

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Rocky Mountain Power)
Proposed Schedule 94, Energy Balancing) DOCKET NO. 11-035-T10
Account (EBA) Pilot Program Tariff) ORDER

ISSUED: May 1, 2012

By The Commission:

PROCEDURAL HISTORY

On October 12, 2011, PacifiCorp, doing business in Utah as Rocky Mountain Power (“Company”), submitted a proposed new tariff, Schedule 94, pertaining to the recently-established Energy Balancing Account (“EBA”) Pilot Program. The Commission directed the Company to make this tariff filing in the September 13, 2011, order approving the settlement stipulation in Docket Nos. 10-035-124 (the Company’s most recent general rate case), 09-035-15, 10-035-14, 11-035-46, and 11-035-47 (“September Order”).¹

On October 14, 2011, the Commission issued an order finding it in the public interest to suspend proposed Schedule 94, pending further investigation. Thereafter, the Commission held two technical conferences to analyze the proposed tariff. The central question examined was whether the proposed tariff properly implements the relevant Utah statutes and

¹ See Docket Nos. 10-035-124, “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;” 09-035-15, “In the Matter of the Application of Rocky Mountain Power for Approval of its Proposed Energy Cost Adjustment Mechanism;” 10-035-14, “In the Matter of the Application of the Utah Association of Energy Users for a Deferred Accounting Order Directing Rocky Mountain Power to Defer Incremental REC Revenue for Later Ratemaking Treatment;” 11-035-46, “In the Matter of the Application of the Utah Industrial Energy Consumers for a Deferred Accounting Order Directing Rocky Mountain Power to Defer Incremental REC Revenue for Later Ratemaking Treatment;” and 11-035-47, “In the Matter of the Application of the Utah Office of Consumer Services for a Deferred Accounting Order Directing Rocky Mountain Power to Defer all Bonus Depreciation Allowed for 2010 through 2011 by the Small Business Jobs Act as Amended.”

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Commission orders, including the March 3, 2011, order defining and approving the EBA mechanism in Docket No. 09-035-15 (“EBA Order”), and the September Order.

On December 6, 2011, the Commission held a scheduling conference to receive parties’ recommendations concerning further evaluation of proposed Schedule 94. On December 16, 2011, pursuant to the schedule produced at the conference, the Company and the following additional parties filed comments recommending issues requiring resolution prior to the proposed tariff becoming effective: the Division of Public Utilities (“Division”), the Office of Consumer Services (“Office”), the Utah Association of Energy Users (“UAE”), and Utah Industrial Energy Consumers (“UIEC”). Following its review of these comments, the Commission issued its Prehearing Order on January 20, 2012, providing guidance concerning the nature and scope of the hearing to be held in this matter. In accordance with the schedule adopted for this case, the Company filed a new version of its proposed Schedule 94 on December 12, 2011, containing a cover letter and Original Sheet Nos. 94.1 to 94.6. On February 23, March 15, and April 15, 2012, parties filed direct, rebuttal and/or surrebuttal testimony respectively to address the Company’s Schedule 94 proposed on December 12, 2011, and the issues identified in the Prehearing Order. Parties presented summaries of their testimony and were cross examined at the hearing held April 24, 2012.

DISCUSSION AND FINDINGS

Parties raise issues and offer recommendations regarding EBA allocation, tariff sheet language changes, and implementation.

EBA Allocation Issues

1. Allocation to Utah

In our Prehearing Order we requested comments from parties regarding whether the factors used to determine Utah's share of actual total Company cost and revenue eligible for EBA deferral should be calculated using actual data (referred to as dynamic factors) or whether the factors should retain the same values used in determining Utah's share of total Company base cost and revenue eligible for EBA deferral (referred to as static or fixed factors).

The Company proposes, and the Division does not oppose, use of a static scalar for determining Utah's share of certain total Company actual costs eligible for EBA treatment which the Company refers to as net power costs or NPC. On Original Sheet No. 94.4, the Company states this scalar "will be calculated and approved in the most recent general rate case... where Base EBAC are approved." The Division supports this definition of the scalar for EBA accruals in the October to December 2011 time period only. This is because the Division understands the stipulation in Docket No. 10-035-124 to require "This same scalar will be used in calculating Utah actual NPC for the EBA."² In future filings, the Division advocates use of a dynamically calculated scalar or cost allocation factors for determining Utah's share of total Company actual NPC in the annual EBA filing. The Division also recommends use of dynamic cost allocation factors for determining Utah's share of total Company actual wheeling revenues. The Division recognizes the fixed factors may need to be used during the accrual period but the factors should be updated to true-up the EBA deferral in the annual EBA filings.

