

CAMILLE CHRISTEN  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0314  
BAR NO. 10177

RECEIVED  
2017 SEP 20 PM 2:08  
IDAHO PUBLIC  
UTILITIES COMMISSION

Street Address for Express Mail:  
472 W. WASHINGTON  
BOISE, IDAHO 83702-5918

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-17-10
POWER TO INCREASE THE BPA REP CREDIT )	
EFFECTIVE OCTOBER 2017 THROUGH )	COMMENTS OF THE
SEPTEMBER 2019 )	COMMISSION STAFF
)	
)	

---

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Camille Christen, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33861 on August 29, 2017, in Case No. PAC-E-17-10, submits the following comments.

### BACKGROUND

On August 18, 2017, PacifiCorp dba Rocky Mountain Power applied to the Commission for authorization to increase the Bonneville Power Administration (BPA) residential and small farm energy credit rate. Application at 1. The Company indicates that this rate represents an increase in the annual credit of \$648,000 to qualifying customers (that is, those customers will receive an additional decrease in their rates). *Id.* at 3-4. The Company requests that the new rate be effective October 1, 2017 through September 30, 2019, and requests that the Application be processed under Modified Procedure. *Id.* at 5.

The Application includes attachments that provide supporting documentation, including a summary of the impact on retail revenues (Attachment 1), a summary of the calculation of the proposed credit rate (Attachment 2), a summary of the allocation of PacifiCorp's BPA Residential Exchange Program benefits between the states in which PacifiCorp operates (Attachment 3), and clean and legislative copies of the tariff schedule for the credit rate, Schedule 34 (Attachment 4). *Id.* The Application summarizes the REP and a description of the customers eligible to receive benefits. *Id.* at 2-3.

## STAFF ANALYSIS

The residential and small farm energy credit rate results from an agreement between the Company and BPA regarding the Residential Exchange Program (REP). Under the REP, BPA provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers served by six investor-owned utilities of the Pacific Northwest, including Rocky Mountain Power. This benefit is calculated every two years and is implemented via a credit on qualifying customers' bills.

The Company's current residential and small farm credit rate is \$0.007762 per kilowatt-hours (kWh). The proposed credit rate is \$0.008403 per kWh.

The proposed credit rate includes annual REP benefits from BPA of \$6.7 million plus an additional undistributed balance in the Company's Idaho residential exchange balancing account of \$1.8 million annually. Thus, the total annual credit to customers is \$8.5 million, a credit increase of \$648,000 over the current credit. The Company's residential customers consume approximately 800 kilowatt-hours per month, on average. The current monthly summer residential bill for a residential customer using 800 kilowatt-hours is \$97.09. The proposed rate change results in a bill of \$96.58 — a decrease of \$0.51 (0.53%) — in the summer monthly bill for this customer. The current monthly winter residential bill for a residential customer using 800 kilowatt-hours is \$72.22. The proposed rate change results in a bill of \$71.71 — a decrease of \$0.51 (0.71%) — in the winter monthly bill for this customer.

The calculation of the residential and small farm credit rate starts with the benefit amount determined by BPA — in this case, \$9.1 million per year. This benefit is reduced by the "look-back" adjustment that nets the excess benefits the Company received in 2002 to 2008. In this case, the look-back adjustment is \$2.4 million. The net result is a credit for qualifying

customers of \$6.7 million. Since both of these figures are provided on a system wide basis the Company allocates this amount to each state based on the average kWh sales by that state's approved customers.

To this net credit of \$6.7 million, the Company adds any undistributed balance from the REP balancing account — in this case, \$1.8 million per year. Thus, the total annual credit to qualifying customers is \$6.7 million plus \$1.8 million, or \$8.5 million.

The Company calculates the proposed residential and small farm credit rate of \$0.008403 by dividing the total annual credit of \$8.5 million by the calendar year 2016 historical usage level of qualifying customers of 1.01 GWh.

Staff has audited the initial inputs and independently recalculated the rate. Staff believes that the Company correctly calculated the rate of \$0.008403 per kWh and recommends this rate be approved.

## **CUSTOMER NOTICE AND PRESS RELEASE**

Rocky Mountain Power filed its Application on August 18, 2017. The Company filed its press release and customer notice with the Commission on September 12, 2017. Staff reviewed both documents and determined that they do not comply with Rule 125 of the Commission's Rules of Procedure. IDAPA 31.01.01.125. Rules 125.04 and 125.05 require the press release and customer notice to be filed with the Company's Application. The customer notice and press release also do not give the overall dollar amount of the proposed decrease as required by Rule 125.01.b.

The notice was included with customer bills beginning September 6 and ending September 27. Some customers will not have a reasonable opportunity to file comments on or before the Commission's comment deadline of September 20, 2017. Because this year's BPA credit increase results in a reduction to customer rates, it is less likely that customers will object to the proposed rate changes. However, customers may want to file comments and have them considered. Therefore, Staff recommends that the Commission accept late filed comments in this case.

## **CUSTOMER COMMENTS**

As of September 20, 2017, the Commission has received no comments from customers.

## STAFF RECOMMENDATION

Staff recommends that the Commission approve the new residential and farm energy rate Schedule 34, with a credit rate of \$0.008403 per kWh effective October 1, 2017. Staff also recommends that the Commission accept late filed comments in this case.

Respectfully submitted this 20<sup>th</sup> day of September 2017.



---

Camille Christen  
Deputy Attorney General

Technical Staff: Joseph Terry  
Bentley Erdwurm  
Daniel Klein

i:umisc/comments/pace17.10ccjtbedk comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 20<sup>TH</sup> DAY OF SEPTEMBER 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-17-10, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

TED WESTON  
ROCKY MOUNTAIN POWER  
1407 WEST NORTH TEMPLE STE 330  
SALT LAKE CITY UT 84116  
E-MAIL: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)

DANIEL E SOLANDER  
ROCKY MOUNTAIN POWER  
1407 WEST NORTH TEMPLE STE 320  
SALT LAKE CITY UT 84116  
E-MAIL: [Daniel.solander@pacificorp.com](mailto:Daniel.solander@pacificorp.com)

DATA REQUEST RESPONSE CENTER  
**E-MAIL ONLY:**  
[datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

  
\_\_\_\_\_  
SECRETARY