F. ROBERT REEDER (2710) WILLIAM J. EVANS (5276) VICKI M. BALDWIN (8532) Parsons Behle & Latimer Attorneys for UIEC 201 South Main Street, Suite 1800 Salt Lake City, UT 84111 Telephone: (801) 532-1234 Facsimile: (801) 536-6111

## **BEFORE THE UTAH PUBLIC SERVICE COMMISSION**

In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Proposed Electric Service Schedules and Electric service Regulations. Docket No. 11-035-200

# UIEC'S COMMENTS ON ROCKY MOUNTAIN POWER'S STRESS FACTOR STUDY

Pursuant to a Notice of Filing and Comment Period issued in this docket by the Commission on November 5, 2013, the Utah Industrial Energy Consumers ("UIEC") submit the following comments on the Stress Factor Study ("SFS") filed by Rocky Mountain Power ("RMP" or "Company") on November 1, 2013.

### COMMENTS

1. As part of the Stipulation approved by the Commission in the last general rate case, the parties agreed that RMP would propose a plan for a SFS, and complete the SFS at least two months before filing its next general rate case. On July 1, 2013, the Company filed an outline of items that it proposed would comprise a "Stress Factor Study Plan." The Commission

scheduled a Technical Conference for August 14, 2013, to address the proposed Stress Factor Study Plan.

2. On or about August 8, 2013, in anticipation of the scheduled Technical Conference, the UIEC submitted comments on the proposed Stress Factor Study Plan ("UIEC Initial Comments"), which included comments by UIEC witnesses, Maurice Brubaker and Dr. Jonathan Lesser.

3. The UIEC Initial Comments noted that the intended purpose of the Stress Factor Study Plan was to look at whether the Company's 12 CP, 75/25 demand/energy allocation of generation capacity costs to rate classes in Utah is appropriate and produces just and reasonable rates. The UIEC concluded that the factors proposed in the study were not helpful in that regard because they do not indicate what might amount to "stress" under any of the proposed studies, because they do not reflect market conditions and are not consistent with principles of economic efficiency, and because the study was not designed to evaluate the probability that the Company would be unable to serve its load under various contingencies.

4. RMP filed the results of the completed SFS on November 1, 2013. The SFS is apparently confined to the items identified in the Stress Factor Study Plan.

5. The Division of Public Utilities submitted its comments to the Company's completed SFS on November 25, 2013, acknowledging the Company's filing, but reserving technical comments until the appropriate time in the anticipated Utah general rate case or in the MSP docket (where the same report was also filed).

6. The UIEC agree with the Division that RMP has filed the results of the SFS with the Commission and served them on the parties. But, as discussed in the UIEC's Initial

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Comments, it does not appear that the SFS produces results that demonstrate "stress" in a way that is relevant to allocating capacity costs. If it is believed that factors other than system peak contribute to these costs, a well-designed loss of load probability study would be more likely to demonstrate the cost-causing events. In any case, the UIEC reiterate their view that capacity costs should be based on actual data, verified by a comparison to market conditions, and allocated based on each class's actual contribution to causing the costs.

7. In anticipation that the SFS will become the subject of comments and testimony in the next Utah general rate case, the UIEC reserve further comment on the SFS until then. Likewise, the UIEC reserve comment on the proper allocation of transmission, distribution and other fixed costs, and on whether the SFS produces a useful measurement of system stress for the purpose of allocating costs.

DATED this 5th day of December, 2013.

<u>/s William J. Evans</u> F. ROBERT REEDER WILLIAM J. EVANS VICKI M. BALDWIN PARSONS BEHLE & LATIMER Attorneys for UIEC

### **CERTIFICATE OF SERVICE**

#### Docket No. 11-035-200

I hereby certify that on this 5th day of December 2013, I caused to be emailed, a true and correct

## copy of the foregoing UIEC'S COMMENTS ON ROCKY MOUNTAIN POWER'S STRESS

### FACTOR STUDY to:

Patricia Schmid Wesley D. Felix Assistant Attorneys General 500 Heber Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov wfelix@utah.gov

Chris Parker William Powell Dennis Miller Division of Public Utilities 500 Heber Wells Building 160 East 300 South, 4th Floor Salt Lake City, UT 84111 wpowell@utah.gov dennismiller@utah.gov chrisparker@utah.gov

Gary Dodge Hatch James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdlaw.com

