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To: Public Service Commission

From: Chris Parker, Director

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Date: February 28, 2012

Re: Docket No. 11-035-200, In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations.

RECOMMENDATION

The Division of Public Utilities (Division) has performed a preliminary review of the Application, as filed, and based on the overall body of information in the filing the Division at this time is not challenging the completeness of the application. The Division found some instances where certain responses to filing requirements were in partial compliance with rule R746-700-1.E.1 and recommends that in future filings that care be taken to adhere to that rule if at all possible. However, the Division does not believe these deficiencies are significant and recommends that the Commission acknowledge the Company's filing as being complete.

ISSUE

On February 15, 2012, Rocky Mountain Power (RMP) filed an application with the Utah Public Service Commission (Commission) for authority to increase its Retail Electric Utility Service Rates in Utah in accordance with the 240-day period provided under Utah Code Ann. Section 54-7-12(3). Per Utah Code Section 54-7-12(2) (b) (ii), parties have 14 days to challenge the completeness of application. The completeness of a filing for a general rate case of an Electric Corporation is defined by Commission rules R746-700-1; 10; 20; 21; 22; 23.

DISCUSSION

The Division has reviewed the application and compared the material filed with the application to the rules in R746-700-1; 10; 20; 21; 22; 23. The table in the attached spreadsheet lists rules R746-700-10; 20; 21; 22; 23 and whether the Division verified that RMP has filed information in each required area. Although the Division has verified that information for each rule exists as required, the Division makes no judgment regarding the accuracy of the information or whether the Division agrees with the information as filed.

In the attached Schedule I, the heading to the column with comments as to adherence to R746-700-1.E.1 states that the review was preliminary. Under the filing rules the Division is given only 14 days to review the filing for compliance. RMP filing has two major Excel based-models as part of its filings that have hundreds if not thousands of Excel spreadsheets for revenue requirement and cost of service/rate design and a complicated web-based model for power costs. These models start with data imported or input from RMP's general ledger or other RMP-based information, load information as an example, and then through inter-related formulas, spreadsheet cells, macros or programs results are obtained concerning revenue requirement, cost of service/rate design, and net power costs.

Given the time constraints the Division was unable to review every document, spreadsheet, or cell in the models for adherence to R746-700-1.E.1. The Division's preliminary review however, indicates that RMP tried to provide formulas or cell relationships in its revenue and cost of service models that tie back to input from its general ledger. As to the power cost model, this is a web-based model used by the Company in past general rate cases and all parties to those

cases have been able to work with the model with no complaints as to missing formulas, etc. Again, due to time constraints the Division is relying on its past experience with this model for rule R746-700-1.E.1 compliance.

The Division reviewed the documents, schedules and spreadsheets in the exhibits to the testimony of RMP to the general rate case. All were compliant with R746-700-1.E.1, although some of the information was cut and pasted from electronic documents found elsewhere in the filing. Most spreadsheets had formulas intact. These electronic documents are subject to the findings as outlined in Schedule I and the above general information on models.

The Division emphasizes that due to the short time frame provided under R746-700; its review was of a preliminary nature. Subject to our above discussion on the models and the test year filing information, the attached Schedule I identifies that RMP for most of the requirements was in adherence to rule R746-700-1.E.1, with occasional minor problems as noted. It appears to the Division that RMP made a good faith effort to comply with R746-700-1.E.1. Based upon the overall information in the filing, the Division does not challenge the completeness of the filing due to the results of its review for compliance to R746-700-1.E.1. The Division recommends, as stated above, that RMP in future filings take care to ensure the full compliance to this rule.

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