

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-16-12
OF PACIFICORP DBA ROCKY MOUNTAIN)
POWER TO UPDATE BASE NET POWER) NOTICE OF APPLICATION
COSTS AND IMPLEMENT A RATE)
STABILITY PLAN) NOTICE OF
) INTERVENTION DEADLINE
)
) ORDER NO. 33597

On September 1, 2016, PacifiCorp dba Rocky Mountain Power applied to the Commission for an Order authorizing the Company to adjust the base level of net power costs (NPC) in its rates and to set a new base NPC to be tracked in the Energy Cost Adjustment Mechanism (ECAM). The Company also asks the Commission for an Order approving a new level of base retail load and authorizing the Company to adjust the Load Change Adjustment Rate (LCAR), Production Tax Credit (PTC) and Renewable Energy Credit (REC) rates.

The Company's Application, if approved, would *decrease* rates by an average of approximately 0.4 percent. The Company asks that the Commission authorize this matter to be processed by Modified Procedure and to approve the new base NPC, new base retail load, and the new LCAR, PTC and REC rates. As an alternative to reducing rates, the Company proposes a Rate Stability Plan under which rates would remain unchanged and the Company would apply the incremental revenues that result from the reduction in base NPC to the depreciation deferral from the 2013 depreciation study. The Company indicates that it intends to engage parties in a discussion of the Plan. If the parties cannot reach agreement on the alternative Rate Stability Plan, the Company requests approval of the changes to the rates shown in the tariff revisions included in Attachment A to its Application to be effective January 1, 2017. The Commission now issues the following Order providing notice of the Company's Application and setting a deadline for interested parties to intervene.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Commission issued an Order approving an update to the base NPC included in the Company's base rates in 2015. *See* Order No. 33440. In that Order, the Commission approved a stipulation agreed to by the parties, which required in part that the Company file an Application to update base NPC and base rates no later than September 1, 2016, to be effective January 1, 2017. The updated base NPC was to be the

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amount reported in the 2015 annual results of operations report, after appropriate pro forma adjustments. In the present Application, the Company seeks authorization to use the NPC from the 2015 annual results of operations report to set a new base NPC of \$91.6 million, which is a reduction of \$3.2 million from current base NPC. This update to NPC would reduce the Company's revenue requirement by approximately \$1.1 million and, "if implemented as an adjustment to base rates, it represents a reduction of approximately four tenths of one percent." Application at 1. The updated base NPC would also be used for tracking in the ECAM.

YOU ARE FURTHER NOTIFIED that the Company also proposes to update retail load based on the 2015 results of operations report. The update would result in a base retail load of 3,407,488 MWh, a reduction of 75,992 MWh from current base retail load. The Company requests approval of this updated retail load and authorization to adjust the LCAR, PTC, and REC rates.

YOU ARE FURTHER NOTIFIED that the Company proposes, as an alternative to reducing rates, a Rate Stability Plan. The proposed Plan "would keep rates at the current level and utilize the incremental revenue collected to offset other regulatory assets mitigating customers' future rate impact." *Id.* at 4-5. Specifically, the Company explains that the revenues would be applied against the depreciation deferral from the 2013 depreciation study. The Company indicates that it intends to discuss the Plan with parties, including the potential to treat any rate reduction associated with the 2017 ECAM filing in the same manner.

YOU ARE FURTHER NOTIFIED that the Company requests that this matter be processed by Modified Procedure.

YOU ARE FURTHER NOTIFIED that with this Application, the Company ultimately seeks an Order approving: (1) the new base NPC of \$91.6 million, or \$26.90 per MWh, and base retail load of 3,407,488 MWh; and (2) the new LCAR, PTC and REC rates. The Company proposes to implement the Rate Stability Plan as an alternative to reducing rates as a result of the new NPC and base retail load. If parties cannot reach agreement on the Rate Stability Plan, then the Company requests approval of revisions to its tariffs, included in Attachment A to the Application. As noted above, the Company's revisions to its tariffs, if approved, would *decrease* monthly billings by an average of 0.4 percent. The reduction would vary by customer class. The Company has provided a comparison of the monthly billings under

current rates and under the proposed rates by customer class, including the percent change, in Attachment B to the Application.

YOU ARE FURTHER NOTIFIED that the Company has requested that the Commission issue an Order approving the Application no later than December 15, 2016, with a January 1, 2017 effective date.

YOU ARE FURTHER NOTIFIED that the Application and its exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases" and click on the case numbers as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of party (e.g., to file formal discovery, or present evidence or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission pursuant to the Commission's Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 14 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that identifies the parties and assigns exhibit numbers to each party in this proceeding. Once the Notice of Parties has issued, Commission Staff shall informally confer with the Company and any intervening parties about how to further process this case, and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

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ORDER

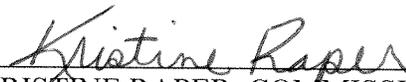
IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 14 days from the service date of this Order. Once the deadline for intervention has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of September 2016.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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