



*Case No. PAC-E-17-02, Order No. 33776*

*Contact: Matt Evans, (208) 334-0339 or 520-4763*

[www.puc.idaho.gov](http://www.puc.idaho.gov)

## **Rocky Mountain Power rates set to decrease on June 1**

**BOISE (May 31, 2017)** – Rocky Mountain Power rates will decrease slightly this year in order to reflect lower-than-expected power supply costs in 2016.

The Energy Cost Adjustment Mechanism (ECAM) allows the utility to adjust its rates each spring to account for expenses tied to the previous year's power purchases and sales. It appears on customer bills as a separate line item that increases if those variable costs are higher than the revenue generated through base rates, and decreases if those costs are lower.

The company said its power supply costs were approximately \$7.53 million lower than projected in 2016, primarily due to a decline in natural gas prices.

As a result, the Idaho Public Utilities Commission authorized a reduction of the ECAM for the next 12 months, effective June 1.

The change - a decrease of 0.8 percent for Residential customers - equates to about 73 cents per month for the company's typical residential customer who uses 800 kilowatt-hours of electricity.

Rocky Mountain Power serves approximately 75,500 eastern Idahoans. The company's earnings are not impacted by the ECAM; all revenue must go directly to pay power supply expenses.

Most of the expenses incurred by a utility to provide power to customers are included in base rates. Some of these costs vary significantly each year due to a host of factors, however. That makes them difficult to forecast with precision, creating the need for the yearly adjustment of the ECAM.

Since its implementation in 2010, this is the third year in which the ECAM has decreased. It has remained unchanged in two years and has increased twice. Effective June 1, it will be assessed at .4958 cents for each kilowatt-hour used and appears as a separate line item on customer bills.

This year, Rocky Mountain Power submitted two ECAM proposals for Commission approval.

One would have allowed the company to recover all of the power supply costs incurred in 2016 and led to a rate decrease for Residential customers of between 1.8 percent and 2.1 percent, or about \$1.65 per month for the typical customer.

The proposal approved by the Commission implements a smaller rate decrease - 0.8 percent, or about 73 cents per month for the company's typical residential customer - but is expected to stave off the

need to raise the ECAM for at least the next two years by allocating \$4 million to offset depreciation costs related to the unanticipated abandonment of the Joy Longwall at Bridger Coal Company facility.

Rocky Mountain Power's application and supporting documents are available on the commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on "Open Cases" under the "Electric" heading and scroll down to PAC-E-17-02.