

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC-E-10-07
POWER FOR APPROVAL OF CHANGES TO)
ITS ELECTRIC SERVICE SCHEDULES) INTERLOCUTORY
) ORDER NO. 32151**

On May 28, 2010, PacifiCorp dba Rocky Mountain Power (RMP; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase its rates and charges for electric service in the State of Idaho. RMP serves more than 70,000 customers in southeastern Idaho. The Company provides electric service to more than 1,000,000 customers in Utah, Wyoming and Idaho. The Company's original request of \$27.7 million, or a 13.7% increase in annual electric revenue was revised at technical hearing to \$24.9 million, or 12.3%. The Commission in this Order approves an increase in electric base rates of \$13,755,728, or 6.78%. The net amount of actual increase varies by class of customer and usage.

A technical hearing in Case No. PAC-E-10-07 was held in Boise, Idaho the week of November 30, 2010. The following parties appeared by and through their respective counsel of record:

PacifiCorp dba Rocky Mountain Power	Paul J. Hickey Daniel Solander
Monsanto Company	Randall C. Budge
Idaho Irrigation Pumpers Association, Inc.	Eric L. Olsen
Idaho Conservation League	Benjamin J. Otto
PacifiCorp Idaho Industrial Customers	Melinda J. Davison Ronald L. Williams
Community Action Partnership Association of Idaho	Brad M. Purdy
Commission Staff	Scott D. Woodbury D. Neil Price

Public testimony hearings were held in Shelley and Rexburg, Idaho on December 14, 2010, and in Grace and Preston, Idaho on December 15, 2010. A telephonic public hearing providing customers with an additional opportunity to offer sworn testimony was held on December 20, 2010.

COMMISSION FINDINGS

The Commission has reviewed and considered the filings of record in Case No. PAC-E-10-07 including the transcript of technical proceedings held November 30 through December 2, 2010. We have also considered the public testimony of customers in eastern Idaho and filed public comments. On October 22, 2010, the Commission in Order No. 32098 established further scheduling in this case and tolled the suspension period which was set to expire December 28, 2010. In our Order, we stated our intent to issue an interim Order by December 28, 2010, establishing rates for all tariffs, save and except the interruptible credit portion of Monsanto's Schedule 400. It is that interim or interlocutory Order that we issue today. A further technical hearing on the economic valuation of Monsanto interruptible product is scheduled for February 1 (2), 2011. The Commission expects to issue a final Order in this case by February 28, 2011.

The Commission in this Order approves a 12-month test year ending December 31, 2009, adjusted for known and measurable changes through year-end 2010. We approve an average capital structure for RMP through December 31, 2010, consisting of 47.6% debt, 0.3% preferred stock, and 52.1% common equity. We accept a cost of debt of 5.88%, and a preferred stock cost of 5.42%. We approve a return on common equity of 9.9% and an overall weighted cost of capital and rate of return of 7.98%.

The Commission approves the following for rate base and revenue requirement. We also make ultimate findings regarding authorized changes in electric rates.

Rate Base

The Commission approves an electric pro forma rate base of \$679,869,699.

Revenue Requirement

The Commission approves an increase in electric base rates of \$13,755,728, or 6.78%. In this case, we have made numerous revenue requirement decisions and adjustments to the amount allowed in rates including a reduction in the Company's pension expense, an elimination of scheduled wage increases, and a reduction in the Company-proposed rate base of Populus to Terminal transmission investment. In making these particular adjustments we

address concerns raised by parties and customers and acknowledge the economic conditions and service requirements in the Company's southeast Idaho service territory.

The base net power costs (NPC) we establish in this case for the Company's Idaho Energy Cost Adjustment Mechanism (ECAM) is \$1,023,706,616. The ECAM approved for RMP in Idaho defers the difference between base net power costs set during a general rate case and collected from customers in their retail rates and actual net power costs incurred by the Company to serve its retail customers. The mechanism addresses only power cost expenses and does not include any costs associated with fixed cost recovery (i.e., capital investment in rate base). Case No. PAC-E-08-08, Order No. 30904. Net power supply costs represent a large part of the Company's total revenue requirement and are subject to a high degree of volatility largely outside of the Company's control. The ECAM rate is calculated annually to credit or surcharge to customers the accumulated deferral balance (the difference between the base NPC embedded in rates and actual system NPC).

