

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-17-14
OF ROCKY MOUNTAIN POWER FOR)
APPROVAL OF POWER PURCHASE) NOTICE OF APPLICATION
AGREEMENT BETWEEN PACIFICORP)
AND THE CITY OF PRESTON, IDAHO) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33960
)

On December 22, 2017, Rocky Mountain Power applied to the Commission for an Order approving or rejecting its proposed Power Purchase Agreement (PPA) with the City of Preston, Idaho. Rocky Mountain Power explains the proposed PPA would replace an agreement with an existing “qualifying facility” (QF) under the Public Utility Regulatory Policies Act (PURPA). Application at 3. The prior agreement expired on December 31, 2017. *Id.* at 3-4. Since the prior agreement has expired and the proposed PPA is not yet effective, the Company also seeks permission to continue buying the QF’s power under the prior agreement until the Commission approves or rejects the proposed PPA. The Company states it and the QF have agreed that the price the Company pays for power after 2017 will be trued-up to the price it would have paid if the proposed PPA had been in effect. *Id.* at 4.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting comment and reply deadlines. The Commission also grants the Company permission to buy power from the QF under the prior agreement until the proposed PPA is approved or rejected, with prices paid after 2017 being trued-up to the price that would have been paid under the proposed PPA.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Rocky Mountain Power explains the proposed PPA is a renewal contract with an existing 400 kilowatt hydroelectric QF under PURPA. *Id.* at 3. The proposed PPA would replace a prior agreement that was in effect from 1982 until it expired on December 31, 2017. *Id.* at 3-4.

YOU ARE FURTHER NOTIFIED that the Company asks to continue buying power under the prior agreement's terms until the Commission approves or rejects the proposed PPA. *Id.* The Company states it and the QF "have agreed that the price paid after December 31, 2017 would then be trued-up to the price that would have been paid under the new [PPA], in order to hold [the Company's] customers harmless from the extension." *Id.*

YOU ARE FURTHER NOTIFIED that Rocky Mountain Power indicates the proposed PPA complies with this Commission's Order Nos. 36297, 32737, and 32802 from Case No. GNR-E-11-03. *Id.* at 3. Rocky Mountain Power further states the QF elected to contract for a 20-year term with prices as set forth in Exhibit F to the proposed PPA, except as otherwise indicated. *Id.*

YOU ARE FURTHER NOTIFIED that Rocky Mountain Power explains the proposed PPA will not take effect until the Commission approves it and determines:

the prices paid for energy and capacity are just and reasonable, in the public interest, and that costs incurred by the Company for purchasing energy and capacity are legitimate expenses, all of which the Commission will allow the Company to recover in Idaho rates in the event other jurisdictions deny recovery of their proportionate share of said expenses.

Id.

YOU ARE FURTHER NOTIFIED that in sum, Rocky Mountain Power asks that (1) the Application be processed under Modified Procedure; (2) the Company be allowed to continue to buy power from the QF under the prior agreement until the Commission approves or rejects the new PPA, after which the price paid will be trued-up to the price that would have been paid under the new PPA; (3) the Commission approve or reject the new PPA with the City of Preston without change or modification; and (4) the Commission declare that the avoided cost prices under the new PPA are just and reasonable and in the public interest, "and that the Company's incurrence of such costs are legitimate expenses, all of which the Commission will allow Rocky Mountain Power to recover in rates in Idaho in the event other jurisdictions deny recovery of their proportionate share of said expenses." *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is 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, then select “Electric Cases” and click on the case number 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 and specifically *Idaho Code* §§ 61-502 and 61-503. The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules. The Commission may enter any final Order consistent with its authority under Title 61 and PURPA.

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 MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission’s Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission by no later than **21 days from the service date of this Order**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Ted Weston, Idaho Regulatory Affairs
Manager (Suite 330)
Daniel Solander, Senior Counsel (Suite 320)
Rocky Mountain Power
1407 West North Temple
Salt Lake City, UT 84116
E-Mail: ted.weston@pacificorp.com
daniel.solander@pacificorp.com
IdahoDockets@pacificorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, by no later than **14 days from the deadline for comments**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

DISCUSSION AND FINDINGS

The Company asks to be allowed to buy the QF's output under the terms of the prior agreement until this Commission issues a decision on the proposed PPA. The Company and the QF have agreed to true-up the price paid after 2017 to the price that would have been paid under the proposed PPA. The parties' agreement to true-up the price paid after 2017 to the price the Company would have paid under the proposed PPA will protect the Company's customers and hold them harmless. We expect the Company to anticipate the expiration of contracts so that exceptions such as this are unnecessary. However, because the proposed treatment holds ratepayers harmless, we approve the parties' request to continue under the terms of the expired agreement. The rates paid by the Company to the QF will be trued-up upon approval of the proposed agreement.


ORDER

IT IS HEREBY ORDERED that the Application of Rocky Mountain Power be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so no later than 21 days from the service date of this Order. The Company may file a reply no later than 14 days from the deadline for comments.

IT IS FURTHER ORDERED that the Company be permitted to continue to buy power from the QF under the expired agreement's terms until this Commission issues a decision on the

proposed PPA, with the price paid after December 31, 2017, to be trued-up to the price that would have been paid under the new PPA.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *8th* day of January 2018.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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