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Department of Commerce

Division of Public Utilities

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MEMORANDUM

To: Utah Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Artie Powell, Manager, Energy Section
Thomas Brill, Technical Consultant
Abdinasir Abdulle, Technical Consultant

Subject: Docket No. 08-035-T07, Compliance Filing to Implement the Commission's Phase II Order on the Stipulation in Cost of Service, Rate spread and Rate Design in Docket No. 07-035-93, including the effect of the Order on Reconsideration.

Docket No. 08-035-T08, This housekeeping filing will cancel Schedule 13 as part of the changes to Street Lighting Service tariffs included in the Stipulation in Cost of Service, Rate Spread and Rate Design in Docket No. 07-035-93.

Date: November 5, 2008

Recommendation

The Utah Division of Public Utilities (Division) has reviewed the compliance filings found in Docket No. 08-035-T07 and the housekeeping filing associated with Docket No. 08-035-T08. The Division recommends approval of these tariff changes with an effective date of November 12, 2008.

Background

The Division received three Action Requests associated with these tariff changes. Action Request No. 1 (AR1), dated October 13, 2008, requested a review of a Rocky Mountain Power (Company) compliance filing for the Commission's Phase II Order on the Stipulation in Cost of Service, Rate Spread and Rate Design in Docket No. 07-035-93. It is Docket No. 08-035-T07. Action Request No. 2 (AR2), dated October 16, 2008, requested a review of the effect of the Order on Reconsideration as presented in additional tariff pages associated with Docket No. 08-035-T07. Action Request No. 3 (AR3), dated October 27, 2008, is a housekeeping filing that cancels Schedule 13 as part of the changes to Street Lighting Service tariffs included in the Stipulation in Cost of Service, Rate Spread and Rate Design in Docket No. 07-035-93. AR3 has been given Docket No. 08-035-T08.

Division Review

The compliance filing in Docket No. 08-035-T07, AR1, implements changes to Street Lighting Service tariffs and Electric Service Regulations No. 7 and No. 12 as indicated in paragraphs 11 and 12 of the Stipulation. As indicated in the Stipulation, these proposed changes have no effect on revenue for existing services being delivered. The Division understands the Company will complete the process of migrating Street Lighting customers from the current Street lighting Schedules to the ordered Street Lighting Schedules no later than 30 days beyond the effective date of this filing. For AR1, the Division reviewed the compliance filing and recommends approval of the tariff changes.

A second compliance filing associated with Docket No. 08-035-T07, AR2, includes the Second Revision Tariff sheet for Schedule 97, which is the Tariff Rider Rate. The compliance filing for Docket No. 08-035-T07 continues the revenue requirement surcharge from the compliance filing for Docket No. 08-035-T06 and involves the Commission's Order on Reconsideration in Docket No. 07-035-93 that implemented an additional \$3.208 million increase in annual revenue requirement. The proposed Schedule 97 applies a uniform percentage increase to all tariff customers' bills as a line item for service. Based upon an original revenue requirement increase of \$36.164 million, a uniform 2.72 percent increase was applied. This was verified in the Division's review of Docket No. 08-035-T06, which was dated August 13, 2008. The Order on Reconsideration resulted in an additional revenue requirement increase of \$3.208 million. Continuing the 2.72 percent uniform increase and adding the Motion on Reconsideration's \$3.207 million increase results in a 2.96 percent increase, again applied on a uniform basis. The Division has done a review of Schedule 97, which is the Tariff Rider Rate, and verified that the Company's filing is in compliance with the Commission Order on Reconsideration. For AR2, the Division recommends approval of the tariff changes.

A third compliance filing is provided in Docket No. 08-035-T08, which is AR3. It is a housekeeping filing that cancels Schedule 13 as part of the changes to Street Lighting Service tariffs included in the Stipulation in Cost of Service, Rate Spread and Rate Design in Docket No. 07-035-93. These cancelled tariffs were inadvertently not included in the compliance filing in Docket No. 08-035-T07. For AR3, the Division recommends approval of the housekeeping tariff changes.

Cc: Dave Taylor, Rocky Mountain Power
Michele Beck, Committee of Consumer Services