

Idaho Public Utilities Commission

Case No. PAC-E-13-03, Order No. 32771

April 3, 2013

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

Rocky Mountain Power's annual Energy Cost Adjustment Mechanism allows the company to recover \$15.8 million in power supply costs not already included in base rates, but tariff customers will not see an increase in the current amount they pay.

About \$9 million of the total power supply costs are attributed to tariff customers, but the ECAM in place – about one-half cent per kWh – already collects a major portion of that amount. However, Rocky Mountain's large contract customers, Monsanto and Agrium, will pay 2.6 percent and 2.4 percent more respectively to cover their portion of power supply costs. The increase paid by Monsanto will cover \$6.34 million in power supply expense and Agrium's increase will provide another \$463,000.

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 to capture the difference between actual power supply expense and that included in base rates. 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 if power supply costs are lower. The company's earnings are not impacted by the ECAM because all the money collected must go directly to pay power supply expense and cannot be used for any other purpose.

Responding to complaints from Monsanto as well as commission staff, the commission directed Rocky Mountain Power to send timely notice to customers regarding the company's yearly ECAM so that all have enough time to review the company's application and file comments.

It's the second consecutive year that the ECAM resulted in no increase for tariff customers, but the 2012 ECAM did include a slight increase for contract customers. 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.

The commission's order and other documents related to this case are available on the commission's Web site at www.puc.idaho.gov. Click on "File Room" and then on "Electric Cases" and scroll down to Case No. PAC-E-13-03.

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