

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)	CASE NO. PAC-E-21-07
POWER’S APPLICATION FOR)	
AUTHORITY TO INCREASE ITS RATES)	NOTICE PROPOSED
AND CHARGES IN IDAHO AND APPROVAL)	SETTLEMENT
OF PROPOSED ELECTRIC SERVICE)	
SCHEDULES AND REGULATIONS)	NOTICE OF AMENDED
)	SCHEDULE
)	
)	NOTICE OF COMMENT
)	DEADLINE
)	
)	ORDER NO. 35216

On May 27, 2021, PacifiCorp dba Rocky Mountain Power (“Company”) applied to the Commission requesting authority to increase its Idaho jurisdictional revenue requirement by \$19.0 million, or approximately 7.0 percent. P4 Production, LLC, an affiliate of Bayer Corporation (“Bayer”), Community Action Partnership Association of Idaho (“CAPAI”), Idaho Conservation League (“ICL”), Idaho Irrigation Pumpers Association, Inc. (“IIPA”), and PacifiCorp Idaho Industrial Customers (“PIIC”) (the “Intervenors”) intervened in the case. *See* Order Nos. 35073, 35081, 35106, and 35112.

On August 13, 2021, Staff notified the Commission that the parties intended to enter settlement discussions with the intent to resolve the outstanding issues in the case. *See* IDAPA 31.01.01.271 through .277. On August 24, 2021, the Commission set a schedule for processing this case. Order No. 35144.

On October 25, 2021, a proposed Stipulation and Settlement (“Settlement”) were filed with the Commission. *See* IDAPA 31.01.01.056, .272, .274. The proposed Settlement was signed by the Company, Staff, Bayer, IIPA, and PIIC (collectively the “Parties” or individually “Party”). The two parties that did not sign—CAPAI and ICL—both moved to withdraw. On October 26, 2021, at the Commission’s regular decision meeting, CAPAI and ICL were granted withdrawal.

With this Order, we provide notice of the proposed Settlement, amend the schedule for this case, and provide notice of a written comment deadline for customers.

NOTICE OF PROPOSED SETTLEMENT
 AMENDED NOTICE OF SCHEDULING
 NOTICE OF COMMENT DEADLINE
 ORDER NO. 35216

NOTICE OF PROPOSED SETTLEMENT

YOU ARE HEREBY NOTIFIED that the Parties agree the proposed Settlement represents a fair, just, and reasonable compromise of the issues in this proceeding and the proposed Settlement is in the public interest.

YOU ARE FURTHER NOTIFIED that under the proposed Settlement, the Company would be allowed to increase base rates by \$8.0 million or 2.9 percent, effective January 1, 2022. The Parties agree that the increase does not represent agreement or acceptance by the Parties of any specific revenue requirement method, unless specified.

YOU ARE FURTHER NOTIFIED that in Case No. PAC-E-18-08, Order No. 34754, the Commission allowed the Company to defer incremental depreciation expenses of \$13,940,303, as a regulatory asset. Under the proposed Settlement, the Parties agree this regulatory asset will be amortized in base rates over four years, beginning on January 1, 2022.

YOU ARE FURTHER NOTIFIED that the Deer Creek Mine regulatory asset will be amortized over three years. This includes amortization of \$14,347,296 in unpaid royalties and \$6,521,059 of unpaid future remediation expenses.

YOU ARE FURTHER NOTIFIED that the amortization of the Resource Tracking Mechanism (“RTM”) regulatory asset is not included for recovery as part of the stipulated rate increase.¹ Under the proposed Settlement, the Company will continue to defer these incremental costs in the RTM through December 31, 2021, as a regulatory asset. There will be no carrying charge. Treatment of this regulatory asset will be determined in the next general rate case.

YOU ARE FURTHER NOTIFIED that under the proposed Settlement, the following base amounts for the Energy Cost Adjustment Mechanism are included in Attachment 1 to the Proposed Settlement:

¹ In Case Nos. PAC-E-17-06, Order No. 33954, and PAC-E-17-07, Order No. 34104, the Commission authorized the Company to defer the costs and benefits for certain repowered and new wind facilities through a RTM included as a component of the Energy Cost Adjustment Mechanism up to the amount of benefits customers received from those projects. Any costs above the benefits were to be deferred as a regulatory asset with recovery to be determined in the next general rate case. An estimate of the deferral was included as adjustment 8.16 in the Company’s Application, Exhibit 40.

- Net Power Costs - \$1.368 billion or \$24.54/MWh
- Production Tax Credits - \$256,612,477 or \$4.16/MWh
- Renewable Energy Credits - \$4,327,004 or \$0.07/MWh
- LCAR - \$8.74/MWh

YOU ARE FURTHER NOTIFIED that under the proposed Settlement, the remaining excess deferred income tax balance of \$8.5 million will be amortized over two years through Electric Service Schedule No. 197. The Parties agree, if federal tax rates increase before this balance is completely amortized then the amortization will stop as of the effective date of the tax increase. Additionally, if there is a change to federal tax rates before the Company's next general rate case, the Parties will support the Company's filing of an application seeking to defer the incremental tax impacts as of the effective date of the new tax rate.

