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Salt Lake City, Utah 84116

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IDAHO PUBLIC  
UTILITIES COMMISSION

June 4, 2020

*VIA ELECTRONIC DELIVERY*

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

**Re: CASE NO. PAC-E-20-08  
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER  
REQUESTING APPROVAL OF THE ANNUAL REVISION TO QF VARIABLE  
ENERGY PRICES PURSUANT TO TERMS OF THE 1992 AMENDMENTS TO  
POWER PURCHASE AGREEMENTS BETWEEN IDAHO QFs AND  
PACIFICORP**

Dear Ms. Hanian:

Enclosed for electronic filing in the above mentioned matter is Rocky Mountain Power's application and supporting attachment requesting approval of the annual revision to the qualified facility variable energy prices.

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

Very truly yours,

Joelle Steward  
Vice President, Regulation

Emily Wegener  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
Telephone No. (801) 220-4526  
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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**

**IN THE MATTER OF THE APPLICATION  
OF ROCKY MOUNTAIN POWER  
REQUESTING APPROVAL OF THE  
ANNUAL REVISION TO QF VARIABLE  
ENERGY PRICES PURSUANT TO TERMS  
OF THE 1992 AMENDMENTS TO POWER  
PURCHASE AGREEMENTS BETWEEN  
IDAHO QFs AND PACIFICORP**

**CASE NO. PAC-E-20-08**

**APPLICATION**

Rocky Mountain Power, a division of PacifiCorp (“Company” or “Rocky Mountain Power”), in accordance with the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”), Rule 52 and Order No. 29316,<sup>1</sup> hereby respectfully petitions the Commission for an order approving the updated Qualifying Facility (“QF”) variable energy price pursuant to the terms of the 1992 amendments to Idaho QF power purchase agreements. In support of this Application, Rocky Mountain Power represents as follows:

**I. INTRODUCTION AND BACKGROUND**

In 2003, the Company sent a letter notifying the Commission of a July 1, 2003, revision to the variable energy price for QFs holding certain power sales contracts with the Company. These thirteen QF contracts included a Commission approved 1992 Amendment outlining the

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<sup>1</sup> *In the Matter of the Revision of QF Variable Energy Prices in Accordance with Terms of the 1992 Amendments to Power Purchase Agreements between Idaho QFs and PacifiCorp*, PAC-E-03-10, 2004 WL 316976 (Idaho P.U.C. August 19, 2003).



methodology that would be used for determining the variable energy price component of the avoided cost rate.

As stated in the 1992 Amendment beginning July 1, 2003, and continuing throughout the term of the power purchase agreements, including any extensions, the variable energy rate will be calculated in accordance with the specified methodology described below.

The variable energy rate will be the sum of PacifiCorp's fuel cost and Colstrip variable O&M cost. PacifiCorp's fuel costs will be the average cost of fuel consumed in its Utah Division, specifically the Carbon, Hale, Naughton, Huntington and Hunter generating plants. If any of the specified plants don't operate in any calendar year, such plant will be excluded from the calculation of the average cost of fuel. Carbon and Hale coal plants have subsequently closed and are excluded from the calculation. The average cost of fuel will be calculated using the data reported in the Company's FERC Form 1. In the event that the FERC Form 1 ceases to include the cost of fuel or net generation data, comparable data based upon the Company's normal accounting practices shall be used.

Pursuant to Order No. 23738,<sup>2</sup> variable O&M costs were set based on the variable costs associated with the operation of Colstrip, a coal power generating facility in southeast Montana excluding the generation tax and the line loss adjustments.

## **II. VARIABLE ENERGY RATE**

The average cost of fuel consumed by the specified Utah division coal plants for calendar year 2019 was \$21.56 per megawatt hour, as summarized in the Attachment filed with this application. The variable operation and maintenance expense set for Colstrip generating facility was \$1.51 per megawatt hour. Therefore the variable energy rate applicable to deliveries

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<sup>2</sup> *In re Idaho Power Company*, Case No. PPL-E-89-3/UPL-E-89-5, 1991 WL 501613 (Idaho P.U.C. June 17, 1991).

commencing July 1, 2020, extending through June 30, 2021, is \$23.07 per megawatt hour. An attachment is provided with this Application supporting this calculation with references to the relevant pages from the Company's FERC Form 1 for the year ending December 31, 2019.

### **III. MODIFIED PROCEDURE**

Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing in accordance with RP 201 *et seq.*

### **IV. COMMUNICATIONS AND SERVICE OF PLEADINGS**

Communications regarding this Application should be addressed to:

Ted Weston  
Rocky Mountain Power  
Idaho Regulatory Affairs Manager  
1407 W. North Temple, Suite 330  
Salt Lake City UT 84116  
Telephone: (801) 220-2963  
Facsimile: (801) 220-4648  
E-mail: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)

Emily Wegener  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
Telephone No. (801) 220-4526  
Mobile No. (385) 227-2476  
Email: [Emily.wegener@pacificorp.com](mailto:Emily.wegener@pacificorp.com)

In addition, Rocky Mountain Power respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

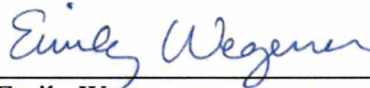
By regular mail: PacifiCorp  
Data Request Response Center  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquires also may be directed to Ted Weston at (801) 220-2963.

**V. REQUEST FOR RELIEF**

Rocky Mountain Power respectfully requests that the Commission issue an Order authorizing this matter to be processed by Modified Procedure, and approving the variable energy rate of \$23.07 per megawatt hour applicable to the energy delivered from the 1992 QF contracts commencing July 1, 2020, extending through June 30, 2021.

