

February 24, 2020

VIA ELECTRONIC FILING

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

Attention: Gary Widerburg
Commission Administrator

RE: **Docket No. 09-035-15**
Application of Rocky Mountain Power for Approval of its Proposed Energy Cost
Adjustment Mechanism
Comments Regarding EBA Procedural Schedule

In accordance with the Order issued by the Public Service Commission of Utah (“Commission”) on November 14, 2019, in this docket (“2019 Order”), PacifiCorp (the “Company”) respectfully submits these comments regarding the future procedural schedule for the Energy Balancing Account (“EBA”)¹.

Background of the EBA Procedural Schedule

The EBA was established in Docket No. 09-035-15 (“EBA Docket”) and has experienced a myriad of changes since establishment. Currently, the EBA procedural schedule is specified in Electric Service Schedule No. 94 – Energy Balancing Account (EBA) (“Schedule 94”) as follows:

Current EBA Procedural Schedule (dates are “on or about”):

- March 15 RMP EBA Filing
- November 15 DPU Audit Filing
- February 1 Hearing
- March 1 Commission Order
- March 1 Rates Implemented

This schedule was established in the February 16, 2017 order in the EBA Docket (“2017 Order”), at the request of the Division of Public Utilities (“Division”).² The 2017 Order extended

¹ See *In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism*, Docket No. 09-035-15, Order issued November 14, 2019, p. 10.

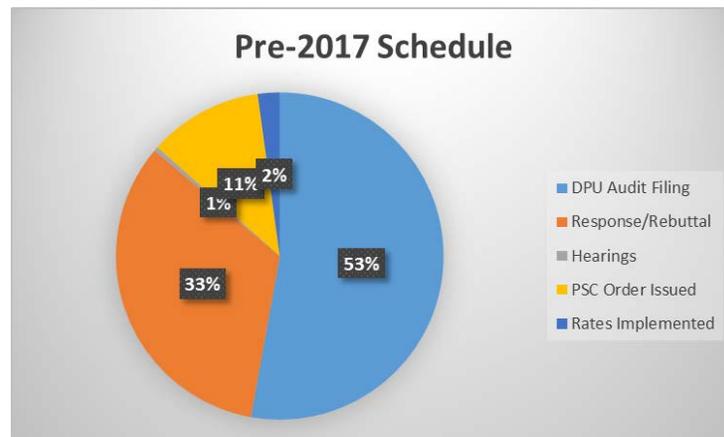
² *In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism*, Docket No. 09-035-15, Order issued February 16, 2017, p. 28.

deadlines to allow the Division four additional months to complete its EBA audit report.³ It is important to note that the 2017 Order also implemented interim rates, which allowed for collections to begin on an interim basis May 1 of each year. Due to the implementation of interim rates, the Company supported the Division’s requested change to the procedural schedule.

On June 27, 2019, the Utah Supreme Court held that the Commission does not have statutory authority to impose interim rates before the Company has provided substantial evidence that the costs are prudently incurred.⁴ In the absence of interim rates, the Company requests the Commission revisit the extended procedural schedule that is currently in place. This schedule is problematic for several reasons. First, collections of deferred amounts do not begin until over two years after they are deferred. For example, the monthly deferral for January 2019 will not begin to be collected until rates from the 2020 EBA become effective in March 2021. This is illustrated in Table 1 below.

Table 1: EBA Lifespan																																															
Year 1												Year 2												Year 3												Year 4											
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F										
Deferral Period												EBA Docket Adjudicated																								Collection Period											

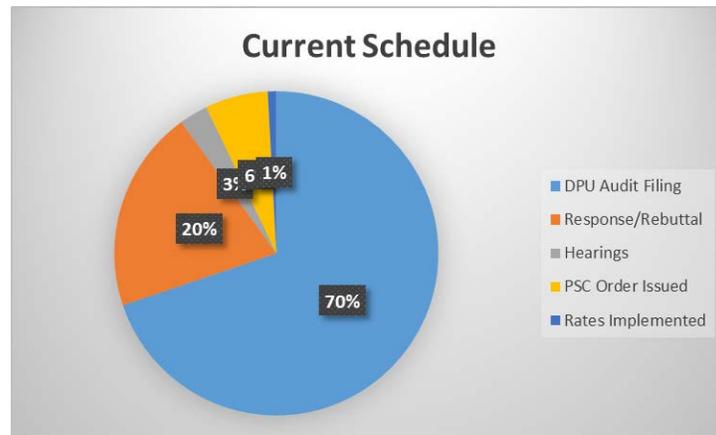
Second, a disproportionate amount of the time to process the EBA is allocated to the Division’s audit. The charts below highlight the time allocated to each portion of the EBA docket process under both the pre-2017 schedule and the current schedule.



