

November 8, 2016

***VIA ELECTRONIC FILING
AND HAND DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

Re: Docket No. 16-035-15 - Annual Cost of Service Study - 2015

In its October 25, 2016, letter in the above-referenced matter, the Public Service Commission of Utah (the “Commission”) noted its observations and those of the Division of Public Utilities (the “Division”) and requested that Rocky Mountain Power (the “Company”) make appropriate changes to the Cost of Service model in future filings. The Company appreciates the comments and observations of the Commission and the Division and will incorporate all necessary changes noted by the Commission in its prospective cost of service filings.

Regarding the Commission’s request for the Company to file its conclusions on the customer count disparity issue raised by the Division in its September 15, 2016, action request response, the Company notes that customer counts used for the CN factor in the JAM model to determine the revenue requirement for Utah are calculated differently and have a different source than customer counts used in the cost of service model for the F40 factor that spreads costs among classes within Utah. Customer counts used in the JAM model are based on the count of agreements taken from the Company’s revenue accounting system. Customer counts used in the cost of service studies are based upon average bills. Specifically, the total number of agreement billings is divided by 12 for an annual period. In this calculation, a house that was newly constructed and only existed for six months would be considered one-half of one customer. Customer count for the cost of service study is generally determined from billing determinants which are extracted from the billing system.

Using the customer counts from the accounting system works well in the JAM model for allocating costs between states, because it is automatically generated and is applied consistently amongst the different states. The detail used in the cost of service study requires some effort to produce from the billing system, but is more accurate on a rate schedule level and therefore works well for that purpose. Notably, the differences from these two customer count methods is very small. The total number of customers used in the 2015 Utah JAM for the CN factor was 871,897 compared to 870,593 used in the class cost of service study – a 0.1 percent difference.

The Company will provide electronic versions of this filing to psc@utah.gov.

Public Service Commission of Utah

November 8, 2016

Page 2

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com
 bob.lively@pacificorp.com

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

Informal inquiries concerning the information provided herein may be directed to Bob Lively, Regulatory Manager, at (801) 220-4052.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey K. Larsen".

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

Cc: Division of Public Utilities
 Office of Consumer Services