



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Chris Parker, Director
Artie Powell, Energy Section Manager

Date: November 19, 2013

Re: **Establish a Comment Period**

Docket No. 13-035-184, In the Matter of Rocky Mountain Power's Notice of Intent to File a General Rate Case/Notice of Proposed Forecast Test Period.

RECOMMENDATION

The Division of Public Utilities ("Division") does not oppose Rocky Mountain Power's proposed forecast test period of the twelve months ending June 2015 to be used in preparing its general rate case filing expected on or about January 3, 2014. The Division recommends that the Commission establish a comment period allowing all interested parties an opportunity to respond to the Company's proposed test year. The Division recommends that other than establishing the comment period, no further action is required at this time.

ISSUE

On November 5, 2013, Rocky Mountain Power ("Company") notified the Utah Public Service Commission ("Commission") of its intent to file a general rate case on or about January

3, 2014 (“Notice”). In its Notice, the Company requests that the Commission approve its proposed forecast test period for the twelve months ending June 30, 2015 (May 1, 2014 through June 30, 2015), which ends approximately 18 months after the Company’s anticipated filing. The Commission issued an Action Request to the Division on November 5, 2013 requesting analysis and recommendations. This memorandum is the Division’s response to the Commission’s Action Request.

DISCUSSION

Utah Admin. Code R746-700-10(B)(1) provides that an applicant planning to file a general rate case may first request Commission approval of a test period to be used in preparing its application. The rule states that testimony and accompanying supporting documentation should be filed with the request. Contrary to the rule, the Company did not include testimony or exhibits in its request.

However, as explained in the Company’s Notice, nine parties (including the Division) have previously signed a stipulation in Docket No. 11-035-200 (“Stipulation”) regarding the test period to be used in this case (Docket No. 13-035-184). The Stipulation was approved by the Commission on September 19, 2012. In the Stipulation, the parties agreed, that in the Company’s next general rate case in Utah, they would not oppose the Company’s forecast test period ending June 30, 2015, if the Company filed its rate case no later than March 1, 2014. The June 2015 test period identified in the Company’s Notice is consistent with the Stipulation. Therefore, the Division is not opposed at this time to the Company’s use of a test period ending June 2015 in the anticipated upcoming rate case.

However, given that the Company filed no evidence to support its test period, the Division is not in a position to recommend approval of the Company's proposed test period. Before recommending final approval, the Division will need to evaluate whether the Company's filed test period complies with all aspects of the Stipulation. For example, the Stipulation also specified that the Company would use a thirteen-month average rate base for the test period (Stipulation, p. 9, ¶ 41).

The Division notes that, the circumstances and request to approve a test period are similar to that of the previous rate case, Docket 11-035-200. Namely, in its Notice of Intent to File in the previous case, the Company requested approval of a test period agreed to by stipulation in a prior docket. In the previous rate case, the Commission issued a notice of the Company's request and established a comment period. In its order approving the Company's test period in the "200" docket, the Commission concluded, "Our December 30, 2011, notice afforded all potential participants in this docket the opportunity to respond to the Company's proposed forecast test period." (See December 11, 2011 Order, at p. 2) The Division recommends that the Commission follow a similar procedure in the current case.

CONCLUSION

The Division has no objections to the Company's proposed June 2015 test period and believes that it is consistent with the Stipulation approved by the Commission as noted above. The Division notes that in the Company's previous rate case, Docket No. 11-035-200, the Company made a similar request to approve a stipulated test period in its Notice of Intent to File. In that case, the Commission established a comment period regarding the Company's proposed test period. The Division recommends that the Commission follow a similar procedure in this

case: notice a comment period for interested parties to respond to the Company's proposed test year.

CC Dave Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List