



*Case No. PAC-E-15-09*

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## Parties propose settlement to Rocky Mountain case

**BOISE (Oct. 28, 2015)** – The Idaho Public Utilities Commission is taking public comment through Nov. 6 on a proposed settlement to a Rocky Mountain Power company request to transfer some variable power supply expense into permanent base rates.

The proposed settlement would increase base rates about 3.9% in 2016, but customers would notice a reduction of near the same size when the company files its annual Energy Cost Adjustment Mechanism (ECAM) to be effective in 2017. The settlement replaces a base rate case the company would have filed this year and also includes a stay-out provision that prevents another base rate increase until Jan 1, 2018 at the earliest.

Under the proposed settlement, a residential customer who uses the average 801 kilowatt-hours per month would pay about \$2.35 more each month. Rocky Mountain Power serves customers in eastern Idaho.

There are two primary components of customer rates. The base rate covers fixed costs that rarely change from year to year, while the ECAM includes expenses that vary each year depending on weather, fuel costs and wholesale market prices. If variable expense is less than that already included in rates, customers receive a credit. If variable expenses are greater than that already included in rates, customers are assessed a one-year surcharge.

The settlement proposes to shift \$10.2 million of expense currently collected through the ECAM into base rates. About \$6.5 million of that expense is related to revenue the company no longer receives from the trading of Renewable Energy Certificates (RECs). However, customers will be credited about that same amount when the company files its ECAM in 2017. Another \$3.2 million is power supply expense for generation fuel and buying/selling power. The settlement also changes the way the yearly ECAM is calculated, measuring it on a dollar-per-megawatt hour basis using load at the meter rather than load at the generator.

The commission will process the case through written comment rather than a public hearing unless customers request a hearing. Persons desiring a hearing must state why written comment is inappropriate or insufficient in this case. Comments can be submitted electronically from the commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Case Comment Form" under the "Consumers" heading and enter Case No. PAC-E-15-09. Comments can also be mailed to P.O. Box 83720, Boise, ID, 83720-0074.

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