



Idaho Public Utilities Commission

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Paul Kjellander, Commissioner
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Case No. PAC-E-16-05, Order No. 33492; Case No. PAC-E-16-02, Order No. 33491

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www.puc.idaho.gov

PUC approves two Rocky Mountain rate adjustments

BOISE (April 1, 2016) – The Idaho Public Utilities Commission is approving two rate adjustments – on an increase and the other a decrease – for Rocky Mountain Power customers that become effective today.

Rocky Mountain Power's annual Energy Cost Adjustment Mechanism (ECAM) will be a slight decrease to customers of 0.7 percent, or about 58 cents less on an average residential monthly bill. Its Customer Efficiency Services Rate is a 0.6 percent increase, from the current 2.1 percent of the monthly billed amount to 2.7 percent. For a residential customer who uses the company average of 837 kilowatt-hours per month, the increase will be 61 cents per month.

Rocky Mountain Power serves about 73,000 customers in eastern Idaho.

Energy Cost Adjustment Mechanism

Rates for Rocky Mountain customers are adjusted either up or down every April 1 to account for power supply expense that varies from year to year depending on the previous year's natural gas and coal, surplus power sales, power purchases and the market price of power.

If variable costs are higher than what is already included in base rates, customers get a one-year surcharge; if they are lower, customers get a one-year credit. For the 12-month period ending Nov. 30, 2015, Rocky Mountain's net power supply costs were \$9.3 million less than that included in base rates, resulting in a rate credit to customers.

Customer Energy Efficiency Services

Rocky Mountain invests in a number of programs that either shift consumption to off-peak hours (demand response) or reduce consumption (energy efficiency). Funding for those programs is collected from the Energy Efficiency Services line item on customer bills.

Expenditures for the programs increased by about 38 percent from \$3.2 million in 2014 to \$4.4 million in 2015 due to increased customer participation. Savings from energy efficiency programs increased from 11,410 megawatt-hours in 2014 to about 15,440 MWh in 2016.

The commission said it aware of the impact that any rate increase can have on customers, particularly those on low- and fixed-incomes. But, the commission also noted that effective demand-side management programs delay the need for the company to build or buy from higher-cost generation resources.

Customers benefit in two ways from the programs. Participating customers benefit from lower bills by taking part in the programs. Customers who do not participate also benefit because the cost of the electricity saved is about half of what it would cost Rocky Mountain to generate or buy the same amount of energy.

Neither the ECAM decrease nor the Customer Efficiency Services Rate increase impact Rocky Mountain's earnings. Money collected in the ECAM and the energy efficiency rate must go directly toward the deferred accounts established for each program.

Documents related to this case can be accessed 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-16-05 for the ECAM and PAC-E-16-02 for the Energy Efficiency Services charge.

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