Respectfully submitted this 4<sup>th</sup> day of June, 2020.



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*Attorney for Rocky Mountain Power*

## Attachment 1



**PacifiCorp  
Total Variable Energy Rate  
for 2020 / 2021**

	Naughton	Huntington	Hunter	Totals
Fuel Cost (\$)	\$ 86,682,877	\$ 104,571,495	\$ 136,014,783	\$ 327,269,155
<small>2019 FERC FORM 1 - Page 402 Line 20</small>				
Generation (MWH)	2,840,374	4,897,541	7,439,972	15,177,887
<small>2019 FERC FORM 1 - Page 402 Line 12</small>				
Average Fuel Cost (\$/MWH)				\$ 21.56 /MWH
Variable O&M				\$ 1.51 /MWH
Total Variable Energy Rate for 2020 / 2021				\$ 23.07 /MWH

For deliveries commencing July 1, 2020 extending through June 30, 2021  
 12 PacifiCorp/QFs contracts with approved 1992 amendment language

Name of Respondent PacifiCorp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: Hunter Unit No. 3 (d)	Plant Name: Hunter - Total Plant (e)	Plant Name: Huntington (f)	Line No.						
Steam	Steam	Steam	1						
Outdoor Boiler	Outdoor Boiler	Outdoor Boiler	2						
1983	1978	1974	3						
1983	1983	1977	4						
495.59	1247.78	996.00	5						
474	1356	910	6						
8481	7840	8328	7						
0	0	0	8						
471	1158	909	9						
0	0	0	10						
0	208	160	11						
2883126000	7439972000	4897541000	12						
10274569	29651091	2377564	13						
93063053	212585537	127544191	14						
447664189	1087412244	762757587	15						
4278309	12834927	10022886	16						
555280120	1342483799	902702228	17						
1120.4425	1075.8978	906.3275	18						
0	0	15087	19						
52826299	136014783	104571495	20						
0	0	0	21						
8989022	23514207	13205769	22						
0	0	0	23						
0	0	0	24						
-57347	-32315	0	25						
3807812	370645	9848321	26						
0	0	25964	27						
0	0	0	28						
0	0	1598911	29						
1109881	3412789	2477961	30						
4556362	16730239	13595055	31						
685322	5029984	7992089	32						
532779	1250108	822980	33						
72450130	186290440	154153632	34						
0.0251	0.0250	0.0315	35						
Coal	Oil	Composite	Coal	Oil	Composite	Coal	Oil	Composite	36
Tons	Barrels		Tons	Barrels		Tons	Barrels		37
1299243	10943	0	3381815	14922	0	2219115	6142	0	38
11230	138000	0	11376	138000	0	11482	138000	0	39
0.000	0.000	0.000	39.356	99.812	0.000	45.293	97.754	0.000	40
39.824	0.000	0.000	39.779	99.812	0.000	46.852	97.754	0.000	41
1.773	17.114	1.806	1.748	17.221	1.766	2.040	16.866	2.051	42
0.018	0.000	0.018	0.018	0.000	0.018	0.021	0.000	0.021	43
10121.250	21.999	10143.249	10342.279	11.625	10353.904	10404.729	7.269	10411.998	44



Name of Respondent PacifiCorp	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Jim Bridger</i> (b)	Plant Name: <i>Naughton</i> (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam				
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Outdoor Boiler	Outdoor Boiler				
3	Year Originally Constructed	1974	1963				
4	Year Last Unit was Installed	1979	1971				
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	1550.65	707.20				
6	Net Peak Demand on Plant - MW (60 minutes)	1417	649				
7	Plant Hours Connected to Load	8760	8760				
8	Net Continuous Plant Capability (Megawatts)	0	0				
9	When Not Limited by Condenser Water	1415	384				
10	When Limited by Condenser Water	0	0				
11	Average Number of Employees	329	112				
12	Net Generation, Exclusive of Plant Use - KWh	9012300000	2840374000				
13	Cost of Plant: Land and Land Rights	1193761	1321031				
14	Structures and Improvements	148774873	127175501				
15	Equipment Costs	1274734660	617520729				
16	Asset Retirement Costs	19566856	50914765				
17	Total Cost	1444270150	796932026				
18	Cost per KW of Installed Capacity (line 17/5) Including	931.3966	1126.8835				
19	Production Expenses: Oper, Supv, & Engr	14234340	299356				
20	Fuel	252682285	86682877				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	19568003	7913360				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	0	1865				
26	Misc Steam (or Nuclear) Power Expenses	-21036522	6252984				
27	Rents	331946	14350				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	580006	1498176				
30	Maintenance of Structures	10304164	1031530				
31	Maintenance of Boiler (or reactor) Plant	23037622	4834856				
32	Maintenance of Electric Plant	7389583	2952761				
33	Maintenance of Misc Steam (or Nuclear) Plant	2295209	826583				
34	Total Production Expenses	309386636	112308698				
35	Expenses per Net KWh	0.0343	0.0395				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal	Oil	Composite	Coal	Gas	Composite
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Tons	Barrels		Tons	MCF	
38	Quantity (Units) of Fuel Burned	5088688	10059	0	1540808	294181	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	9336	138000	0	9965	1056	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	45.191	95.461	0.000	54.265	3.495	0.000
41	Average Cost of Fuel per Unit Burned	49.467	95.461	0.000	55.591	3.495	0.000
42	Average Cost of Fuel Burned per Million BTU	2.649	16.470	2.658	2.789	3.310	2.795
43	Average Cost of Fuel Burned per KWh Net Gen	0.028	0.000	0.028	0.030	0.000	0.030
44	Average BTU per KWh Net Generation	10543.205	6.469	10549.674	10811.227	109.357	10920.584