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**To:** Public Service Commission

**From:** Chris Parker, Director  
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**Date:** January 17, 2014

**Re:** Docket No. 13-035-184, In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

**RECOMMENDATION**

The Division of Public Utilities (Division) has performed a preliminary review of the Application, as filed, and based on the overall body of information in the filing the Division at this time believes the filing is substantially complete. The Division found some instances where certain responses to filing requirements were in partial compliance with rule R746-700-1.E.1. However, the Division does not believe these deficiencies are significant and recommends that the Commission acknowledge the Company's filing as being complete.

## **ISSUE**

On January 3, 2014, Rocky Mountain Power (RMP) filed an application with the Utah Public Service Commission (Commission) for authority to increase its Retail Electric Utility Service Rates in Utah in accordance with the 240-day period provided under Utah Code Ann. Section 54-7-12(3). Per Utah Code Section 54-7-12(2) (b) (ii), parties have 14 days to challenge the completeness of an application. The completeness of a filing for a general rate case of an Electric Corporation is defined by Commission rules R746-700-1; 10; 20; 21; 22; 23.

## **DISCUSSION**

The Division has reviewed the application and compared the material filed to the rules in R746-700-1; 10; 20; 21; 22; 23. The table in the attached spreadsheet lists rules R746-700-10; 20; 21; 22; 23 and whether the Division verified that RMP has filed information in each required area. Although the Division has performed verification procedures on information provided by RMP for each rule to see if it exists as required and meets the filing requirements, the Division makes no judgment regarding the accuracy of the information or whether the Division agrees with the information as filed.

In the attached spreadsheet, the heading to the column with comments concerning adherence to R746-700-1.E.1 states that the review was preliminary. Under the filing rules the Division is given only 14 days to review the filing for compliance. RMP filing has two major Excel based-models as part of its filing that have hundreds if not thousands of Excel spreadsheets for revenue requirement and cost of service/rate design and a complicated web-based model for power costs. These models start with data imported or input from RMP's general ledger or other sources, such as load information, and then through inter-related formulas, spreadsheet cells, macros or programs, results are obtained concerning revenue requirement, cost of service/rate design, and net power costs.

Given the time constraints the Division was unable to review every document, spreadsheet, or cell in the models for adherence to R746-700-1.E.1. The Division's preliminary review however, indicates that RMP tried to provide formulas or cell relationships in its revenue and cost of service models that tie back to input from its general ledger. As to the power cost model, this is a web-based model used by the Company in past general rate cases and all parties to those

cases have been able to work with the model with no complaints as to missing formulas, etc. Again, due to time constraints the Division is relying on its past experience with this model for rule R746-700-1.E.1 compliance. Per the filing requirements RMP indicates that access to the model is available upon request.

RMP responses to certain requirements such as change in modeling logic, sales of property, and penalties and fines were not verified because no response information was filed with the Commission. The reason for not filing the required information was explained by the Company in its “location in filing” column in its attachment 1 to the rate case filing. The spreadsheet to this memo is based on RMP attachment 1. The DPU has reviewed the reasons given and representations made by RMP and is assuming the explanations for not filing the required information are true statements of fact and thus the DPU performed no other verification work for these items.

Certain other filing requirements such as requests for minutes, financial plans, tax returns, IRS tax correspondence and external auditor work papers were deemed by RMP to be highly confidential and were not filed with the Commission. While the designation of material as highly confidential and the imposition of additional protective measures should comply with Commission rules, the DPU will accept RMP’s representation that these exist and can be verified at some later date through onsite examination at RMP’s Salt Lake City office by appointment. At this time the DPU plans to make future appointment(s) for onsite review of this material. Due to time constraints as discussed above and below, the DPU was not able to perform such onsite visits prior to the 14 day deadline for its preliminary review. The DPU reserves the right to pursue rule-based and other remedies should RMP’s designations or protective measures prove inappropriate.

RMP filed a nonstandard draft Appendix A for access to confidential information. Some parties objected, and the Company then proposed that the standard Appendix A be used until the controversy was resolved. Some parties have executed and filed the standard Appendix A. The DPU has no objection to use of the standard Appendix A.

The Division emphasizes that due to the short time frame provided under R746-700, its review was of a preliminary nature. Subject to our above discussion on the models and the test year filing information, the attached Schedule identifies that RMP for most of the requirements was in adherence to rule R746-700-1.E.1, with occasional minor problems as noted. It appears to the Division that RMP made a good faith effort to comply with R746-700-1.E.1. Based upon the overall information in the filing, the Division believes the filing is substantially in compliance with the Commission's filing rule, R746-700-1.E.1.

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