

Idaho Public Utilities Commission

Case No. PAC-E-13-03, Order No. 32748

February 20, 2013

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Rocky Mountain's proposed ECAM is not an increase for most customers

Rocky Mountain Power's proposed annual Energy Cost Adjustment Mechanism for 2013 will not increase rates for most of the utility's customers, but will for its two largest industrial customers, if the Idaho Public Utilities Commission's adopts the company's request.

Most power supply expense is included in base rates, but because those costs vary from year to year due to changes in market rates, transportation expense and expiration of contracts with energy suppliers, the ECAM allows the company to make a one-year adjustment every April 1. The adjustment is a one-year increase to customers if power supply costs are higher than the amount already included in base rates and a one-year credit to customers if power supply costs are lower than that included in base rates. The company's earnings are not impacted by the ECAM because all the money collected when there is a surcharge is kept in a separate account that must go directly to pay power supply expense and cannot be used for any other purpose.

Rocky Mountain Power, which serves about 70,000 customers in eastern Idaho, claims energy costs have not increased in the past year, so most customers will see no change in the ECAM. The increase in costs to Monsanto Company and Agrium Company, both elemental phosphorous plants near Soda Springs, are due to a settlement in the company's 2011 rate case.

The requested increase to Monsanto is \$2.1 million, or 2.6 percent, and to Agrium, \$100,000, or 2.4 percent.

The 2012 ECAM also resulted in no increase for most customers except Monsanto and Agrium. The 2011 ECAM was an average 5.8 percent increase for all customers. In 2010, the first year of the ECAM, the average increase was 1.3 percent.

Parties who want to intervene in the case for the purpose of presenting testimony or evidence must do so by Feb. 28. Comments on the company's proposal are being accepted through March 13.

Comments are accepted via e-mail by accessing the commission's homepage at www.puc.idaho.gov and clicking on "Comments & Questions About a Case." Fill in the case number (PAC-E-13-03) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

The company's application and other documents related to this case are available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to the above case number.

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