



State of Utah  
Department of Commerce  
Division of Public Utilities

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**ACTION REQUEST RESPONSE**

**To:** Public Service Commission

**From:** Division of Public Utilities

Chris Parker, Director  
Artie Powell, Energy Section Manager  
Carolyn Roll Utility Analyst  
Justin Christensen, Utility Analyst  
Sam Liu, Utility Analyst

**Date:** May 31, 2013

**Re:** **Recommendation – Acknowledgement, RMP Fossil Fuel Energy Efficiency Standard Plan for 2013**

Docket No. 13-035-69 (06-999-03), Rocky Mountain Power's Fossil Fuel Heat Rate Improvement Plan - The Division's Review and Recommendation - Acknowledgement.

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**RECOMMENDATION**

Although the Division finds that Rocky Mountain Power's Fossil Fuel Heat Rate Improvement Plan (HRIP) complies with the intent of the Commission's direction, the Division has identified several areas the Company can improve with the current 2013 HRIP. Therefore, the Division recommends that the Commission direct the Company to address the issues discussed herein and submit them in future Heat Rate Improvement Plans.

**ISSUE**

On May 1, 2013, in accordance with Commission order, Rocky Mountain Power (Company) filed its Fossil Fuel Energy Efficiency Standard Plan or Heat Rate Improvement Plan. On May 6, 2013, the Commission issued an Action Request to the Division of Public Utilities (Division)

to review for compliance and to make recommendations. This memorandum represents the Division's response to the Commission's Action Request.

## **DISCUSSION**

In regards to HRIP 2012 report, the Division brought up some concerns. The Commission ordered the Company to address three issues in the future HRIP reports.

- 1- Regarding FERC Form 1, the Company should provide an explanation of whether the data for each plant represents the total capacity or the Company's share of the capacity.
- 2- Table 1 is labeled the "Ten Year Plan," as such each annual plan the Company files should represent the Company's most current intentions.
- 3- The data used for all graphs is provided as a part of the filing.

Issue number 1. The Division assumes the data from FERC Form 1 represents the Company's share of the capacity of each plant. The Company however did not provide an explanation of the data.

Issue number 2. The Company has addressed this issue in the 2013 HRIP. Updates include the Company's plan to retire the Carbon Plant in the first part of 2015 and the Naughton Unit 3 will switch its primary fuel to natural gas in 2015.

Issue number 3. The Company provided data on the Forecast Net Heat Rate and the Actual Net Heat Rate. The Company did provide a better explanation of how the index is calculated in its current report. However, the Company did not provide data or the work papers for the calculations. In future reports, the Division recommend that the Company provide this additional information so the parties may understand better how the index is constructed.

The Company provided a definition of the Heat Rate Index. It is the ratio of the actual measured heat rate divided by the designers calculated heat rate. The Company then provided data and graph based on the Net Heat Rate Index. The Company stated the Net is calculated for coal fired units only, as the gas units do not face the same variability. The Division suggests

additional information on why the gas units have less variability. The Division recommends that the Company also provide data and graphs on the Total Heat Rate Index, which includes the gas units as comparison to the Net Heat Rate Index.

**CONCLUSION**

The Division has identified several concerns with the current report. Therefore, the Division recommends that the Commission direct the Company to address these concerns in future Heat Rate Improvement Plans.

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