Electric Rates

The revenue increase allocated to each class is depicted in Attachment A. The electric rates we approve as just and reasonable are set out in Attachment B. *Idaho Code* § 61-502. They include a two-tiered, seasonal rate structure for residential customers with an average rate increase of 6.8%. We approve a monthly customer charge of \$5.00 for Schedule 1 (Residential) customers and \$14.00 for Schedule 36 (Residential Time-of-Use) customers. This increase in rates will be accompanied by a reduction in the Customer Efficiency Services rate from 4.72% to 3.4%. This reduction in the tariff rider percentage results from our decision to treat the Idaho Irrigation Load Control Program as a power supply cost.

Low-income Weatherization

Addressing the continued needs in RMP's Idaho service territory of the low-income sector, we find it reasonable to increase RMP's current annual funding level for low-income weatherization in this case to \$300,000 and increase the dollar amount of RMP funds available for each individual project from 75% to 85% of total eligible costs.

Intervenor Funding

Intervenor funding is available pursuant to *Idaho Code* § 61-617A and Commission Rules of Procedure 161 through 165. Section 61-617A(1) declares that it is the "policy of this state to encourage participation at all stages of all proceedings before this Commission so that all

affected customers receive full and fair representation in those proceedings.” The statutory cap for intervenor funding that can be awarded in any one case is \$40,000. *Idaho Code* § 61-617A(2).

Petitions for Intervenor Funding were filed by Community Action Partnership Association of Idaho (\$16,975.75), the Idaho Irrigation Pumpers Association (\$86,855.32), and Idaho Conservation League (\$21,890). Based on our review of the record and for findings to be articulated in our final Order in this case, we approve an award of intervenor funding in the following amounts as fair, just and reasonable: Community Action Partnership of Idaho, \$16,400; Idaho Conservation League, \$11,300; and Idaho Irrigation Pumpers Association, \$11,300.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, its Application in Case No. PAC-E-10-07 and over the issues raised in these proceedings pursuant to Idaho Code, Title 61, and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

ORDER

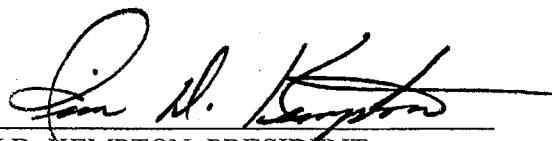
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED that PacifiCorp dba Rocky Mountain Power file tariffs in conformance with this Interlocutory Order No. 32151 to be effective on December 28, 2010, for service rendered on and after that date for all customers except Monsanto Company and Agrium, Inc., whose individual service contracts extend through December 31, 2010.

IT IS FURTHER ORDERED and Rocky Mountain Power is directed to increase its annual funding level for low-income weatherization in Idaho to \$300,000 and increase the dollar amount of RMP funds available for each individual project from 75% to 85% of total eligible costs.

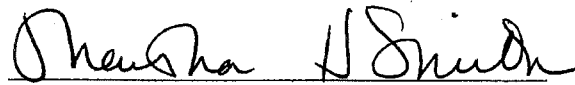
IT IS FURTHER ORDERED and the Petitions for Intervenor Funding are partially granted in the amounts of \$16,400, Community Action Partnership Association of Idaho; \$11,300, Idaho Conservation League; and \$11,300, Idaho Irrigation Pumpers Association, Inc. Reference *Idaho Code* § 61-617A. PacifiCorp is directed to pay said intervenor funding amounts within 28 days from the date of this Order. IDAPA 31.01.01.165.02.

THIS IS AN INTERLOCUTORY ORDER, NOT A FINAL AND APPEALABLE ORDER OF THE COMMISSION. In Order No. 32098, the Commission tolled the suspension period for the Company's rate case and established further scheduling for determining the economic valuation of Monsanto interruptible products. A technical hearing is scheduled for February 1 (2), 2011. The Commission expects to issue a Final Order in this case on or prior to February 28, 2011. The period of reconsideration will not begin until the Final Order is issued.

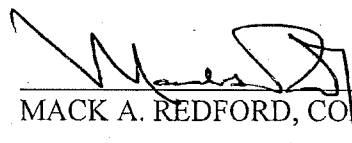
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this day of December 2010.



