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IDAHO PUBLIC  
UTILITIES COMMISSION

October 8, 2020

**VIA ELECTRONIC DELIVERY**

Jan Noriyuki  
Commission Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd.  
Building 8 Suite 201A  
Boise, ID 83714

**Re: CASE NO. PAC-E-18-08  
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER  
FOR AUTHORIZATION TO CHANGE DERECIATION RATES APPLICABLE  
TO ELECTRIC PROPERTY**

Attention: Ms. Noriyuki

Please find enclosed for filing a stipulation between the parties resolving all issues in Phase II of the above-referenced matter addressing decommissioning costs.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Joelle Steward  
Vice President, Regulation

CC:

Terri Carlock  
Dayne Hardie  
Ben Otto  
Eric Olsen  
Randy Budge  
Ron Williams

Emily Wegener  
Rocky Mountain Power  
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Salt Lake City, UT 84116  
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Email: [Emily.Wegener@pacificorp.com](mailto:Emily.Wegener@pacificorp.com)

*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NO. PAC-E-18-08</b>
<b>OF ROCKY MOUNTAIN POWER FOR</b>	)	
<b>AUTHORIZATION TO CHANGE</b>	)	<b>STIPULATION - PHASE II</b>
<b>DEPRECIATION RATES APPLICABLE</b>	)	<b>DECOMMISSIONING COSTS</b>
<b>TO ELECTRIC PROPERTY</b>	)	

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This Stipulation (“Stipulation”) is entered into by and among Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”), Staff for the Idaho Public Utilities Commission (“Staff”), the Idaho Conservation League (“ICL”), the Idaho Irrigation Pumper Association (“IIPA”), Monsanto Company (“Monsanto”), and PacifiCorp Idaho Industrial Customers (“PIIC”), (the “Stipulating Parties”), who submit this Stipulation on decommissioning costs in resolution of issues addressed as part of Phase II in this proceeding and respectfully request that the Commission approve the treatment of the incremental decommissioning costs for Rocky Mountain Power as stipulated herein effective January 1, 2021.

**I. PROCEDURAL BACKGROUND**

1. On September 11, 2018, Rocky Mountain Power, filed an application requesting the Commission approve the Company’s proposed changes to its depreciation rates for electric plant. Included in those depreciation rates was an estimate of decommissioning costs.

2. Pursuant to Section 4.3.1.1 - Decommissioning Studies, of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol, the Company committed to complete a contractor-assisted engineering study of decommissioning costs for its coal plants.

3. On January 17, 2020 and March 16, 2020, Rocky Mountain Power filed supplemental information relating to the 2020 Confidential Decommissioning Studies, (“2020 Decommissioning Studies”). These studies were provided as supplemental filings in this and all of PacifiCorp’s other applicable depreciation dockets.

4. On June 15, 2020, the Company filed a proposed Settlement Stipulation (“Settlement Stipulation”) for Phase I. In the Settlement Stipulation, the parties agreed: 1) the incremental change in depreciation expense from current rates should be \$13,940,303 annually; 2) the incremental increase would be deferred for one year beginning January 1, 2021 through December 31, 2021; and 3) the Commission should establish Phase II in this proceeding to facilitate further review of the regulatory treatment of the 2020 Decommissioning Studies.

5. On August 18, 2020, the Commission issued Order No. 34754 approving the Settlement Stipulation and authorizing Phase II to evaluate incremental decommissioning costs and ratemaking treatment alternatives.

6. On September 15, 2020, a technical conference call was held where parties were able to ask questions about the 2020 Decommissioning Studies and express their positions. The technical conference was followed by a settlement conference call on September 22, 2020 where the Stipulating Parties reached agreement on treatment of the incremental decommissioning cost identified in the 2020 Decommissioning Studies.

## II. TERMS AND CONDITIONS

7. The Stipulating Parties agree that Idaho’s incremental decommissioning costs based on the 2020 Decommissioning Studies is \$2,291,178 per year, as summarized in Table 1.