² Attachment B, footnote 5 of the Stipulation filed in Docket No. 10-035-124.

In general, both the Office and UAE recommend use of dynamic allocation factors to determine Utah's share of total Company actual costs included in the EBA. UIEC supports initial use of the scalar approved in the September Order, which it characterizes as neither static nor dynamic, and believes the Company's proposed Original Sheet No. 94.4 accomplishes this goal.

Based on the foregoing, we find it reasonable to approve use of a static scalar as described by the Company to determine Utah's share of total Company actual NPC for EBA deferrals from October through December 2011. For subsequent annual EBA filings, we find use of a dynamic scalar or dynamic allocation factors for determining Utah's share of total Company actual NPC is reasonable and appropriate.

For consistency with approval of a static scalar for NPC for the March 2012 annual EBA filing, we approve use of static allocation factors for wheeling revenues for the October through December 2011 EBA deferrals. However, based upon the nearly unanimous views regarding the allocation of total Company actual wheeling revenue to Utah, we find use of dynamic allocation factors is reasonable and consistent with our EBA and Prehearing Orders and should be applied in future filings after the March 2012 annual EBA filing. Thus, the system energy (SE) and system generation (SG) inter-jurisdictional cost allocation factors will be calculated from twelve months of actual jurisdictional load data to determine Utah's monthly share of total Company actual wheeling revenue in the annual EBA filings.

For future decisions, we will rely in part on the review required in our September Order of the comparison between the direct allocation approach for determining Utah's monthly NPC, which is consistent with our EBA Order and with current treatment of wheeling revenue,

and use of a scalar. For this review, we remind the Company the EBA Order requires a direct allocation using the factors approved in Docket No. 02-035-04,³ without any influence of the scalar for determining monthly Utah base NPC. That means base monthly Utah EBA rates are to be determined using only applicable allocation factors without any assumptions regarding the \$15 million NPC settlement reduction included in Docket No. 10-035-124, i.e., this reduction must be proportionately prorated to demand and energy components of NPC and months rather than spread assuming implementation of the scalar. The Commission's reporting spreadsheet is provided in Docket No. 09-035-15 for this purpose and was the subject of several technical conferences to discuss the parameters of the required comparison of the EBA Order approach for determining Utah's share of total Company monthly NPC with the scalar approach.

2. Allocation to Retail Customers

In our Prehearing Order, we clarified our EBA Order by stating "we will rely on the revenue requirement spread approved in the general rate case decision, consistent with cost of service principles. Rate case cost of service analysis identifies cost causation by function. Thus, the spread of deferred EBA amounts to rate schedules must be consistent with the approved spread of the base EBA costs to rate schedules in the general rate case. We invite parties to provide testimony in this docket on the appropriate factors to apply in achieving a cost-based spread of EBA costs to rate schedules."

The Company argues the base EBA costs were spread to rate schedules in the Company's last general rate case, Docket No. 10-035-124, the same way as the revenue

³ See Docket No. 02-035-04, "In the Matter of the Application of PacifiCorp for an Investigation of Inter-jurisdictional Issues."

requirement increase was spread. Parties to the stipulation agreed any rate change in that case should be spread "...according to the percentages of the revenue requirement increase reflected in the column labeled 'Stipulated Percentage of Revenue Requirement Increase' of Exhibit A to the Stipulation (Paragraph 5)."⁴ Further, the Company argues parties to the stipulation agreed to withdraw and not contest any cost of service issues in the case, and cost of service/rate design issues were suspended. The Company also points out parties to the stipulation agreed to allocate the \$60 million surcharge for deferred NPC to rate schedules relying on the cost of service stipulation in Docket No. 10-035-124. Based on these facts, the Company believes "the EBA surcharge that will become effective on June 1, 2012, should be allocated to rate schedules in the same manner that the total revenue requirement increase was allocated to rate schedules in the last general rate case...."⁵

After the June 1, 2012, surcharge is effective, the Company recommends "future EBA surcharges or credits to rate schedules should be allocated in a manner consistent with the allocation of base EBA costs in the approved cost of service study used to set base rates."⁶ The Company testifies the Office's proposed method is conceptually correct and should be used in subsequent cases. The Company testifies "...it will be necessary for the Commission to issue a finding approving a cost of service study including the allocation of EBA costs, in a general rate case."⁷ If a cost of service study is approved but specific base EBA costs are not determined in a

⁴ See Direct Testimony, William R. Griffith, lines 56-58.

