

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN) CASE NO. PAC-E-20-02
POWER'S APPLICATION REQUESTING)
APPROVAL OF \$21.2 MILLION NET) NOTICE OF APPLICATION
POWER COST DEFERRAL)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 34648

On April 1, 2020, PacifiCorp dba Rocky Mountain Power (“Company”) applied to the Commission for an order authorizing the Company to adjust its rates under the Energy Cost Adjustment Mechanism (“ECAM”). If approved, the Company’s ECAM adjustment would collect \$21.2 million from its Idaho customers between June 1, 2020 and May 31, 2021. The Company requested that its Application be processed by Modified Procedure and have an effective date of June 1, 2020.

The Commission now issues this Notice of Application and Notice of Modified Procedure setting deadlines for public comments and the Company’s reply.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the “ECAM allows the Company to collect or credit the difference between the actual net power costs (“NPC”) incurred to serve customers in Idaho and the NPC collected from Idaho customers through rates set in general rate cases.” Application at 2. Each month, the Company compares the actual system NPC to the NPC embedded in base rates and defers the difference into the ECAM balancing account. *Id.* at 3. The ECAM also includes the Load Change Adjustment Revenues (“LCAR”)¹, and an adjustment for the treatment of coal stripping under the Emerging Issues Task Force. *Id.* Under the ECAM’s 90/10 symmetrical sharing band, 90% of the above costs are allocated to customers and 10% are allocated to the Company. *Id.* at 3-4. The following are not subject to the 90/10 sharing band, but are included in the ECAM: a true-up of Renewable Energy Credit (“REC”) revenues, the Production Tax Credit (“PTC”), the Lake Side 2 generation resource adder, and a Resource Tracking Mechanism (“RTM”). *Id.* at 3.

¹ The LCAR accounts account for the over- or under-collection of the Company’s energy-related production revenue requirement (excluding net power costs) due to variations in Idaho load. *Id.* at 7.

YOU ARE FURTHER NOTIFIED that for the second year, the ECAM includes three additional components related to the Tax Reform Act as agreed to in the Tax Stipulation.² *Id.* These items are: (1) tax savings related to the reduction of the federal income tax that were not refunded to customers under Schedule 197; (2) 2019 protected property excess deferred income taxes (“EDIT”); and (3) 2019 non-protected and non-property EDIT. *Id.* at 5-6.

YOU ARE FURTHER NOTIFIED that the ECAM also includes recovery of the 2013 incremental depreciation expense authorized for deferral.³ *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the deferral amount includes a difference of about \$13.5 million between actual NPC and the NPC included in base rates.⁴ *Id.* at 6. It also includes LCAR credits of about \$0.8 million and credits related to the accounting treatment of coal-stripping costs of about \$115,000.⁵ *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the deferral amount also includes about \$4.5 million associated with the Lake Side 2 resource adder, about \$4.7 million for the difference between actual PTC and those included in base rates, and \$0.5 million for the RTM. *Id.* at 7-8. In addition, it includes about \$32,000 in credit for the difference between actual REC revenue and that included in base rates. *Id.* at 8.

YOU ARE FURTHER NOTIFIED that the ECAM deferral amount is partially offset by about \$3.1 million in tax reform credits. Direct Testimony of Steven McDougal at 5. This amount includes about \$570,000 in tax savings related to the reduction of the federal income tax that were not refunded to customers under Schedule 197, about \$2.3 million in 2019 protected EDIT, and about \$2.1 million in 2019 non-protected EDIT.⁶ *Id.* These ECAM tax reform credits are partially reduced by about \$1.9 million in 2013 incremental depreciation expense assigned to the ECAM. *Id.*

YOU ARE FURTHER NOTIFIED that in summary, the Company requests approval of \$21.1 million in 2019 deferred costs, plus about \$0.5 million in interests and the existing deferral balance of \$5.7 million. Application at 8. The balance will be reduced by the \$0.1 million credit balance in the depreciation deferred balance and by about \$4.9 million from

² See Order No. 34331.

³ See Order No 33776.

⁴ This figure is not adjusted for the 90/10 sharing band. After adjustment, the NPC deferral is \$11.5 million. Application at 7.

⁵ These figures are not adjusted for the 90/10 sharing band. Application at 7.

⁶ See Table 1 on page 5 of Steven R. McDougal’s direct testimony included with the Rocky Mountain Power’s Application.

Schedule 94 revenue collections, less interest accrued. *Id.* The total ECAM deferral balance is about \$22.3 million. *Id.*

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. The Application is also available on the Commission's web site at www.puc.idaho.gov. Click on the "ELECTRIC" tab at the top of the home page, then select "Open Cases" and then locate and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final order consistent with its authority under Title 61 and PURPA.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .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 any person desiring to state a position on this Application **must file a written comment in support or opposition with the Commission by May 14, 2020.** The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be sent electronically, unless email is not available, to the Commission and the Company at the email addresses reflected below:

For the Idaho PUC:
Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:
11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, ID 83714

For PacifiCorp:
Ted Weston (Suite 330)
Emily Wagner (Suite 320)
1407 West North Temple
Salt Lake City, UT 84116
ted.weston@pacificorp.com
emily.wagner@pacificorp.com

Comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via email may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Consumers" tab then click the "Case Comment Form" and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by May 21, 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 Idaho Power's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by May 14, 2020. The Company must file any reply comments by May 21, 2020.

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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of April 2020.



PAUL KJELLANDER, PRESIDENT

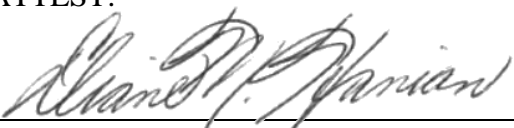


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary