

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF PACIFICORP DBA )  
ROCKY MOUNTAIN POWER'S ) CASE NO. PAC-E-16-11  
APPLICATION TO APPROVE ADDENDUM )  
TO POWER PURCHASE AGREEMENT )  
WITH LOWER VALLEY ENERGY, INC. ) ORDER NO. 33581  
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On July 7, 2016, PacifiCorp dba Rocky Mountain Power (the Company) filed an Application asking the Commission to approve an Addendum to its Power Purchase Agreement (PPA) with Lower Valley Energy, Inc. The Addendum extends the PPA, set to expire on September 30, 2016, for another year. The Commission issued a Notice of Application and Notice of Modified Procedure setting a 21-day comment period. Commission Staff timely filed the only written comments. The Company did not file a reply. The Commission now approves the Application.

**BACKGROUND**

Under the existing PPA, approved by the Commission in 2014, Lower Valley sells, and the Company purchases, electric power generated from Lower Valley's three facilities – the Upper Facility, the Lower Facility, and the Culinary Facility – which are run-of-river hydroelectric generating facilities in or near Afton, Lincoln County, Wyoming. PPA (Attachment 2 to Application); Order No. 33107. The facilities – each a separate qualifying facility under the Public Utility Regulatory Policies Act – are deemed a single generating facility for purposes of the PPA. *Id.*

Under the Addendum, the parties agree to extend the term of the PPA for one additional year, using applicable Idaho rates.<sup>1</sup> Addendum (Attachment 1 to Application). The applicable rates are the non-levelized<sup>2</sup> avoided cost rates for non-seasonal hydro projects less than 10 average megawatts (aMW), approved by the Commission in December 2015 in Order No. 33435 (Case No. PAC-E-15-12). For energy deliveries in 2016, the rate is \$34.06 per megawatt-hour (MWh). Application at 3. For energy deliveries in 2017, until the PPA expires on September 30, the rate is \$34.42 per MWh. *Id.*

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<sup>1</sup> The Company indicates it will correct an erroneous reference to "Idaho Schedule 37" in its Addendum.

<sup>2</sup> The Company filed an errata clarifying that the parties agree to non-levelized, not levelized, avoided cost rates.

## STAFF COMMENTS

Staff reviewed the Application and attachments. Staff confirmed that the proposed rates are correct and that all other terms and conditions in the proposed Agreement are consistent with prior Commission Orders. Staff therefore recommended the Commission approve all of the Agreement's terms and conditions and declare that all payments made by the Company to Lower Valley Energy to purchase power be allowed as prudently incurred expenses for ratemaking purposes.

## DISCUSSION AND FINDINGS

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, and the issues raised in this matter under the authority and power granted it under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and Federal Energy Regulatory Commission (FERC) regulations to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

The Commission has reviewed the record in this case, including the Application, the Addendum, and the comments of Commission Staff. We find that Lower Valley Energy is qualified to receive the non-levelized published avoided cost rates contained in the Addendum. We further find that the Addendum contains acceptable provisions consistent with PURPA, FERC regulations, and this Commission's prior Orders. We find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

## ORDER

IT IS HEREBY ORDERED that PacifiCorp dba Rocky Mountain Power's Application to approve the Addendum to its Agreement with Lower Valley Energy is approved without change or condition. We further declare that all payments made by PacifiCorp to Lower Valley Energy for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31<sup>st</sup>  
day of August 2016.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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