⁵ See Direct Testimony, William R. Griffith, lines 73-76.

⁶ See Direct Testimony, William R. Griffith, lines 84-86.

⁷ See Direct Testimony, William R. Griffith, lines 87-88.

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subsequent general rate case, the Company advocates EBA surcharges should be approved and allocated on an equal percent of functionalized generation costs to each rate schedule.

At hearing, the Division recommends spreading the EBA deferral to rate schedules based on the stipulated revenue requirement increase spread to rate schedules agreed to in Docket No. 10-035-124, as proposed by the Company. This, the Division argues at hearing, preserves the consistency of the spread ordered in the prior rate case and should be used in the Company's request to recover EBA deferrals in Docket No. 12-035-67.⁸ The Division notes this approach may require updating billing determinants or other features of the approved rate spread from the prior case. To implement this approach, the Division testifies it will be necessary to identify the procedures and methods used to determine Utah's annual and monthly base NPC and the spread of the NPC to rate schedules. This can be accomplished through the Commission's order or, as in Docket No. 10-035-124, in settlement documents.

The Office proposes spreading the EBA deferral to rate schedules using the same factors which spread Utah EBA-eligible costs and revenues to rate schedules and special contracts in the Company's cost of service study filed in Docket No. 10-035-124. The Office refers to this method as the Composite NPC Allocator and argues it should be applied beginning with the Company's March 2012 filing which addresses October through December 2011 EBA deferrals. The Office argues this method is consistent with the Commission orders which require the collection or refund of any EBA balance to be based on cost of service.

⁸ See Docket No. 12-035-67, "In the Matter of the Application of Rocky Mountain Power to Increase Rates by \$29.3 Million or 1.7 Percent through the Energy Balancing Account"

The Office argues the Composite NPC Allocator appropriately reflects cost of service in that it functionally matches the related NPC that will be spread in the EBA, better tracks the dynamic character of NPC components (energy and demand) over time, and is consistent with the Commission's recent decision in the Major Plant Addition ("MPA") cases to use a more precise allocator to spread a distinct set of generation and transmission costs.⁹ The Office provides an exhibit depicting the Composite NPC Allocator and testifies it is developed directly from the Company's cost of service study filed in Docket No. 10-035-124. The Office argues the Composite NPC Allocator is consistent with the Commission's Prehearing Order and is necessary to produce a just and reasonable spread of EBA costs to retail customers.

The Office testifies use of the stipulated revenue increase allocation, as proposed by the Company, significantly overstates EBA cost responsibility for the residential rate schedule and by doing so unfairly benefits the large commercial and industrial rates schedules. The Office argues the stipulated revenue increase allocation has a broad purpose, extending far beyond NPC rate elements. For example, it includes distribution-related cost and capital investment in generation and transmission that bear no direct relationship to NPC. The Office argues the inclusion of distribution costs unrelated to NPC distorts cost causal relationships and disparately impacts the spread of EBA cost to rate schedules.

The Office testifies the use of the Composite NPC Allocator in the future will require the Commission to determine the Composite NPC Allocator to be used in EBA cases.

⁹ See Docket Nos. 10-035-13, "In the Matter of the Application of Rocky Mountain Power for Alternative Cost Recovery for Major Plant Additions of the Ben Lomond to Terminal Transmission Line and the Dave Johnston Generation Unit 3 Emissions Control Measure" and 10-035-89, "In the Matter of the Rocky Mountain Power Application for Alternative Cost Recovery for Major Plant Additions Populus to Ben Lomond Transmission Line and the Dunlap I Wind Project."

This includes ensuring NPC adjustments in the revenue requirement phase of a general rate case flow through to the rate schedule cost of service phase of the case. The Office advocates the Commission require the Company to submit a compliance NPC study after a general rate case order is issued to flow through all Commission ordered NPC adjustments using the Company's production dispatch model, Generation and Regulation Initiative Decision Tools ("GRID"), establish the base level of NPC in rates, and to update each account in the Composite NPC Allocator.