Peter J. Mattheis Eric J. Lacey Brickfield, Bruchette, Ritts & Stone, P.C. 1025 Thomas Jefferson St., N.W. 800 West Tower Washington, D.C. 2007 pjm@bbrslaw.com elacey@bbrslaw.com Michele Beck Executive Director Committee of Consumer Services 500 Heber Wells Building 160 East 300 South, 2nd Floor Salt Lake City, UT 84111 mbeck@utah.gov

Paul Proctor Assistant Attorneys General 500 Heber Wells Building 160 East 300 South Salt Lake City, UT 84111 pproctor@utah.gov

Gerald H. Kinghorn Jeremy R. Cook Parsons Kinghorn Harris, P.C. 111 East Broadway, 11th Flr. Salt Lake City, UT 84111 ghk@pkhlawyers.com jrc@pkhlawyers.com

Kevin Higgins Neal Townsend ENERGY STRATEGIES 215 S. State Street, #200 Salt Lake City, UT 84111 khiggins@energystrat.com ntownsend@energystrat.com David L. Taylor Yvonne R. Hogle Rocky Mountain Power 201 South Main Street, Suite 2300 Salt Lake City, UT 84111 Dave.Taylor@PacifiCorp.com yvonne.hogle@pacificorp.com datarequest@pacificorp.com

Cheryl Murray Dan Gimble Danny Martinez Utah Committee of Consumer Services 160 East 300 South, 2nd Floor Salt Lake City, UT 84111 cmurray@utah.gov dgimble@utah.gov dannymartinez@utah.gov

Gregory B. Monson D. Matthew Moscon Stoel Rives LLP 201 South Main Street, Suite 1100 Salt Lake City, UT 84111 gbmonson@stoel.com dmmoscon@stoel.com

Sophie Hayes Utah Clean Energy 1014 2<sup>nd</sup> Avenue Salt Lake City, UT 84111 sophie@utahcleanenergy.org Steven S. Michel Western Resource Advocates 409 E. Palace Ave. Unit 2 Santa Fe, NM 87501 smichel@westernresources.org

Roger Swenson US Magnesium LLC 238 North 2200 West Salt Lake City, UT 84114-6751 roger.swenson@prodigy.net

Travis Ritchie Sierra Club Environmental Law Program 85 Second Street, 2nd Floor San Francisco, CA 94105 travis.ritchie@sierraclub.org

Betsy Wolf Salt Lake Community Action Program 764 South 200 West Salt Lake City, UT 84101 bwolf@slcap.org

Bruce Plenk Law Office of Bruce Plenk 2958 N St Augustine Pl Tucson, AZ 85712 bplenk@igc.org

Leland Hogan, President Utah Farm Bureau Federation 9865 South State Street Sandy, Utah 84070 leland.hogan@fbfs.com Nancy Kelly Penny Anderson Western Resource Advocates 9463 N. Swallow Rd. Pocatello, ID 83201 nkelly@westernresources.org penny.anderson@westernresources.org

Steve W. Chriss Wal-Mart Stores, Inc. 2001 SE 10<sup>th</sup> Street Bentonville, AR 72716-0550 stephen.chriss@wal-mart.com

Jeff Speir Sierra Club Environmental Law Program 85 Second Street, 2nd Floor San Francisco, CA 94105 jeff.speir@sierraclub.org

Charles Johnson 1086 – 7B Pleasant Blvd Toronto, Ontario M4T1K2 cjohnson@ieee.org

Janee Briesemeister AARP 98 San Jacinto Blvd. Ste. 750 Austin, TX 78701 jbriesemeister@aarp.org Charles R. Dubuc, Jr. John Curl Western Resource Advocates 409 E. Palace Ave. Unit 2 Santa Fe, NM 87501 rdubuc@westernresources.org jcurl@westernresources.org

Holly Rachel Smith Holly Rachel Smith PLLC 3803 Rectortown Road Marshall, Virginia 20115 holly@raysmithlaw.com

Sam T. Miller, Capt., USAF Staff Attorney USAF Utility Law Field Support Center 139 Barnes Ave., Suite 1 Tyndall AFB, FL 32403 Samuel. Miller@tyndall.af.mil

Arthur F. Sandack, Esq 8 East Broadway, Ste. 411 Salt Lake City, UT 84111 asandack@msn.com

Randy N. Parker, CEO Utah Farm Bureau Federation 9865 South State Street Sandy, Utah 84070 rparker@fbfs.com

/s/ Colette V. Dubois