

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

<b>IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF ITS PROPOSED ENERGY COST ADJUSTMENT MECHANISM</b>	<b>Docket No. 09-035-15</b> <b>Issue Scope Comments of Western Resource Advocates and Utah Clean Energy</b>
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Pursuant to the April 22, 2009 Scheduling Order of the Utah Public Service Commission (“Commission”) in this Case, Western Resource Advocates (WRA) and Utah Clean Energy (UCE) hereby submit their list and recommendations for issues in this proceeding:

1. Whether, by implementing an Energy Cost Adjustment Mechanism (ECAM) and removing the risk of fuel price increases from Rocky Mountain Power (RMP) shareholders, this also removes the Company’s incentive to lower fuel risk and costs by switching to power resources that do not depend on fuel, such as aggressive energy efficiency, utility scale renewables such as geothermal and concentrating solar power with thermal storage, and other renewables such as wind and photovoltaic solar?
2. If relief from RMP’s Net Power Cost (NPC) fluctuation is warranted, are there alternatives to Rocky Mountain Power’s (RMP) proposed ECAM that protect the Company’s financial integrity but maintain important incentives for RMP to manage its fuel and purchased power cost risk? For example:
  - a. A partial ECAM that adjusts only a percentage (e.g. 50%) of RMP’s NPC.
  - b. Providing an opportunity for RMP to seek extraordinary, immediate, rate relief – subject to refund, when NPC volatility threatens RMP’s financial security.
3. How should ECAM costs be allocated to Blue Sky customers that pay extra for renewable resources with zero fuel risk?

4. Does RMP's proposed ECAM provide a rate structure that aligns utility incentives with the public interest, i.e. rewarding the Company for reducing its fuel expenses and avoiding fuel price escalation risk?
5. Are RMP's anticipated energy costs highly volatile and outside of the Company's control, and is RMP adequately hedging its fuel and purchased power costs?
6. Should wholesale purchased power costs – capacity and/or energy - (account 555) be included in an ECAM, as RMP proposes?
7. Should transmission wheeling costs (account 565) be included in an ECAM, as RMP proposes?
8. How does RMP's ECAM proposal square with piecemeal ratemaking concerns, i.e compensating RMP for higher fossil- fuel costs that might be offset by other, non-adjusting, declining costs in the Company's cost of service?
9. What specific cost components should be considered for inclusion in an ECAM?

WHEREFORE, WRA and UCE respectfully request that the Commission include the above issues within the scope of this Case.

Respectfully submitted,

WESTERN RESOURCE ADVOCATES  
UTAH CLEAN ENERGY

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Steven S. Michel  
Energy Program Chief Counsel  
Western Resource Advocates  
227 East Palace Avenue, Suite M  
Santa Fe, NM 87501  
Tel: 505 820-1590  
Mobile: 505 690-8733  
[smichel@westernresources.org](mailto:smichel@westernresources.org)