Since specific findings on cost of service from the most recent general rate case are unavailable, the Office contends the Commission must use a proxy method to spread EBA deferrals in the initial three-month accrual period. The Office argues the Composite NPC Allocator is the best proxy to use because it appropriately reflects the distinct set of NPC cost and revenue accounts included in the EBA.

The Office argues the MPA proceedings provide an important guideline for evaluating the merits of EBA spread proposals. In the MPA cases, the rate spread stipulation approved by the Commission relied on the specific F-10 plant allocator instead of the broad general rate case rate spread from the prior general rate case to allocate the increase in revenue required for the MPAs. The Office argues there is a fundamental cost of service principle that threads through the MPA and EBA cases as the Company's overall rate structure is separated into alternative ratemaking processes. This fundamental principle is cost causation – rates should be cost-based. Therefore, the Office recommends the Commission, in making its decision on the proper allocator to spread EBA deferrals, should ensure the allocator closely corresponds to the category of costs at issue in the EBA. To do otherwise, the Office argues, will not serve

the public interest. The Office also recommends the Division's report on the EBA pilot program include the study of developing dynamic allocation factors at the class level.

UAE supports the Company's proposed treatment of rate spread to rate schedules included in Original Sheet 94.5 because it is consistent with the Commission's EBA Order that the EBA deferral "shall be allocated to all retail tariff rate schedules and applicable special contracts based on the rate spread approved by the Commission in the most recent general rate case." Further, this is consistent with the Commission's approval of the \$20 million per year in deferred net power costs included in the settlement stipulation in Docket No. 10-035-124.

UAE argues the Company's proposed allocation to rate schedules is consistent with the Commission's Prehearing Order because the phrase "consistent with cost of service principles" is a description of "what hopefully happens with an approved rate spread – namely, that it bears some reasonable nexus to cost of service principles."¹⁰ Additionally, rate spread includes other factors and ratemaking principles such as gradualism, economic consequences, and rate stability. UAE argues the Commission, by its choice of the term revenue spread, can only mean to invoke these other ratemaking principles. To be consistent with the Commission's order to rely on the revenue requirements spread, the EBA spread must reflect both cost and non-cost based components.

In response to the Commission Prehearing Order statement that the spread of deferred EBA amounts to rate schedules must be consistent with the approved spread of the base EBA costs to rate schedules in the general rate case, UAE testifies it is unaware of any explicitly approved spread of base EBA costs to rate schedules as distinct from the spread of total revenue

¹⁰ See Direct Testimony, Kevin C. Higgins, line 197.

requirements to rate schedules. While EBA costs are presumed to be included in each class's revenue requirement, the spread of these costs, as defined by UAE, includes cost-based and non-cost based components. UAE argues the Commission's use of the term "spread" necessarily precludes it from setting the non-cost based components to zero. In future proceedings, UAE suggests the Commission consider the spread of the total revenue requirement to rate schedules rather than the spread of the revenue requirement increase, as proposed by the Company in this case.

UIEC supports the Company's proposal as set forth in Original Sheet No. 94.5 because it is consistent with the Commission's EBA Order. Since the recent general rate case is silent on the appropriate method for allocating particular costs among rate schedules, UIEC opposes identifying and allocating costs pertaining to this EBA cycle to rate schedules based on class demand and energy relationships. UIEC advocates future EBA allocation to rate schedules should be determined in future cases.

The parties positions, summarized above, aptly illustrate the challenge we face in this initial instance of allocating EBA costs to retail customer classes. Our choice is between applying the method the parties used to spread the revenue requirement increase presented in the uncontested settlement stipulation we approved in Docket No. 10-035-124, or using allocation factors extracted from the Company's cost of service study filed, but not litigated, in that docket. Due to the settlement stipulation, the Company's general rate case cost of service study was not presented or examined, nor were corresponding findings made. Under these circumstances, we conclude just and reasonable rates are best achieved through spreading the June 1, 2012, EBA

surcharge using the percentages the settling parties chose to apply in spreading the revenue requirement increase in Docket No. 10-035-124 to each retail customer class.

