

BRIEF IN SUPPORT OF SUSPENSION

A. Background

On May 29, 2011, Rocky Mountain filed a timely Notice of Appeal from PUC Order Nos. 32151, 32196, and 32224 in Case No. PAC-E-10-04. On June 7 and 15, 2011, Rocky Mountain filed an Amended Notice of Appeal and a Second Amended Notice of Appeal, respectively. The sole issue on appeal concerns the PUC's decision that 27% of the Company's new Populus to Terminal transmission line is not currently "used and useful" to provide service to Idaho customers and should be classified as "plant held for future use" (PHFU). In its Order denying reconsideration, the PUC observed that Rocky Mountain will have an opportunity in the Company's next general rate case to assert that the 27% classified as PHFU should be placed into the utility's "rate base¹." Order No. 32224 at 13, 2011 WL 1525191 (Idaho PUC)(April 18, 2011).

B. Settlement Stipulation

On May 27, 2011, Rocky Mountain filed a new rate case (Case No. PAC-E-11-12) and requested that the 27% portion of the Populus line be placed into rate base and recovered in rates. As part of the new case, the PUC scheduled two settlement conferences for August 23 and September 22, 2011, so that the parties could engage in settlement discussions. Based upon these settlement discussions, all the parties to the new rate case except one² entered into a

¹ "Rate base" is the "original cost minus depreciation of all property justifiably used by the utility in providing services to its customers." *Application of Hayden Pines Water Co.*, 111 Idaho 331, 333, 723 P.2d 875, 877 (1986).

² The Community Action Partnership Association of Idaho ("CAPAI") participated in the settlement negotiations, however chose "not to be a party to the stipulation." Stipulation at p. 1.

settlement Stipulation. The settlement Stipulation was filed with the PUC on October 18, 2011. For the convenience of the Court, the settlement Stipulation is attached to this Motion.³

As set out in paragraph 16 to the Stipulation, the signing parties have agreed to settle the Populus transmission line issue. As part of the rate case settlement, the appeal Parties agreed to request that this Court suspend the appeal until such time as the PUC completes its review of the settlement Stipulation. The Stipulation provides that the signing parties

agree that the portion of the Populus to Terminal transmission line determined by the Commission in Case No. PAC-E-10-07 to be plant held for future use (PHFU) is now used and useful. The parties further agree that the Commission should make a specific finding that the entire Populus to Terminal transmission line is now used and useful. Although the parties agree that the Populus to Terminal transmission line is used and useful, they further agree that the portion of the transmission line deemed PHFU in Case No. PAC-E-10-07 shall not be included in rates until on or after January 1, 2014. Following the filing of the Stipulation, [PUC] Staff and the Company agree to file a Motion to Suspend the Appeal now pending in the Idaho Supreme Court, docketed as Case No. 38930-2011. Upon receipt of a final Order from the Commission approving the Stipulation, the Company agrees that it will within 10 days thereof file a Stipulation for Dismissal of the appeal with each party to bear its own costs.

Stipulation at ¶ 16.

The PUC intends to review the reasonableness of the settlement Stipulation in the Company's current rate case, No. PAC-E-11-12. The PUC has set the following schedule for completion of the current rate case, including whether to approve the settlement Stipulation.

<u>Date</u>	<u>Activity</u>
November 2, 2011	Staff/Intervenor prefile direct testimony
December 2, 2011	Rebuttal testimony
December 19-21, 2011	Evidentiary hearing

³ The parties to the Stipulation agree that paragraph 14 of the Stipulation contains information considered to be a trade secret pursuant to the Idaho Trade Secrets Act, *Idaho Code* § 48-801(5). Consequently, that information has been redacted from the attached Stipulation. Also, the Stipulation does not contain a "Page 8."

Order No. 32309. The PUC also intends to schedule public hearings so that customers and members of the public may testify in this matter. The settlement Stipulation provides that the stipulated rates will become effective on January 1, 2012. Stipulation at ¶ 4. If the PUC approves the settlement Stipulation and makes the requested finding, Rocky Mountain will file a Stipulation for Dismissal pursuant to I.A.R. 33. *Id.* at ¶ 16.

C. Motion to Suspend Appeal

In this Motion, the Parties to the appeal are requesting that the Court temporarily suspend the appeal until such time as the PUC completes its review of the settlement Stipulation and other issues in PUC Case No. PAC-E-11-12. If the PUC approves the settlement Stipulation and makes the requested finding, the Populus transmission dispute will be resolved and the appeal will be unnecessary. Suspending the appeal will also conserve judicial resources and allow the PUC sufficient time to complete its review.