³ The pre-2017 Order EBA Procedural Schedule was as follows: (dates are “on or about”):

- March 15 RMP EBA Filing
- July 15 DPU Audit Filing
- October 1 Hearing
- November 1 Commission Order
- November 1 Rates Implemented

⁴ *Utah Office of Consumer Services v. Public Service Commission*, 2019 UT 26, ¶¶ 47-48, 445 P.3d 464.

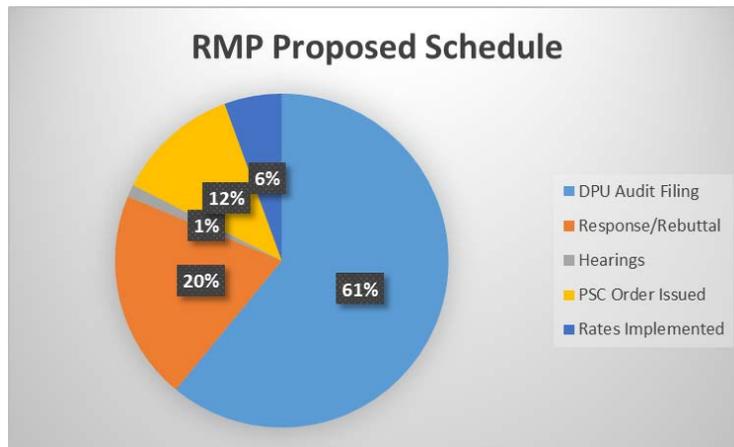


The current schedule provides the Division 245 days to complete its audit, which is 70% of the 351 days from the March 15 filing until rates are typically implemented around March 1. In comparison, this is five days longer than the statutory period authorized under Utah Code section 54-7-12(3)(a) to process an entire general rate case. The Company does not point this out to minimize the large undertaking required to conduct a thorough audit of the EBA. In fact, the Company believes that affording the Division a reasonably large portion of the procedural schedule for its audit is a valuable and prudent use of the time. However, this must be balanced with other aspects. For example, the current schedule typically leaves less than 30 days between the hearing, Commission order issue date and rate implementation. To balance these concerns, the Company proposes the following schedule:

RMP Proposed EBA Procedural Schedule (dates are “on or about”)

- March 15 RMP EBA Filing
- August 15 DPU Audit Filing
- October 15 Hearing
- November 15 Commission Order
- December 1 Rates Implemented

The Company recognizes that the Company’s proposed schedule reduces the Division’s time to audit the annual EBA filings when compared to the current deadlines. However the Company’s proposed schedule provides the Division with an additional 30 days to completed its audit when compared to the schedule before the 2017 Order. Under the Company’s proposal, the Division would have 153 days (61% of the time in the procedural schedule), which the Company believes adequately acknowledges the importance of the Division’s statutory obligations.



The Company's proposed schedule also allows additional time between the hearing date and the rate effective date to provide sufficient time for the Commission to issue an order and for the Company to file, gain approval of and update its billing system to implement the new Schedule 94 rates. The Company's proposed schedule also moves the rate effective date up from March 1 to December 1 of each year, so the deferral is collected closer in time to when the costs were deferred, eliminating three months of carrying charges.

Conclusion

For the reasons set forth above, the Company respectfully requests that the Commission:

1. Approve the Company's changes to the EBA procedural schedule described above.
2. Order the Company to file a tariff compliance filing for Schedule 94 to reflect the requested revisions to the procedural schedule.

Sincerely,

Joelle Steward

cc: Service List – Docket No. 09-035-15

CERTIFICATE OF SERVICE

Docket No. 09-035-15

I hereby certify that on February 24, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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