



## Public Service Commission

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## State of Utah

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SPENCER J. COX  
*Lieutenant Governor*

October 25, 2016

Mr. Bob Lively  
Rocky Mountain Power  
1407 W North Temple, Suite 330  
Salt Lake City, UT 84116

Data Request Response Center  
PacifiCorp  
825 NE Multnomah St., Suite 2000  
Portland, OR 97232

Re: In the Matter of PacifiCorp's Financial Reports, 2016, Annual Cost of Service Study – 2015;  
Docket No. 16-035-15

Dear Mr. Lively,

The Commission reviewed the June 15 and 16, 2016 filings by PacifiCorp, doing business as Rocky Mountain Power, of its Annual Utah Class Cost-of-Service (COS) Study and associated model (Model). The Commission also reviewed the September 15, 2016 action request response filed by the Division of Public Utilities (Division).

The Division recommends the Commission acknowledge PacifiCorp's filings. The Division concludes PacifiCorp's changes to the COS Model from previous filings make it more transparent and easier to understand. The Division further recommends the following changes should be addressed in future COS Model filings: 1) JAM Download tab, Title in cell I3 should be changed from "Normalized Results" to "Unadjusted Results"; and 2) Inputs tab, cells C35-38, the hard-coded value for the proportion of Secondary Distribution plant assigned to Accounts 364 through 367 should be replaced with this formula: 1 minus the Primary Distribution plant value. According to the Division, the minor disparity between the numbers of customers used in PacifiCorp's Jurisdictional Allocation Model and COS Model requires additional analysis and explanation by PacifiCorp.

The Commission agrees with the Division's assessment of the Model. In addition, with respect to the Model, the Commission observes the following.

1) Func Factors tab, cells B74, C74, B75, C75, and D75: The Model calculates the PT and PTD functional cost allocation factors using the *unadjusted* Utah results (JAM Download tab, column J) rather than *normalized* Utah results (JAM Download tab, column N) as in previously-filed COS models.

2) Demand Factors tab, cell P176: The sum of the monthly coincident peak values for Schedule 12 is a hard-coded value rather than the sum of the monthly values listed.

3) FuncStudy tab, line 2000 and G2000; The formulae for "Total Rate Base Deductions" in this line do not include Account 25335 values from line 1899; likewise, on the Production, Production-

Correspondence from Gary L. Widerburg  
Docket No. 16-035-15  
October 25, 2016  
Page 2

Demand, and Production-Energy tabs, the formulae for “Total Rate Base Deductions” for each schedule in line 1367 do not include Account 25335 values from line 1305.

4) Production, Production-Demand, and Production-Energy tab; Cells E54 and C1367 are both labeled “Total Rate Base Deductions,” but it appears the values in line 54 are significantly higher than in line 1367.

Based on the Commission’s review of PacifiCorp’s filing and the recommendations of the Division, the Commission acknowledges PacifiCorp’s COS Study and Model. The Commission requests PacifiCorp evaluate the Division’s and the Commission’s observations and make appropriate changes to the COS model in future COS model filings. In addition, the Commission requests that PacifiCorp file in this docket any conclusions, with accompanying support, on the customer count disparity issue mentioned by the Division.

Sincerely,

/s/ Gary L. Widerburg  
Commission Secretary  
DW#289715