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Attorney for the Commission Staff

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF	)	
ROCKY MOUNTAIN POWER TO UPDATE	)	CASE NO. PAC-E-17-13
THE LOAD AND GAS FORECASTS USED IN	)	
THE INTEGRATED RESOURCE PLAN	)	COMMENTS OF THE
AVOIDED COST MODEL.	)	COMMISSION STAFF
	)	
	)	

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**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. 33924 on October 31, 2017, submits the following comments.

### BACKGROUND

On October 13, 2017, Rocky Mountain Power, a division of PacifiCorp, filed its annual update to certain components of its avoided cost rate calculation for qualifying facilities (QF) under the Public Utility Regulatory Policies Act of 1978 (PURPA).<sup>1</sup> Specifically, Rocky Mountain Power updated the load forecast, natural gas forecast, and contract information components that it uses to calculate avoided cost rates under the incremental cost Integrated Resource Plan (IRP) method. Rocky Mountain Power asks the Commission to issue an Order

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<sup>1</sup> Rocky Mountain Power filed an errata updating certain information in the Application on November 29, 2017.

approving the updated information for inclusion in the Company's IRP avoided cost calculations with an October 15, 2017 effective date.

The Commission requires utilities to update fuel price forecasts and load forecasts each year on October 15. Order No. 32802 at 3. If the Commission approves the updates, the Company will incorporate them into its IRP avoided cost model and use the model to begin negotiating contractual avoided cost rates as of October 15, 2017. Application at 2.

## **STAFF ANALYSIS**

Staff recommends approval of the updated load forecast, natural gas forecast, and long-term PURPA contracts to be used in the IRP methodology.

### Load Forecast

Staff compared Rocky Mountain Power's proposed system load forecast from 2017 through 2037 to last year's filing in Case No. PAC-E-16-15. The analysis shows a slight decrease in load in the proposed forecast load, which is driven by reduced industrial class loads, due in large part to lower commodity prices, and continued gains in energy conservation as evidenced by a drop in the average use per customer. Staff believes the new forecast is reasonable and acceptable.

### Natural Gas Forecast

Staff also compared Rocky Mountain Power's proposed natural gas price forecast from 2018 through 2036 to last year's filing in Case No. PAC-E-16-15. The Company provides forecasts for several indices: the Opal Gas Index, Henry Hub Index, Sumas Index, Stanfield Index, San Juan Index, AECO Index, and SOCALBOR Index. The 2017 natural gas forecast has decreased from the 2016 natural gas forecast for the same period of time, which is consistent with the drop in EIA Henry Hub Reference forecasts from 2016 to 2017. Staff believes the proposed natural gas forecast is reasonable and acceptable.

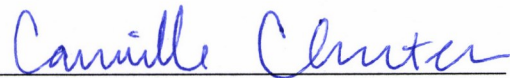
### Contract Terminations, Expirations, and Additions

Since filing Case No. PAC-E-16-15, the Company has signed 19 long-term contracts including 18 long-term contracts with qualifying facilities for a total nameplate capacity of 672.2 megawatts. Two long-term contracts with a combined nameplate capacity of 4.8 megawatts have terminated. New contracts, terminated or expired contracts, as well as new contract pricing are all included in the IRP model on a continuous basis.

### **STAFF RECOMMENDATIONS**

Staff believes the load and gas price forecasts submitted by Rocky Mountain Power reflect their most current estimates, and were prepared with the methods used in its IRP. Staff believes the load and gas price forecasts and the long-term contract changes submitted by the Company comply with the requirements of Order Nos. 32697 and 32802. Staff recommends that the Commission approve the forecasts and contract changes.

Respectfully submitted this 1<sup>st</sup> day of December 2017.



Camille Christen  
Deputy Attorney General

Technical Staff: Yao Yin  
Bentley Erdwurm  
Kevin Keyt

i:umisc/comments/pace17.13ccyybeksk comments


## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 1<sup>ST</sup> DAY OF DECEMBER 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-17-13, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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