As noted above, this approach is recommended by the Division, UAE, and UIEC, (in addition to the Company), and is the same method used to spread the \$60 million of deferred NPC referenced above. The parties advocating this approach, collectively representing a broad cross-section of utility customers, participated extensively in Docket No. 10-035-124 and supported the settlement stipulation. In particular, these parties supported the spread of the deferred NPC using the settlement stipulation allocation percentages. In reaching that stipulation, these parties yielded their opportunity to litigate the cost of service study the Company filed, in favor of a more generalized rate spread approach for all costs, including NPC. Doubtless, the rate spread factors resulting from a cost of service study that has been tested through hearings and adjusted according to the weight of the evidence would serve as a more precise basis for the spread of NPC recovered through the EBA. In this instance, however, we find it inappropriate to rely on factors the settling parties in the general rate case chose to set aside in favor of agreed upon, uncontested allocation percentages.

Both of the approaches advocated by parties for spreading the initial EBA surcharge are simply proxies for applying the rate spread factors usually established in general rate case decisions through a litigated cost of service study. Accordingly, we agree with the Office that prospectively the Commission should assure the appropriate allocation factors are available, regardless whether the general rate case revenue requirement spread is settled on some other basis. The Office refers to these factors as the Composite NPC Allocator. We will adopt this terminology. We further agree with the Office that construction of the Composite NPC

Allocator should include ensuring adjustments to NPC determined during the revenue requirement phase of a general rate case flow through to the rate schedule cost of service phase. Thus, prospectively we accept the Office's recommendation to require the Company to submit a compliance NPC study after a general rate case order is issued, as discussed further in the Implementation Issues section of this order. One purpose of this study will be to flow through all Commission ordered NPC adjustments using the Company's production dispatch tool to establish the base level of monthly net power cost allocated to Utah and then update the class cost of service study to develop the Composite NPC Allocator. We believe this method is consistent with the Company's recommendation to allocate future EBA deferrals "in a manner consistent with the allocation of base EBA costs in the approved cost of service study used to set base rates."¹¹ We anticipate a proceeding separate from, but immediately following, the general rate case to determine the base monthly EBA rates and Composite NPC Allocator.

We also find merit in the Office's suggestion to study the use of dynamic allocators for the Composite NPC Allocator. As this is a pilot program, the evaluation plan should include a review of this suggestion. We will address this further in Docket No. 09-035-15 when we consider the approval of the Division's evaluation plan.

Tariff Sheet Changes

1. Account Level Detail in Tariff

The Division argues Schedule 94 should include greater account level detail and more detail regarding items that will be included or excluded from the EBA. The Division argues this detail is necessary to produce guidelines against which to determine whether the

¹¹ See Direct Testimony, William R. Griffith, lines 84-86.

Company is complying with the tariff. The Division provides Exhibit 2.6D showing the detail it proposes to include in Schedule 94. To address concerns the level of detail may be confusing to some customers, the Division recommends the additional detail be referenced and attached at the end of the schedule.

The Company argues the Division's recommended level of detail is not necessary but the Company does not oppose the additional detail if it makes the tariff easier to understand. UIEC supports greater detail in the schedule in order to minimize conflict, facilitate the evaluation and approval process, and ensure against overcharges to customers.

For the reasons expressed by the Division and UIEC, we find greater detail is needed in Schedule 94 than proposed by the Company. We find the Division's recommended level, as shown in Exhibit 2.6d, is an appropriate level at this time and agree with the suggestion to reference this detail and attach it to the end of Schedule 94. As more information is gained through the pilot program, we will consider additional recommendations regarding the level of detail included in Schedule 94.

2. Special Contract Customer Language

UIEC argues the reference to allocation of EBA deferrals to special contract customers is confusing and unnecessary. UIEC recommends the Commission either strike the language or use the statutory language addressing the applicability of EBA deferrals to special contract customers. The Company argues its proposed language is reflective of the statute and reasonable. The Division opposes UIEC's recommendation to strike the language. The Office recommends using the statutory reference.

Based on the Company's testimony that the language is not intended to go beyond the statutory language, and to minimize further confusion, we find use of the statutory language is reasonable.

3. Definition of EBA Deferral Account Balance

We find the Division's unopposed modification to this definition, as contained in its testimony, is reasonable.

4. Typographical Error Correction

We find the Company's suggested typographical correction change to the EBA carrying charge equation reasonable.