In considering a suspension on appeal, the Parties must disclose the duration of the requested suspension. I.A.R. 13.2. The Parties request that the appeal be suspended for approximately 100 days, or until January 30, 2012. The parties maintain that this amount of time will provide sufficient opportunity for the PUC to complete its review and issue the necessary final Order in the current rate case.

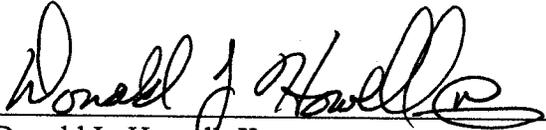
PRAYER

In summary, the Parties respectfully request that the Court suspend this appeal for the reasons stated above. The Parties further maintain there is good cause for the Court to suspend the appeal for approximately 100 days or until January 30, 2012.

CERTIFICATE OF UNCONTESTED MOTION

The undersigned does hereby certify that he has contacted opposing counsels and is authorized to represent that opposing counsels have no objection to this Motion, and they join in this Stipulated Motion.

Respectfully submitted on behalf of all the Parties to this appeal this 25th day of October 2011.



Donald L. Howell, II
Deputy Attorney General

Attorney for Respondent on Appeal,
Idaho Public Utilities Commission

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25th DAY OF OCTOBER 2011, SERVED THE FOREGOING **STIPULATED MOTION TO SUSPEND APPEAL**, IN SUPREME COURT DOCKET NO. 38930-2011, BY E-MAILING A COPY THEREOF TO THE FOLLOWING:

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY)
MOUNTAIN POWER FOR APPROVAL OF)
CHANGES TO ITS ELECTRIC SERVICE)
SCHEDULES AND A PRICE INCREASE)
OF \$32.7 MILLION, OR)
APPROXIMATELY 15.0 PERCENT)**

CASE NO. PAC-E-11-12

STIPULATION

This stipulation ("Stipulation") is entered into by and among Rocky Mountain Power, a division of PacifiCorp ("Rocky Mountain Power" or the "Company"); Staff for the Idaho Public Utilities Commission ("Staff"); Monsanto Company ("Monsanto"); PacifiCorp Idaho Industrial Customers ("PIIC"); and the Idaho Irrigation Pumper Association Inc. ("IIPA") collectively referred to as the "Parties". Community Action Partnership Association of Idaho ("CAPAI") participated in the settlement negotiations however they have chosen not to be a party to the Stipulation.

I. INTRODUCTION

1. The terms and conditions of this Stipulation are set forth herein. The Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues in this proceeding and that this Stipulation is in the public interest. The Parties recommend that the Idaho Public Utilities Commission ("Commission"), pursuant to its authority under Commission

Rules 271, 272 and 274, approve the Stipulation and all of its terms and conditions. *See* IDAPA 31.01.01.271, 272, and 274.

II. BACKGROUND

2. On May 27, 2011, Rocky Mountain Power filed an Application seeking authority to increase the Company's base rates for electric service by \$32.7 million annually, an overall average increase of approximately 15.0%. The increase in rates varies by customer class and actual usage. Rocky Mountain Power sought an increase in rates effective December 27, 2011.

3. With a view toward resolving the issues raised in Rocky Mountain Power's Application in this proceeding, representatives of the Parties met on August 23, 2011 and September 22, 2011, pursuant to IDAPA 31.01.01.271 and 272, to engage in settlement discussions.

Based upon the settlement discussions between the Parties, as a compromise of the positions in this proceeding, and for other consideration as set forth below, the Parties stipulate and agree to the following:

III. TERMS OF THE STIPULATION

Revenue Requirement

4. The Parties agree to support a two-year rate plan with annual rate increases of \$17.0 million per year, which results in overall average annual revenue increases of approximately 7.8 percent in 2012 and 7.2 percent in 2013. The first increase to base rates will occur January 1, 2012, and will be comprised of \$6.0 million of non-net power cost components (capital, operations and maintenance, and other) and \$11.0 million of net power costs. The second increase to base rates will occur January 1, 2013, and will be comprised of \$6.0 million of non-net power cost components and \$11.0 million of net power costs. The Company will make a compliance filing November 1, 2012 to implement the second year increase of \$17.0 million effective January 1, 2013 that will include revised tariffs.

