

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN) CASE NO. PAC-E-18-08
POWER’S APPLICATION FOR)
AUTHORIZATION TO CHANGE) NOTICE OF
DEPRECIATION RATES FOR ELECTRIC) MODIFIED PROCEDURE
PROPERTY)
ORDER NO. 34773

On September 11, 2018, Rocky Mountain Power, a division of PacifiCorp (“Company”) asked the Commission to approve the Company’s proposed changes to depreciation rates for its electric plant. The Commission approved the Company’s last depreciation request, Case No. PAC-E-13-02, in 2013. *See* Order No. 32926.

On October 5, 2018, the Commission issued a Notice of Application and Notice of Intervention Deadline directing Staff and parties to discuss scheduling.

Monsanto, PacifiCorp Idaho Industrial Customers (“PIIC”), Idaho Irrigation Pumpers Association, Inc., (“IIPA”), Sierra Club, and Idaho Conservation League (“ICL”) (collectively the “Parties”) intervened.

On April 18, 2019, a technical conference was held in Boise, followed by meetings and conference calls where the Parties discussed settlement possibilities.

On January 17, 2020, the Company filed a supplemental confidential decommissioning study pursuant to Section 4.3.1.1 of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol.¹

On March 16, 2020, the Company filed a second supplemental confidential decommissioning study that included decommissioning costs for the Colstrip plant. (Collectively, the supplemental decommissioning studies filed on January 17, 2020 and March 16, 2020 are referred to as the “2020 Decommissioning Studies.”)

On June 15, 2020, the Company filed a proposed Settlement Stipulation (“Settlement Stipulation”) for Phase I² signed by the Company, Staff, Monsanto, PIIC, and IIPA (collectively the “Stipulating Parties”)³. In the Settlement Stipulation, the Stipulating Parties also requested the

¹ In Section 4.3.1.1 of the 2020 Inter-Jurisdictional Allocation Protocol, the Company agreed to file the results of the contractor-assisted engineering study of decommissioning costs for the Jim Bridger, Dave Johnston, Hunter, Huntington, Naughton, Wyodak, and Hayden coal plants in all applicable depreciation dockets.

² Phase I resolved all depreciation issues except decommissioning costs.

³ ICL is not a Stipulating Party but does not oppose the Settlement Stipulation.

Commission establish a Phase II to facilitate further review of the regulatory treatment of the incremental decommissioning costs.⁴ The Stipulating Parties noted they would attempt to complete Phase II in time to allow the Commission to issue a final order before December 31, 2020.

On August 18, 2020, the Commission issued a final order for Phase I, approving the settlement stipulation which resolves all depreciation related issues except incremental decommissioning costs and authorized Phase II. *See* Order No. 34754.

On August 19, 2020, the Parties met to discuss issues reserved for Phase II and proposed scheduling. The Parties agreed to work towards a proposed settlement agreement on the incremental decommissioning costs. The Parties agreed to discuss incremental decommissioning costs at a September 22, 2020 settlement meeting. The Parties also agreed that if they do not settle, they would submit comments on the Company's proposed ratemaking treatment for incremental decommissioning costs—which the Company filed subsequently on August 31, 2020—pursuant to comment deadlines established by the Commission. The Parties further agreed Phase II should be processed by Modified Procedure.

As noted above, on August 31, 2020, the Company proposed a ratemaking treatment of the incremental decommissioning costs. The proposal summarized the differences between the decommissioning costs in the 2018 depreciation study and the 2020 Decommissioning Studies. The differences include scope, methodology, estimate class, assumptions for environmental liabilities, owner's costs, contractor indirect costs, and site reclamation costs. The Company proposed to defer \$2,291,178—Idaho's allocation of incremental decommissioning costs during calendar year 2021. The Company proposed to begin collecting the deferred amount on the effective date of the Company's next general rate case, within which the amortization period to recover the deferral would be determined. The Company seeks to align the amortization of incremental decommissioning costs with the new depreciation rates authorized by Order No. 34754. The Company's proposal and the 2020 Decommissioning Studies will serve as a basis for the Parties settlement discussions.

⁴ The incremental decommissioning costs are the decommissioning costs filed in the 2018 Depreciation Study compared to the costs in the 2020 Decommissioning Studies.

On September 1, 2020, at the Commission’s decision meeting, Staff informed the Commission that, on September 22, 2020 Staff planned to discuss with the Parties the possible settlement of Phase II incremental decommissioning costs.

At the same meeting, Staff asked the Commission to issue a Notice of Modified Procedure establishing comment and reply deadlines. Staff also notified the Commission of the Company’s proposal filed on August 31, 2020.

The Commission now issues this Notice of Modified Procedure establishing public comment and reply deadlines.

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and it will review Phase II through written submissions under the Commission’s Rules of Modified Procedure. Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this matter may file a written comment explaining why the person supports or opposes the incremental decommissioning costs proposed in Phase II. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until October 14, 2020, to file written comments.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission’s home page at www.puc.idaho.gov. Click the “Consumers” tab and then “Case Comment Form” and complete the form using the case number as it appears on the front of this document. Comments filed by e-mail must also be e-mailed to the Company at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Company at these addresses:

For the Idaho PUC:

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

For Rocky Mountain Power:

Ted Weston
Emily Wegener
1407 W. North Temple, Suite 320
Salt Lake City, UT 84116
ted.weston@pacificorp.com
emily.wegener@pacificorp.com

Data Request Response Center
825 NE Multnomah, Suite 2000
Portland, OR 97232
datarequest@pacificorp.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments by October 28, 2020.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.


ORDER

IT IS HEREBY ORDERED that Phase II be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201 - .204). Persons shall have until October 14, 2020, to file written comments, and the Company shall have until October 28, 2020, to file a reply, if any.

IT IS FURTHER ORDERED that Parties continue to comply with Order No. 34602, issued March 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between Parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

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DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of September 2020.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:


Jan Noriyuki
Commission Secretary

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