



August 24, 2020

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IDAHO PUBLIC
UTILITIES COMMISSION

1407 W. North Temple, Suite 330
Salt Lake City, Utah 84116

VIA ELECTRONIC DELIVERY

Jan Noriyuki
Commission Secretary
Idaho Public Utilities Commission
1131 W. Chinden Blvd
Building 8 Suite 201A
Boise, ID 83714

**Re: CASE NO. PAC-E-20-10
IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER
PURCHASE AGREEMENT BETWEEN PACIFICORP AND FALL RIVER
ELECTRIC COOPERATIVE, INC.**

Dear Ms. Noriyuki:

Please find attached Rocky Mountain Power's reply comments in the above referenced matter.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

A handwritten signature in blue ink that reads "Joelle Steward".

Joelle R. Steward
Vice President of Regulation

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Salt Lake City, Utah 84116
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION) CASE NO. PAC-E-20-10
FOR APPROVAL OF THE POWER)
PURCHASE AGREEMENT BETWEEN) REPLY COMMENTS OF
PACIFICORP AND FALL RIVER) ROCKY MOUNTAIN POWER
ELECTRIC COOPERATIVE, INC.)**

Pursuant to Rule 202.01(d) of the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”) and the Commission’s July 2, 2020, Notice of Application and Modified Procedure, Rocky Mountain Power a division of PacifiCorp (the “Company”) hereby submits its reply comments in the above-referenced case.

I. BACKGROUND

1. On June 9, 2020, Rocky Mountain Power filed an Application with the Commission requesting approval of a twenty-year Purchase Power Agreement (“PPA”) between the Company and Fall River Electric Cooperative (“Seller”) who owns, operates, and maintains a small hydro-electric power plant located in Teton County, Idaho with a nameplate capacity rating of 7.5 megawatts (the “Facility”). Seller operates the Facility as a Qualifying Facility (“QF”) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (“PURPA”).

2. On July 2, 2020, Commission Order 34717 was issued which noticed the application, established a procedural schedule with comments due August 17, 2020, and reply

comments due August 24, 2020, and authorized the case to be processed under Modified Procedure.

3. On August 17, 2020, Commission staff filed comments recommending that the Company file an amended Agreement that incorporates the 82.4 percent discount for purposes of converting firm market prices to non-firm market prices in the Agreement and change the term “Mid-C-85” in Exhibit K to “PV-85” to reflect the use of the Palo Verde Hub for market prices.

4. Staff commented that Powerhouse #1 had not been operational since 2006 and recommended that because it had not been contributing capacity for about 14 years that Powerhouse No. 1 should be treated as a new project without a capacity payment until the Company's first deficit year in 2028.

5. Staff also recommended that because both Powerhouse #1 and #2 were metered by the same meter the Commission should allow additional time, proposing until October 1, 2020, to evaluate and develop a metering solution to assure Powerhouse #1 does not receive a capacity payment until 2028 while Powerhouse #2 receive a capacity payment beginning with the effective date of the new contract.

II. REPLY COMMENTS

6. The Company accepts Staff's recommendation to use 82.4 percent as the discount rate for purposes of converting firm market prices to non-firm market prices throughout the PPA and will work with the Seller to update and file an amended contract.

7. The Company accepts Staff's recommendation to correct Exhibit K by replacing Mid-C-85 references with PV-85. The Company will work with the Seller to update the contract and Exhibits as soon as possible.

8. If the Commission approves Staff's recommended capacity treatment the Company will work with the Seller and Staff to develop a metering solution that assures Powerhouse #1 does not receive a capacity payment until 2028, while Powerhouse #2 begins receiving a capacity payment on the effective date of the new contract.

III. CONCLUSION

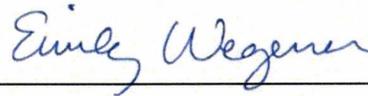
The Company and Seller will work with Commission Staff to develop a metering solution that is acceptable to all parties and to file an updated contract and exhibits incorporating Staff's comments as soon as possible.

IV. REQUEST FOR RELIEF

Rocky Mountain Power respectfully requests that with the revisions discussed above the Commission issue an order approving the avoided cost prices set forth in the Revised Agreement as just and reasonable, in the public interest, and that the Company's incurrence of such costs are legitimate expenses to recover.

DATED this 24th day of August, 2020.

Respectfully submitted,
ROCKY MOUNTAIN POWER



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Attorney for Rocky Mountain Power

CERTIFICATE OF SERVICE

I hereby certify that on this 24th of August, 2020, I caused to be served, via electronic mail a true and correct copy of Rocky Mountain Power's Reply Comments in Case No. PAC-E-20-10 to the following:

Service List

FALL RIVER	
Gregory M. Adams Peter J. Richardson Richardson Adams, PLLC 515 N. 27th Street Boise, Idaho 83702 greg@richardsonadams.com peter@richardsonadams.com	
ROCKY MOUNTAIN POWER	
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Dated this 24th day of August, 2020.



Katie Savarin
Coordinator, Regulatory Operations