JIM D. KEMPTON, PRESIDENT

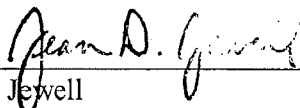


MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

bls/N:PAC-E-10-07_sw12_Interim Order

INTERLOCUTORY
ORDER NO. 32151

CASE NO. PAC-E-10-07
 IDAHO PUBLIC UTILITIES COMMISSION
 ESTIMATED IMPACT OF COMMISSION APPROVED
 REVENUES BY RATE SCHEDULE
 12 MONTHS ENDING DECEMBER 2010

Line No.	Description (1)	Sch. (2)	Average Customers (3)	MWH (4)	Revenue (\$000)			Change (7)	%	Avg. Rate (¢/kWh)	
					Present (5)	Proposed (6)	(6)-(5)			Present (9) (5)/(4)	Proposed (10) (6)/(4)
Residential Sales											
1	Residential Service	1	42,506	427,907	\$39,005	\$41,658	\$2,653	6.8%	9.12	9.74	
2	Residential Optional TOD	36	15,050	280,407	\$20,624	\$22,027	\$1,403	6.8%	7.36	7.86	
3	AGA Revenue	--	--	0	\$4	\$4	\$0	0.0%			
4	Total Residential		57,556	708,314	\$59,633	\$63,689	\$4,056	6.8%	8.42	8.99	
Commercial & Industrial											
5	General Service - Large Power	6	1,059	280,497	\$17,659	\$18,962	\$1,303	7.4%	6.30	6.76	
6	General Svc. - Lg. Power (R&F)	6A	243	33,001	\$2,325	\$2,496	\$171	7.4%	7.04	7.56	
7	<i>Subtotal - Schedule 6</i>		1,302	313,498	\$19,983	\$21,458	\$1,475	7.4%	6.37	6.84	
8	General Service - High Voltage	9	12	106,486	\$5,062	\$5,432	\$370	7.3%	4.75	5.10	
9	Irrigation	10	4,810	545,290	\$39,846	\$41,007	\$1,161	2.9%	7.31	7.52	
10	Comm. & Ind. Space Heating	19	135	7,769	\$534	\$563	\$29	5.4%	6.88	7.25	
11	General Service	23	6,692	134,294	\$10,731	\$11,216	\$485	4.5%	7.99	8.35	
12	General Service (R&F)	23A	1,494	18,907	\$1,579	\$1,648	\$69	4.4%	8.35	8.72	
13	<i>Subtotal - Schedule 23</i>		8,186	153,201	12,310	12,864	554	4.5%	8.03	8.40	
14	General Service Optional TOD	35	3	1,883	\$92	\$99	\$7	7.4%	4.90	5.26	
15	Special Contract 1		1	1,385,173	\$59,524	\$65,249	\$5,725	9.6%	4.30	4.71	
16	Special Contract 2		1	101,450	\$4,466	\$4,884	\$418	9.4%	4.40	4.81	
17	AGA Revenue	--	--	0	\$681	\$681	\$0	0.0%			
18	Total Commercial & Industrial		14,451	2,614,750	\$142,499	\$152,237	\$9,738	6.8%	5.45	5.82	
Public Street Lighting											
20	Security Area Lighting	7	204	264	\$97	\$97	\$0	0.0%	36.81	36.81	
21	Security Area Lighting (R&F)	7A	153	131	\$52	\$52	\$0	0.0%	39.62	39.62	
22	Street Lighting - Company	11	30	101	\$44	\$44	\$0	0.0%	43.87	43.87	
23	Street Lighting - Customer	12	323	2,313	\$407	\$407	\$0	0.0%	17.60	17.60	
24	AGA Revenue	--	--	0	\$0	\$0	\$0				
25	Total Public Street Lighting		710	2,809	\$601	\$601	\$0	0.0%	21.38	21.38	
26	Total Sales to Ultimate Customers		72,717	3,325,873	\$202,733	\$216,527	\$13,794	6.8%	6.10	6.51	

CASE NO. PAC-E-10-07
 IDAHO PUBLIC UTILITIES COMMISSION
 COMPARISON OF PRESENT AND
 COMMISSION APPROVED RATE STRUCTURE
 AND RATES

