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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF ROCKY MOUNTAIN)
POWER'S APPLICATION TO INCREASE) CASE NO. PAC-E-21-18
THE BPA RATE CREDIT EFFECTIVE)
OCTOBER 1, 2021 THROUGH) COMMENTS OF THE
SEPTEMBER 30, 2023) COMMISSION STAFF
_____)**

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Dayn Hardie, Deputy Attorney General, submits the following comments.

BACKGROUND

On August 30, 2021, PacifiCorp dba Rocky Mountain Power ("Company") applied to the Commission requesting an order approving an increase for the Company's current Electric Service Schedule 34—Pacific Northwest Electric Power Planning and Conservation Act Residential and Farm Kilowatt-Hour Credit rate ("Schedule 34"). Under the Company's proposal, Schedule 34 customers would receive a Residential Exchange Program ("REP") credit of \$0.010133 per Kilowatt-Hour ("kWh").¹ The Company requested an effective date of October 1, 2021.

¹ The currently authorized Schedule 34 rate credit is \$0.008403 per kWh. This credit is authorized through September 30, 2021.

STAFF ANALYSIS

The Residential and Small Farm Energy Credit Rate results from an agreement between the Company and Bonneville Power Administration (“BPA”) regarding the REP. Under the REP, BPA provides a share of the benefits of the federal Columbia River power system to the residential and small farm customers served by six investor-owned utilities of the Pacific Northwest, including Rocky Mountain Power. This benefit is calculated every two years and is implemented via a credit on qualifying customers’ bills. The Company’s current residential and small farm credit rate is \$0.008403 per kWh. The proposed credit rate is \$0.010133 per kWh.

The Company’s allocation of the BPA REP credit for fiscal year 2022 through 2023 (October 2021 through September 2023) increased approximately \$18.7 million, from \$67.9 million in 2019 to \$86.6 million. In addition, 2021 was the last year of the \$4.3 million look back payment. These changes result in a net increase to the Company’s REP credit of \$23.0 million (\$18.7 million increase plus \$4.3 million look back payment).

In 2001, parties in a BPA REP case negotiated a settlement for the allocation of REP benefits for the period 2002 through 2008. This settlement was appealed by a group of northwest public utility districts (“PUD”), and the court ruled in favor of the PUDs. Pursuant to the court order, the allocation of the BPA’s REP credit was recalculated, and the participating investor owned utilities (“IOU”) were ordered to pay back excess benefits that had been received. The agreement allowed the companies to refund the excess REP credits – the look back payments – by netting the look back payment against future REP benefits through BPA fiscal year 2021. This allows investor-owned utilities to provide a small credit to qualifying customers.

The BPA REP credit available to qualifying Idaho customers is \$20.3 million plus an undistributed balance of \$0.2 million in Idaho’s REP balancing account for a total of \$20.5 million to amortize over the next two years. The REP credit is \$10.3 million per year. The \$10.3 million REP credit was divided by calendar year 2019 usage level of the qualifying customers of approximately 1.1 Gigawatt hours, to produce the Schedule No. 34 rate of \$0.01033 per kWh.

The average residential customer on Schedule 1 using 801 kWh per month would see a decrease of \$1.38 or 1.7%. The bill impact for Schedule 36 Residential Optional Time-of-Day customers using 1428 kWh is a decrease of \$2.47 or 2.1% per month.

Staff has audited the initial inputs and independently recalculated the rate. Staff believes that the Company correctly calculated the rate of \$0.010133 per kWh and recommends the rate be approved.

CUSTOMER NOTICE, PRESS RELEASE AND PUBLIC COMMENTS

No notice is required because the Company is not proposing an increase in rates due to the change in the REP credit. As of September 21, 2021, the Commission has received no comments from customers.

STAFF RECOMMENDATION

Staff recommends that the Commission approve Electric Service Schedule No. 34, Pacific Northwest Electric Power Planning and Conservation Act Residential and Farm Kilowatt-Hour Credit of \$0.010133 per kWh effective October 1, 2021.

Respectfully submitted this ^{21st} day of September 2021.



Dayn Hardie
Deputy Attorney General

Technical Staff: Kathy Stockton
Curtis Thaden

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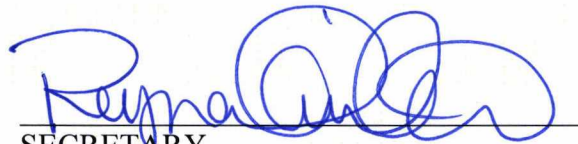
CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 21ST DAY OF SEPTEMBER 2021, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-21-18, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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