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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services
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The Division of Public Utilities
Chris Parker, Director

Date: November 22, 2011

Subject: Docket No. 11-035-T12, True-up of Collections under Electric Service
Schedule Nos. 40 & 97.
Docket No. 10-035-13 Major Plant Addition I (MPA I)
Docket No. 10-035-89 Major Plant Addition II (MPA II)

Background

On November 10, 2011 Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) a proposed tariff change associated with approved stipulations for Major Plant Addition I (MPA I) and Major Plant Addition II (MPA II), Docket Nos. 10-035-13 and 10-035-89, respectively. The stipulation approved for MPA II allowed the Company to begin collection of \$5.34 million monthly revenue requirement, the amount associated with both MPA I and MPA II. The collection was to be made through Electric Service Schedule 40 until after the next rate case when MPA I and II costs would be included in base rates. Any over collection or under-collection of the approved amount would be either refunded to or collected from customers in subsequent months. On September 21, 2011 rates resulting from the rate case, Docket No. 10-035-124 went into effect. Those rates include the cost of MPA I and MPA II in rate base and Schedule 40 was terminated at that time.

The Company has performed a reconciliation of Schedules 40 and 97 which shows that through November 30, 2011, a balance of approximately \$4.7 million is owed to customers. The Company requests to implement Schedule 95 Major Plant Addition Credit with an effective date of December 1, 2011 to return that amount to customers.

Discussion

The Company proposes to refund the \$4.7 million to currently active retail customers through a one-time credit. This process may take up to two months because the credit will be calculated and applied to each customer's bill individually. Following the refund process the Company proposes to transfer any remaining balance to the Rocky Mountain Power Low Income Lifeline Program. Because the credit will be calculated on individual accounts the Office agrees that one to two months to complete the process is reasonable. The Office further concurs with the Company's request to transfer any remaining balance to the Lifeline Program.

On November 17, 2011 the Division of Public Utilities filed comments recommending that the Commission approve the Company's request on an interim basis to allow time for the Division to audit the account. The Office agrees that an audit of the account is appropriate however based on the complexity of this particular refund we contend that the Commission should set a deadline for completion of the audit. Although we do not anticipate that an audit would result in considerably different numbers than those presented by the Company any significant delay could potentially add further complexity to the process.

Recommendations

The Office recommends that the Commission approve the Company's request to provide credits to current retail customers through Schedule 95. The Office also supports the Company's request to apply any remaining balance to the Rocky Mountain Power Low Income Lifeline Program.