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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER REQUESTING) **CASE NO. PAC-E-22-07**
APPROVAL OF THE ANNUAL REVISION TO)
OF VARIABLE ENERGY PRICES PURSUANT)
TO TERMS OF THE 1992 AMENDMENTS TO) **COMMENTS OF THE**
POWER PURCHASE AGREEMENTS) **COMMISSION STAFF**
BETWEEN PACIFICORP AND IDAHO QFs.)
)

COMES NOW the Staff of the Idaho Public Utilities Commission (“Staff”), by and through its Attorney of record, Chris Burdin, Deputy Attorney General, and submits the following comments.

BACKGROUND

On April 13, 2022, Rocky Mountain Power, a division of PacifiCorp (“Company”), applied for Commission approval to update the variable energy portion of avoided cost rates for Qualifying Facility (“QF”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) with the 1992 amendments to the Company’s power purchase agreements.

The proposed update only affects one contract, the Marsh Valley Hydro contract, which is effective through February 28, 2028. The variable energy rate is calculated as the sum of the Company’s fuel costs and Colstrip variable Operation and Maintenance (“O&M”) cost, with the fuel costs being defined as the average cost of fuel consumed in the Utah Division plants, specifically the Naughton, Huntington, and Hunter coal plants. The Colstrip variable O&M costs

were set based on the variable costs associated with the operation of the Colstrip coal power generating facility, excluding the generation tax and line loss adjustments.

Based on that calculation, the Company has proposed that the variable energy rate applicable to deliveries commencing July 1, 2022, extending through June 30, 2023, should be \$22.44 per megawatt hour (“MWh”).

STAFF ANALYSIS

Staff reviewed the variable energy rate of the avoided cost rate for PacifiCorp contracts with 1992 amendments contained in the Application and confirmed that the proposed rate is correct and complies with Order No. 29316. The average cost of fuel was calculated using the data reported in the Company’s FERC Form 1, resulting in a variable energy rate of \$22.44 per MWh.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the variable energy rate of \$22.44 per MWh applicable to the energy delivered under the Marsh Valley Hydro contract, commencing July 1, 2022, extending through June 30, 2023.

Respectfully submitted this 1st day of June 2022.



Chris Burdin
Deputy Attorney General

Technical Staff: Yao Yin

i:umisc/comments/pace22.7cbyy comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 1ST DAY OF JUNE 2022, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-22-07, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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