

Rocky Mountain Power seeks \$161M rate hike

Grace Leong - Daily Herald
December 18, 2007

Rocky Mountain Power, formerly Utah Power, is asking for a \$161 million rate hike to cover what it described as significantly higher costs of producing and buying electricity from other providers to meet growing demand in its six-state service area, the utility announced on Monday.

If approved by the Utah Public Service Commission, a typical residential customer using 767 kilowatt-hours a month will pay \$4.50 or 11.3 percent more starting August 2008.

The utility cited large capital investments needed to provide power to its growing customer base, as well as the rising costs of generating and buying electricity. It projects capital investments in new power plants will cost \$2.8 billion, up 40 percent from costs reflected in current rates, and the costs of generating and buying electricity could top \$1 billion, up 34 percent from costs reflected in current prices.

"Rocky Mountain Power connects some 22,000 new customers every year," said Richard Walje, president of Rocky Mountain Power. "An increase in prices is essential to maintain and expand our systems for existing customers, provide for new customers and secure new generation and transmission resources for the future," he said.

Rocky Mountain now has 758,000 customers in Utah. It is part of PacifiCorp, which has a total of about 1.7 million customers in Utah, Wyoming, Idaho, Oregon, Washington and California.