5. Unless explicitly specified within the Stipulation, the Parties agree that determining the annual increases of \$17.0 million per year for two years is a "black box"

settlement, with no agreement or acceptance by the Parties of any specific revenue requirement, cost allocation or cost of service methodology. However, the Parties agree that the starting point of the Stipulation was to accept all Commission ordered adjustments from Case PAC-E-10-07, Order No. 32196. All Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues in this proceeding and that this Stipulation is in the public interest.

Power Costs

6. The Parties agree that based on the revenue requirement split specified in paragraph 4, net power costs in base rates will increase from the current level of \$1.025 billion to \$1.205 billion in 2012 and from \$1.205 billion to \$1.385 billion in 2013. These amounts will become the total Company base net power costs for tracking in the Company's energy cost adjustment mechanism ("ECAM").

7. The Parties agree that \$78.8 million, on a total Company basis or \$6,526,622 allocated to Idaho (RMP Exhibit 2 page 3.5) of renewable energy certificate ("REC") revenue is included in rates in 2012 and 2013. The Idaho allocated amount will become the base for purposes of tracking at 100 percent in the Company's ECAM mechanism.

8. The Parties agree to update the Idaho load in the 2012 ECAM load change adjustment revenue ("LCAR") calculation to the 2010 actual load included in PAC-E-11-12 for the 2012 ECAM deferral calculation and use 2011 actual load reported in the Annual Results of Operations Report for the 2013 ECAM deferral calculation. The LCAR unit value would be frozen over the rate plan period at the current rate of \$5.47 per MWh (Case No. PAC-E-10-07).

9. The Parties agree that the Company shall amortize and collect Agrium and Monsanto's share of Commission approved ECAM balances, which includes deferred net power costs, deferred REC's, LCAR adjustments and other ECAM components, including the irrigation load control credit as specified in paragraph 10, over the following periods:

- a) The 2012 ECAM balance (2011 deferrals) over a period of three years;
- b) The 2013 ECAM balance (2012 deferrals) over a period of three years;
- c) The 2014 ECAM balance (2013 deferrals) over a period of two years.

- d) Beginning with the 2015 ECAM balance (2014 deferrals), Monsanto and Agrium will pay new ECAM costs based on a 12-month collection period.

Any over-collection or under-collection at the end of the amortization periods identified in paragraphs 9(a) through 9(c) above will be trued up for each contract customer and refunded or collected as part of a subsequent ECAM collection period from these contract customers and not from other retail customers. All other customers will continue to pay ECAM charges on the 12-month collection period as they currently do during the rate plan.

10. The Parties agree that, due to the uncertainty of the jurisdictional treatment of the dispatchable irrigation load control program currently being discussed by the MSP Standing Committee, Idaho's share of the customer load control service credit will be tracked in the ECAM. The Parties further agree that \$1,045,423 (RMP Exhibit 2 page 4.4.1) is Idaho's base amount to be tracked in the ECAM for 2012 and 2013.

Rate Spread and Rate Design

11. The Parties agree to a rate spread based upon \$17.0 million in annual increases for 2012 and 2013 as set forth in more detail in Attachment 1 to this Stipulation.

12. The Parties agree that the design of rates by rate schedule (rate design) shall be consistent with the Company's proposals filed in its Application and adjusted for the revenue requirement specified in this Stipulation. Details of the rate design are included in Attachment 2 to this Stipulation.

13. The Parties agree that the Company's residential customer service charge for Schedule 1 and 36 will remain at \$5.00 per month and \$14.00 per month, respectively, during the time period covered by this Stipulation.

Other Items

14. The Parties agree that the value of Monsanto's curtailment products will be increased from [REDACTED] million in 2011, to [REDACTED] million in 2012, and [REDACTED] million in 2013. Monsanto and the Company will execute a new energy service agreement for 2012 and 2013 in order to reflect the terms of the Stipulation. Monsanto and the Company agree to work

collaboratively and in good faith during the rate plan period to address the terms, conditions and valuation of Monsanto's curtailment products in an effort to maximize value to the Company and Monsanto and also to discuss cost of service methodologies as applied to the Monsanto load and how said methodologies will be utilized in the next general rate case. Monsanto and the Company will report to the Staff and Commission as appropriate on the progress made.