Implementation Issues

1. Compliance Filings

As noted earlier, the Office recommends the Commission require the Company to file a compliance NPC study. We find merit to this recommendation for the period of the EBA pilot and find it should include the following components: 1) a GRID NPC Study reflecting all Commission-ordered NPC adjustments; 2) the NPC study presented in account level detail by demand and energy cost and revenue components; 3) the base level of Utah monthly NPC and wheeling revenue; and 4) provide the basis to update each account in the Composite NPC Allocator.

2. Finality of Rates

The Company proposes on Original Sheet 94.5: "The EBA rate shall be implemented on an interim basis and shall remain in effect for the EBA Rate Effective Period. The interim rate shall become permanent upon a final order issued by the Commission." The

Division testifies this language is consistent with the EBA Order which states, “We adopt a process with hearing to set interim rates. We direct the Company to file annually, on March 15, to collect or refund the calendar-year deferred balance. Following the Division’s audit and a prudence review, we will set final rates.”

The Division supports the Office’s recommendation that rates are only final after the Division issues its audit report, comments on the report are filed by parties, and parties have a minimum of 45 days to comment on the Division’s audit report before the Commission holds a hearing to consider final rates. UIEC testifies parties should have at least 30 days to comment and that the Division should have at least 180 days to file its audit report. Further, UIEC recommends any adjustments made to interim rates should include the appropriate adjustments to carrying charges.

We find the process outlined by the Office and Division is reasonable and will require a period of at least 45 days for parties to comment on the Division’s audit report prior to any hearing to consider final rates. We find this process is consistent with the language contained in the Company’s proposed Original Sheet No. 94.5. We decline to set a limit on the time period within which the Division must file its audit report. As this is a pilot program, we expect the amount of time necessary for the Division to complete its report will become more apparent.

3. Annual Filing Requirements

The Office initially requested a rule making for EBA annual filing requirements but also supports use of the current process underway in 09-035-15. We find it reasonable at this

point to continue with the process currently underway and will consider the need for rulemaking at the conclusion of the pilot program.

4. Carrying Charge

UIEC recommends the Commission alter the carrying charge calculation proposed by the Company. UIEC recommends carrying charges on EBA balances should not begin to accrue at the end of the month but rather should begin about 20 days after the end of the month which is more consistent with the time lags in payments the Company experiences. UIEC also takes issue with the 6 percent carrying charge and argues this is too high for this type of debt. The Company opposes UIEC's recommendation and argues its proposal is consistent with the Commission's EBA Order and with other balancing accounts approved for the Company in Utah.

We find the Company's proposed carrying charge calculation is consistent with our EBA Order and with other balancing account mechanisms. We make no findings at present to change the 6 percent carrying charge, but note it applies to both customers and the Company, and agree it is an issue that warrants further study as applied to various utility balancing accounts.

CONCLUSIONS

Based on our discussion and findings above, we conclude the Company's proposed Schedule 94 requires modification as noted herein. We also conclude it is necessary to establish a process during the pilot period to develop future EBA details which includes a compliance NPC study as described herein, for each proceeding in which base Utah EBA rates are determined.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED,

1. The Company shall file a modified Schedule 94 which includes the changes required herein.
2. For EBA deferrals from October to December 2011, the Company shall use a static scalar for Utah's share of total Company actual NPC, static allocation factors for Utah's share of total Company wheeling revenue, and allocate the deferral to rate schedules in accordance with the percentages of the revenue requirement increase reflected in the column labeled "Stipulated Percentage of Revenue Requirement Increase" of Exhibit A to the Cost of Service Stipulation approved in Docket No. 10-035-124.
3. For EBA deferrals after October to December 2011, the Company shall use a dynamic scalar or dynamic allocation factors to determine Utah's share of total Company actual NPC, dynamic allocation factors for Utah's share of total Company actual wheeling revenue, and allocate the deferral to rate schedules in accordance with the Composite NPC Allocator as determined at the conclusion of each general rate case.
4. The Company shall file a compliance NPC study for the duration of the EBA pilot program, as described herein, in each proceeding in which base Utah EBA rates are determined.

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DATED at Salt Lake City, Utah, this 1st day of May, 2012.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DH#224047

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 1st day of May, 2012, a true and correct copy of the foregoing ORDER, was served upon the following as indicated below:

By Electronic Mail:

Data Request Response Center (datarequest@pacificorp.com)
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