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IDAHO PUBLIC
UTILITIES COMMISSION

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Attorneys for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-21-09
OF ROCKY MOUNTAIN POWER)
REQUESTING APPROVAL OF \$16.1) REPLY COMMENTS OF
MILLON NET POWER COST DEFERRAL) ROCKY MOUNTAIN POWER**

Pursuant to Rule 202.01(d) of the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”) and the Commission’s April 2020 Notice of Modified Procedure, Rocky Mountain Power a division of PacifiCorp (“RMP” or the “Company”) hereby submits its reply comments in the above-referenced case.

BACKGROUND

On March 31, 2021 the Company filed an application (“Application”) with the Commission pursuant to the approved energy cost adjustment mechanism (“ECAM”) for approval of approximately \$16.1 million of deferred costs from the deferral period beginning January 1, 2020 through December 31, 2020 (“Deferral Period”) with a 0.9 percent decrease to Electric Service Schedule No. 94, Energy Cost Adjustment (“Schedule 94”) for standard tariff customers. Tariff

Contract 400 and 401 customers will see a 1.3 percent decrease. Commission Staff filed comments on May 13, 2021, stating that the methodology used in the Company's Application "complies with previous Commission orders," but requested a reduction to the Company's requested deferral after correcting for a partial meter failure identified during their review.

REPLY COMMENTS

The Company appreciates Commission Staff's review of the 2021 ECAM and supports their recommendation to approve the adjusted ECAM deferral amount of \$12.0 million and the revised Tariffs. The Company provides the following information concerning the revised deferral request consistent with Commission Staff's recommendation.

Faulty Meter Adjustment

On April 28, 2021, Commission Staff contacted the Company requesting a meeting to discuss line losses. Staff also provided a copy of their 5-year historical load comparison. As part of analyzing the load data, the Company was able to identify a partial meter failure at the Treasureton substation that occurred between July 2019 and March 2020. This partial failure under-stated the load leaving the state of Idaho which resulted in overstating Idaho's load at input. Correcting the load data was simple and reliable because the meter failure was only for one of three phases. Using the load from the other two phases allowed the Company to correct the error accurately.

Many factors influence the amount of line losses experienced in any geographic location, and therefore it was not immediately apparent to the Company that the anomaly in the line loss numbers was an error in comparison to the historical average. Specifically, between 2010-2020, Idaho's line losses fluctuated between 9 percent in 2010 to 6 percent in 2016. Between 2010 and

2018 Idaho’s line loss averaged approximately 7.8 percent. The correction of the meter failure reduced the 2020 line loss percentage from 9.8% to 8.3%.

Commission Staff is concerned that even with this correction that the allocation methodology may be faulty resulting in an unfair allocation to Idaho. The Company’s system average losses are not representative of the actual power flow in any specific geographic location in the Company’s control areas and so do not bear on Idaho’s allocation. From year to year, average losses will change as well as the losses specific to each jurisdiction. Changes in the source of generation and Western Electricity Coordinating Council loop flow will impact the general flow of power. Changes between the loads delivered at transmission and distribution voltages will also impact the overall loss factor. Each jurisdiction has a unique generation, topology, and customer mix that fluctuate annually. It is reasonable to expect each jurisdiction to compensate the Company for the losses unique to that jurisdiction. As a beneficiary of the interconnected grid with basically no generation in-state, it is fair for Idaho customers to compensate the Company for the reliability and economic benefit that comes from the system.

2020 Deferral Amount

Table 1 summarizes the corrected 2020 Deferral Amount for calendar year 2020.

Table 1 - Annual ECAM Calculation

Calendar Year 2020 ECAM Deferral	
NPC Differential	\$ 4,330,859
EITF 04-6 Adjustment	(127,464)
LCAR	<u>(1,076,170)</u>
Total Deferral Before Sharing	\$ 3,127,225
Sharing Band	<u>90%</u>
Customer Responsibility	\$ 2,814,502
Lake Side 2 Resource Adder	\$ 5,431,705
Production Tax Credits	(100,831)
RTM Adjustment	4,431,885
REC Deferral	8,557
Interest on Deferral	<u>482,919</u>
Annual Deferral (Jan - Dec 2020)	<u>\$ 13,068,738</u>

Based on the revised deferral amounts for 2019 and 2020 and estimated Schedule 94 revenue collection from January 1st through May 31, 2021, the expected balance for rate design is approximately \$12.0 million as noted in Staff’s recommendation and shown in Table 2.

Table 2 - Balancing Account Activity

ECAM Deferral Balance	
Deferral Balance - Dec 31, 2019	\$ 24,397,925
Annual Deferral (Jan - Dec 2020)	12,585,818
Interest	482,919
ECAM Revenue Collection - Schedule 94	(18,416,430)
Activity Through December 31, 2020	\$ 19,050,233
Depreciation Regulatory Asset Balance	
Beginning Balance	\$ (76,878)
Annual Deferral (Jan - Dec 2020)	2,039,800
ECAM Revenue Collection - Schedule 94	(2,113,434)
Activity Through December 31, 2020	\$ (150,512)
December 31, 2020 Balance For Collection	\$ 18,899,721
Schedule 94 Collection - Jan - May 2021	\$ (6,994,766)
Interest	63,979
Expected Balance as of June 1, 2021	\$ 11,968,935

CONCLUSION


The Company prepared the adjustments to the ECAM proposed by Staff and supports Staff’s recommendations to approve the revised tariff sheets for Electric Service Schedule No. 94 – Energy Cost Adjustment rates designed to collect \$12.0 million with a rate effective date of June 1, 2021.

REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests that the Commission issue an order approving approximately \$13.1 million ECAM deferral for the Deferral Period and approve an overall 2.5 percent decrease to Idaho customer rates.

DATED this 20th day of May 2021.

Respectfully submitted,
ROCKY MOUNTAIN POWER



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