

09-035-15/Rocky Mountain Power  
August 9, 2010  
UIEC Data Request 14.5

**UIEC Data Request 14.5**

With respect to Rocky Mountain Power's ECAM proposal for the State of Utah, please explain how the ECAM, provides for the recovery of increased ECAM-eligible costs in rates. Will the increase be recovered through a periodic surcharge, or will base rates be adjusted?

**Response to UIEC Data Request 14.5**

As discussed in Mr. Gregory N. Duvall's testimony, the balancing account and ECAM rate serve as a true-up mechanism to recover or credit the differences between Base NPC and Actual NPC. On a monthly basis, the Company will compare Actual NPC to Base NPC. Any differences in the system per-unit cost will be multiplied by actual Utah MWh load in that month and the product will be deferred in the balancing account. The monthly under- or -over-recovery will accumulate in the balancing account and earn interest at the Company's most recently approved rate of return on rate base in Utah.

The increase will be recovered through a surcharge adjusted annually and not through base rates.

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Please describe the granularity with which records will be kept and costs allocated. Will records be kept reflecting the seasonality of costs incurred? Will costs be passed on to customers reflecting the seasonality of the costs? How will that seasonality be reflected in the changes and surcharge on the base rate change?

**Response to UIEC Data Request 14.7**

For reporting purposes, the Company's records on net power costs are generally kept on a monthly basis, which reflects seasonal differences. Some of the underlining data is on an hourly basis. The Company's proposed ECAM structure is on a monthly basis, reflecting changes from one month to another.

The rate spread and rate design for the proposed ECAM are discussed in the direct testimony of William R. Griffith, lines 43 – 75. It indicates that seasonality will be incorporated into the surcharge and that the ECAM rate design will be shaped to follow the structure of the TOU rates for Schedules 6A, 8, 9, and 9A.

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Please explain how the rates that will result from the recovery of ECAM charges will be designed so as to assure correct price signals to customers of the seasonality of costs that are incurred in providing service to them.

**Response to UIEC Data Request 14.15**

The direct testimony of William R. Griffith, lines 52 – 75, explains how the rates will be designed to assure proper price signals to customers. The ECAM charges will be based on actual costs incurred, reflect time of day differentials, and will therefore send correct signals to customers of changes in energy costs.