



Case No. PAC-E-16-12, Order No. 33597

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PacifiCorp updates net power costs; proposes plan that may keep rates stable through 2018

BOISE (September 15, 2016) – PacifiCorp, which does business as Rocky Mountain Power in eastern Idaho, is asking the Idaho Public Utilities Commission to update the base level of its net power costs to reflect reduced load and lower prices. The result would be a reduction in rates of about 0.4 percent effective Jan. 1, 2017.

In the alternative, the company is proposing a “Rate Mitigation Plan,” that would take this small reduction with a slightly larger reduction the company anticipates next fall and apply both against a future base rate increase. The plan, according to PacifiCorp, would keep rates stable through 2018 and mitigate the size of a future base rate increase. If the commission were to adopt the plan, the company says it would not file a general rate case before June 1, 2018 with new rates effective in early 2019 at the earliest.

Net power costs throughout PacifiCorp’s six-state territory were \$1.485 billion, less than the \$1.529 billion currently in base rates. Idaho’s portion of net power costs are \$91.6 million, down from \$94.8 million now in rates.

Rocky Mountain Power anticipates that its annual Energy Cost Adjustment Mechanism (ECAM) could be a \$4.5 million to \$5.5 million reduction next fall. The Rate Stability Plan would leave the ECAM at current levels and also apply the anticipated lower ECAM against the amount that would be sought in the company’s next rate case.

Net power costs are those costs the company pays to provide generation to customers, whether from its own generation plants, the wholesale market or power purchase contracts as well as related fuel, transportation and transmission costs. They do not include fixed costs like physical plant and operations and maintenance. Net power costs are always variable because of changing weather and market conditions. The net power cost that is included in base rates is the basis from which the annual ECAM is calculated. If net power costs are greater than that included in base rates, customers get a one-year surcharge. If they are less, customers get a one-year credit.

Parties who want to intervene in this case for the purpose of providing comments and exhibits and cross-examining witnesses must file petitions to intervene with the commission by no later than Sept. 27. Later the commission will announce dates for customer comments.