

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL**

DATE: AUGUST 27, 2020

**SUBJECT: ROCKY MOUNTAIN POWER'S APPLICATION FOR AUTHORIZATION
TO CHANGE DEPRECIATION RATES FOR ELECTRIC PROPERTY;
CASE NO. PAC-E-18-08**

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 case, PAC-E-13-02, in 2013.

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, 2018, a technical conference was held in Boise, followed by several 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.")

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.

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 Commission establish a Phase II to facilitate further review of the regulatory treatment of the 2020 Decommissioning Studies. 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, resolving all depreciation related issues except decommissioning costs. *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 2020 Decommissioning Studies. The Parties agreed to a September 22, 2020 proposed settlement deadline. The Parties further agreed to attempt to settle Phase II by the Commission’s settlement deadline. But if the Parties cannot reach a settlement, they would submit comments on the 2020 Decommissioning Studies. The Parties agreed Phase II should be processed by Modified Procedure

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Proposed Settlement Deadline establishing a September 22, 2020 deadline for the Parties to file a proposed settlement, if any. Staff also recommends the Commission issue a Notice of Modified Procedure establishing an October 14, 2020 public comment deadline and an October 28, 2020 reply deadline allowing Parties to file comments in support of a proposed settlement agreement, if one is reached, or regarding the 2020 Decommissioning Studies if no proposed settlement can be reached.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Proposed Settlement Deadline establishing a September 22, 2020 deadline for the Parties to reach a proposed settlement and a Notice of Modified Procedure establishing an October 14, 2020 public comment deadline and an October 28, 2020 reply deadline?



Dayn Hardie
Deputy Attorney General

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² Phase I resolved all depreciation issues except decommissioning costs.

³ Idaho Conservation League is not a Stipulating Party but does not oppose the Settlement Stipulation.