YOU ARE FURTHER NOTIFIED that the Parties agreed to the value of Bayer's curtailment products as of January 1, 2022. The Parties agreed the amount and method for this value are not precedent setting. The Parties also agreed that the terms and conditions of the Energy Service Agreement filed with the Commission as Supplemental Exhibit 36 in this case are just, reasonable, and in the public interest.

YOU ARE FURTHER NOTIFIED that the Parties agreed to a rate spread based on the \$8.0 million rate increase. The Parties agree the rate design and tariff changes shall be consistent with the Company's proposals as set forth in the Application. Rates for Schedule 9 will be designed for current Schedule 9 customers prior to the migration of the Schedule 401 customer, based on the system average rate increase, with the difference from the Company's filed case applied to the off-peak energy charges. Schedule 401 will migrate to Schedule 9 based on this rate design. Schedule 9 will be revised to increase the limit on the customer's maximum power requirement to 30,000 kW. Street and area lighting customers served under Schedules 7, 11, and 12 will receive a decrease in rates that moves rates 50 percent closer to cost of service. Schedule 23 General Service customers will use a seasonal difference ratio of 1.20 and a primary customer charge of \$48. Schedule 19 Commercial and Industrial Space Heating customers will migrate to Schedule 23 based on this rate design.

YOU ARE FURTHER NOTIFIED that under Commission Rule 275, “[p]roponents of a proposed settlement carry the burden of showing that the settlement is reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.” IDAPA 31.01.01.275.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the proposed Settlement reached by the Parties. The Commission will independently review any proposed settlement to determine whether the settlement is just, fair, and reasonable, and in the public interest, or otherwise in accordance with law or regulatory policy. The Commission may accept a settlement, reject a settlement, or state additional conditions under which a settlement will be accepted. IDAPA 31.01.01.274-.276.

YOU ARE FURTHER NOTIFIED that if the Commission rejects any part or all of the proposed Settlement or imposes any additional material conditions on its approval, each party reserves the right to withdraw from the proposed Settlement.

YOU ARE FURTHER NOTIFIED that the proposed Settlement in Case No. PAC-E-21-07 has been filed with the Commission and is available for public inspection during regular business hours at the Commission’s office or on the Commission’s website at www.puc.idaho.gov. Click on the “ELECTRIC” tab in the left-hand column of the home page, click “Open Cases,” click on either case number as shown on the front of this document. You then may access the Settlement by clicking on “SETTLEMENT STIPULATION-REDACTED.PDF” under the “Company” heading.

AMENDED NOTICE OF SCHEDULING

YOU ARE FURTHER NOTIFIED that based on the recently filed proposed Settlement, the Commission finds it reasonable to amend the procedural schedule. The new Schedule is:

Testimony in support	November 8, 2021
Company Reply	November 10, 2021
Customer Hearing	November 15, 2021
Technical Hearing	November 16, 2021
Customer Comment Deadline	November 16, 2021

YOU ARE FURTHER NOTIFIED that the date established for a customer hearing has not changed from the schedule set in Order No. 35144.² The technical hearing schedule has been amended and will take place on November 16, 2021, only.³

YOU ARE FURTHER NOTIFIED that all testimony and exhibits in this matter must comport with the requirements of Rules 231 and 267 of the Commission's Rules of Procedure. IDAPA 31.01.01.231 and .267.

NOTICE OF COMMENT DEADLINE

YOU ARE FURTHER NOTIFIED that the Commission seeks comments from the public on the proposed Settlement. Persons desiring to state a position on the proposed Settlement may file a written comment explaining why the person supports or opposes the proposed Settlement. **Persons shall have until November 16, 2021 to file written comments.** Comments may be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the e-mail addresses listed below. In addition to submitting the comments to the Commission Secretary, the customer must also e-mail the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

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² On October 18, 2021, the Commission issued an Amended Notice of Customer Hearing changing the call-in information to allow participants to choose to "listen-only" or "offer verbal testimony." Order No. 35199.

³ In Order No. 35144, the Commission scheduled the technical hearing for "Tuesday, November 16, 2021, commencing at 9:30 am (MST); and continuing on Wednesday, November 17, 2021; Thursday, November 18, 2021; and Friday November 19, 2021, *if necessary*" (emphasis added).

**For the Idaho Public Utilities
Commission:**

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ORDER

IT IS HEREBY ORDERED that the procedural schedule, set forth in the above Amended Notice of Scheduling, is approved.

IT IS FURTHER ORDERED that the Parties to the proposed Settlement have until November 8, 2021 to file testimony in support of the Settlement and any exhibits with the Commission.


IT IS FURTHER ORDERED that the Company must file any reply by November 10, 2021.

IT IS FURTHER ORDERED that the Commission will hold a technical hearing for the Parties to offer evidence and examine witnesses on Tuesday, November 16, 2021, at 9:30 AM (Mountain Time).


IT IS FURTHER ORDERED that persons interested in submitting written comments on the proposed Settlement must do so by November 16, 2021.

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 35058, issued June 3, 2021. 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 2nd day
of November 2021.



PAUL KJELLANDER, PRESIDENT

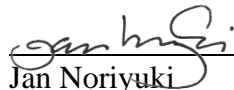


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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