15. The Parties agree that this Stipulation does not change or alter the irrigation load control service credit in 2012 or prior agreements governing the irrigation load control program that require the irrigation load control service credit to be renegotiated for the 2013 season and beyond. The Company and IIPA will work collaboratively during calendar year 2012 to renegotiate the irrigation load control program for the 2013 season and beyond. The Company and IIPA will work collaboratively during the rate plan period to discuss cost of service methodologies as applied to the irrigation class and how said methodologies will be utilized in the next general rate case.

16. The Parties agree that the portion of the Populus to Terminal transmission line determined by the Commission in Case No. PAC-E-10-07 to be plant held for future use (PHFU) is now used and useful. The parties further agree that the Commission should make a specific finding that the entire Populus to Terminal transmission line is now used and useful. Although the Parties agree that the Populus to Terminal transmission line is used and useful, they further agree that the portion of the transmission line deemed PHFU in Case No. PAC-E-10-07 shall not be included in rates until on or after January 1, 2014. Following the filing of this Stipulation, Staff and the Company agree to file a Motion to Suspend the Appeal now pending in the Idaho Supreme Court, docketed as Case No. 38930-2011. Upon receipt of a final Order from the Commission approving the Stipulation, the Company agrees that it will within 10 days thereof file a stipulation for Dismissal of the appeal with each party to bear its own costs.

17. The Parties agree that the Company will continue to defer the depreciation expense associated with the Populus to Terminal transmission line, pursuant to Order No. 32224,

until it is included in rates on January 1, 2014 and that the accumulated deferral balance will be amortized over three years from the date the costs are included in rates.

18. The Parties agree that the Company will work with the Parties to establish hedging limits consistent with workgroup processes established in Utah and Oregon for costs beginning January 1, 2013, and forward.

19. The Parties agree that, in recognition of the two-year rate plan covered by this Stipulation, Rocky Mountain Power will not file another general rate case before May 31, 2013, with new rates not effective prior to January 1, 2014. Rocky Mountain Power will continue to file annual Results of Operations Reports with the Commission to enable the Commission to ensure that rates during the two-year rate plan continue to be just and reasonable. This Stipulation does not prohibit the Company from revising rates due to the ECAM, which will still occur April 1 each year.

IV. GENERAL PROVISIONS

20. The Parties agree that this Stipulation represents a compromise of the disputed claims and positions of the Parties on all issues in this proceeding. Other than the above referenced positions and any testimony filed in support of the approval of this Stipulation, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the Stipulation, all negotiations relating to this Stipulation shall not be admissible as evidence in this or any other proceeding regarding this subject matter.

21. The Parties submit this Stipulation to the Commission and recommend approval of the Stipulation in its entirety pursuant to Commission Rule 274, IDAPA 31.01.01.274. The Parties shall support this Stipulation before the Commission, and no Party shall appeal any portion of this Stipulation or any subsequent Order approving the same. If this Stipulation is challenged by any person not a party to the Stipulation, the Parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlement embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties to this

Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

22. In the event the Commission rejects any part or all of this Stipulation, or imposes any additional material conditions on approval of this Stipulation, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within 15 days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, or otherwise present its case in a manner consistent with the Commission's Rules and Procedures.

23. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

24. No Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. This is a "black box" settlement and execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

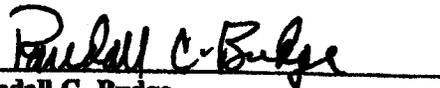
25. The obligations of the Parties under this Stipulation are subject to the Commission's approval of this Stipulation in accordance with its terms and conditions and, if judicial review is sought, upon such approval being upheld on appeal by a court of competent jurisdiction.

Respectfully submitted this 17th day of October, 2011.

Rocky Mountain Power

Monsanto Company

By 
Mark C. Moench

By 
Randall C. Budge

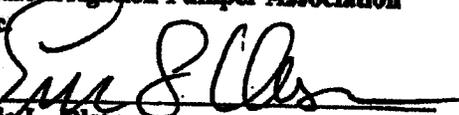
Idaho Public Utilities Commission Staff

PacifiCorp Idaho Industrial Customers

By _____
D. Neil Price

By _____
Ronald L. Williams

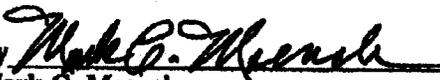
**Idaho Irrigation Pumper Association
Inc.**

By 
Eric L. Olsen

Respectfully submitted this 17th day of October, 2011.

Rocky Mountain Power

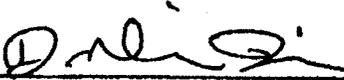
Monsanto Company

By 
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