pumpers Association, Inc.
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email: elo@echohawk.com

Comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that the parties' Stipulation be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so on or before December 13, 2017.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this
day of November 2017.

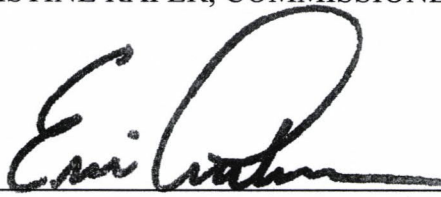
30th



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane Hanian
Commission Secretary

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