**Table 1 – Incremental Decommissioning Costs**

Plant	Plant Closure Date	Remaining Life (Years)	2018 Base Decommissioning Costs	2020 Decommissioning Studies	Incremental Decommissioning Costs	Total Company Annual Amount	Idaho Allocated Annual Amount
Hunter	2042	22	50,022,000	109,400,262	59,378,262	2,699,012	159,542
Huntington	2036	16	40,256,000	111,919,004	71,663,004	4,478,938	264,756
Dave Johnston	2027	7	26,095,000	101,989,356	75,894,356	10,842,051	640,887
Jim Bridger	2037	17	52,662,000	156,984,308	104,322,308	6,136,606	362,742
Naughton	2029	9	62,267,000	158,991,849	96,724,849	10,747,205	635,281
Wyodak	2039	19	7,138,000	30,690,185	23,552,185	1,239,589	73,274
Hayden	2030	10	352,000	14,093,486	13,741,486	1,374,149	81,228
Colstrip	2027	7	12,685,000	21,385,311	8,700,311	1,242,902	73,469
<b>Total</b>			<b>251,477,000</b>	<b>705,453,761</b>	<b>453,976,761</b>	<b>38,760,451</b>	<b>2,291,178</b>

8. The Stipulating Parties agree that the Company will defer Idaho’s incremental change in decommissioning expense of \$2,291,178, for one year beginning January 1, 2021 through December 31, 2021. The Company will defer \$190,931.50 (\$2,291,178 / 12) each month in a regulatory asset account for recovery in the Company’s next general rate case. No carrying charge will be applied to the regulatory asset during the deferral period.

9. The Stipulating Parties agree the \$2,291,178 deferral will be amortized over fifteen years beginning with the rate effective date of the Company’s next general rate case. A carrying charge or rate base treatment will be determined in the Company’s next general rate case.

10. The Stipulating Parties agree that the Company will provide quarterly updates on the 2020 Decommissioning Studies beginning after the quarter ending December 31, 2020, until the Company files its next general rate case. The quarterly updates will report on any actions in other states related to the 2020 Decommissioning Studies. In addition to the quarterly

updates the Stipulating Parties will convene to discuss alternative rate treatment options before the next general rates case.

11. The Stipulating Parties agree that any Party may propose any ratemaking treatment for Idaho's allocation of decommissioning costs in the Company's next general rate case.

12. The Stipulating Parties agree that, by entering into the Stipulation, no Stipulating Party is waiving any right to take any position in any other docket; provided that the Parties agree to support the Stipulation in this docket.

#### **General Terms and Conditions**

13. Section 248 of IDAPA 31.01.01 authorizes the Commission to approve a settlement so long as the settlement is just and reasonable in result IDAPA 31.01.01.276. While the Stipulating Parties may not agree that each specific component of this Stipulation is just and reasonable in isolation, all of the Stipulating Parties agree that this Stipulation as a whole is just and reasonable in result and in the public interest.

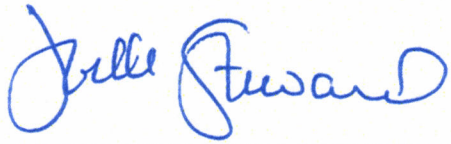
14. All negotiations related to this Stipulation are confidential, and no Stipulating Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Stipulating Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Stipulating Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Stipulating Party except in a proceeding to enforce this Stipulation.

15. The Stipulating Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly called-out and resolved by this Stipulation. This Stipulation does not resolve and does not provide any inferences regarding, and the Stipulating Parties are free to take any position with respect to any issues not specifically called-out and settled herein. Nothing in this Stipulation shall be construed to modify or supersede existing settlement agreements entered into by or among parties to this Stipulation.

16. The Stipulating Parties agree that a hearing is not necessary and respectfully request that the Commission authorize processing this case under Modified Procedure pursuant to the schedule already established by Order No. 34773. Rocky Mountain Power, and Staff will, and other parties may, file testimony or comments to explain and offer further support for this Stipulation.


17. The Stipulating Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Stipulating Party will use its best efforts to support the terms and conditions of this Stipulation. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Stipulating Party shall take a position in that judicial review proceeding in opposition to the Stipulation.

Respectfully submitted this 8<sup>th</sup> day of October, 2020.



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*Joelle Steward – Rocky Mountain Power*



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*Staff for the Idaho Public Utilities  
Commission*



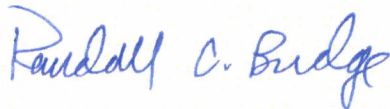
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*Idaho Conservation League*



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*Idaho Irrigation Pumper Association*



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*Monsanto, One of the Bayer Group of  
Companies*



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*PacifiCorp Idaho Industrial Customers*