Line No.	Description (1)	Sch. (2)	Billing Component (3)	Present (4)	Commission Approved (5)
Residential Sales					
1	Residential Service	1	Minimum Charge	\$10.64	none
2			Customer Charge	none	\$5.00/month
3			May-Oct		
4			First Block kWh Rate	10.4093	0-700: 9.5761
5			Second Block kWh Rate	10.4093	> 700: 12.9277
6			Nov-Apr		
7			First Block kWh Rate	8.015	0-1,000: 7.3300
8			Second Block kWh Rate	8.015	> 1,000: 9.8955
9	Residential Optional TOD	36	Customer Charge	\$13.63	\$14.00
10			May-Oct On-Peak	11.3497	11.1845
11			May-Oct Off-Peak	3.873	4.1579
12			Nov-Apr On-Peak	9.695	10.4081
13			Nov-Apr Off-Peak	3.5447	3.8054
Commercial & Industrial					
14	General Service - Large Power (a)	6, 6A	Cust. Charge (Secondary)	\$30.97	\$33.00
15			Cust. Charge (Primary)	\$97.91	\$99.00
16			Demand (May-Oct) (KW)	\$11.34	\$12.18
17			Demand (Nov-Apr) (KW)	\$9.33	\$10.02
18			kWh Rate	3.138	3.3702
19					
20	General Service - High Voltage (a)	9	Voltage Discount	(0.53)	(0.57)
21			Customer Charge	\$301.10	\$323.00
22			Demand (May-Oct) (KW)	\$7.88	\$8.46
23			Demand (Nov-Apr) (KW)	\$5.96	\$6.40
24			kWh Rate	3.2519	3.4887

(a) Rocky Mountain Power proposes a greater increase in demand components than energy components. The Commission approves a uniform increase to all components.

CASE NO. PAC-E-10-07
 IDAHO PUBLIC UTILITIES COMMISSION
 COMPARISON OF PRESENT AND
 COMMISSION APPROVED RATE STRUCTURE
 AND RATES

Line No.	Description (1)	Sch. (2)	Billing Component (3)	Present (4)	Commission Approved (5)
25	Irrigation (a)	10	In-Season (June 1-Sept 15)		
26			Small Cust. Charge	\$11.74	\$12.00
27			Large Cust. Charge	\$34.14	\$35.00
28			Demand (KW)	\$4.55	\$4.68
29			First 25,000 KWh	7.1315	7.3388
30			Next 225,000 KWh	5.275	5.4284
31			All add'l KWh	3.9095	4.0411
32			Post-Season (Sept 16-May 31)		
33			Customer Charge	\$18.08	\$19.00
34			kWh Rate	6.0315	6.2069
35	Comm. & Ind. Space Heating	19	Customer Charge	\$20.10	\$21.00
36			kWh Rate (May-Oct)	7.8457	8.2723
37			kWh Rate (Nov-Apr)	5.8133	6.1294
38	General Service	23	Customer Charge Secondary	\$13.72	\$14.00
39			Customer Charge Primary	\$41.16	\$43.00
40			kWh Rate (May-Oct)	7.6737	8.0424
41			kWh Rate (Nov-Apr)	6.6985	7.0204
42			Voltage Discount	(0.37)	(0.39)
43	General Service Optional TOD	35	Customer Charge Secondary	\$54.75	\$59.00
44			On-Peak Demand (KW)	\$13.48	\$14.47
45			kWh Rate	4.0167	4.3130
46			Voltage Discount	(0.69)	(0.74)

(a) Rocky Mountain Power proposes a greater increase in demand components than energy components. The Commission approves a uniform increase to all components.

CASE NO. PAC-E-10-07
 IDAHO PUBLIC UTILITIES COMMISSION
 COMPARISON OF PRESENT AND
 COMMISSION APPROVED RATE STRUCTURE
 AND RATES

Line No.	Description (1)	Sch. (2)	Billing Component (3)	Present (4)	Commission Approved (5)
47	Special Contract 1 (b)	400	Customer Charge	\$1,227.00	\$1,345.00
48			Demand (KW)	\$12.27	\$13.45
49			kWh Rate	2.381	2.6100
50			Excess KVar	\$0.75	\$0.82
51	Special Contract 2	401	Customer Charge	\$341.33	\$373.00
52			May-October		
53			HLH kWh Rate	2.808	3.0710
54			LLH kWh Rate	\$2.11	2.3030
55			Demand (KW)	\$13.60	\$14.87
56			November-April		
57			HLH kWh Rate	2.336	2.5540
58			LLH kWh Rate	2.106	2.3030
59			Demand (KW)	\$10.97	\$12.00
60	<u>Public Street Lighting</u>	7, 11, 12	All Components	N/A	No Change

(b) Does not contain rate adjustments due to interruptibility credit.