



Case No. PAC-E-15-09, Order No. 33440

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PUC adopts settlement to Rocky Mountain case

BOISE (Dec. 23, 2015) – The Idaho Public Utilities Commission is adopting a settlement to various issues surrounding Rocky Mountain Power Company’s request to transfer some of its variable power supply expense into permanent base rates.

The settlement increases base rates about 3.9% in 2016 (2.8% for residential customers), but customers will notice a reduction of near the same size when the company files its annual Energy Cost Adjustment Mechanism (ECAM) to be effective in 2017. A residential customer who uses the average 801 kilowatt-hours per month would pay about \$2.35 more each month.

The settlement replaces a base rate case that Rocky Mountain Power would have filed this year. It also includes a “stay-out” provision that prevents another base rate increase until Jan 1, 2018 at the earliest. Rocky Mountain serves about 75,000 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 shifts \$10.2 million of expense currently collected through the ECAM into base rates. Customers will be credited about that same amount when the company files its ECAM in 2017. Commission staff estimated that the combined net impact of the base rate increase in 2016 and the projected ECAM decrease in 2017 will be about \$889,000 per year or 0.34% more than what customers would have paid through current base rates and the current ECAM.

About \$6.5 million of the \$10.2 million shift is expense related to revenue the company no longer receives from the trading of Renewable Energy Certificates (RECs). 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 said the settlement represents a “reasonable compromise” of various positions raised by the parties, which included the company, commission staff, the PacifiCorp Idaho Industrial Customers and Monsanto Company.

“The hallmark of reasonable compromise is a mutually beneficial resolution for both sides of a transaction,” the commission said. “Accordingly, the commission finds that the stipulation offers substantive benefits to both ratepayers and company.”

The Snake River Alliance, while not a party to the case, submitted written comments in support of the settlement.

Petitions for reconsideration must be submitted by no later than Jan. 13. Petitions must cite why the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

The commission’s final order and other documents are available on the commission’s website at www.puc.idaho.gov. Click on Open Cases under the “Electric” heading and scroll down to Case No. PAC-E-15-09.

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