

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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)) DOCKET NO. 12-035-67
In the Matter of the Rocky Mountain Power Proposed Schedule 94, Energy Balancing Account (EBA) Pilot Program Tariff)) DOCKET NO. 11-035-T10
)) ORDER

ISSUED: June 18, 2012

SYNOPSIS

The Commission affirms its intent to re-examine and clarify the procedural requirements for recovery of deferred EBA costs.

By The Commission:

This matter is before the Commission upon the request of Utah Industrial Energy Consumers (“UIEC”) for clarification of the Commission order issued in Docket No. 11-035-T10 on May 1, 2012 (“ T10 Order”) and the associated tariff. In the alternative, UIEC petitions for review, rehearing and limited consolidation of the T10 Order.

UIEC filed its request on May 29, 2012. Since that date, the Commission has issued rulings in both of the above-captioned dockets which, in effect, confirm the Commission’s intent to re-examine and clarify the process by which deferred EBA costs (“EBAC”) are recovered in rates. In an order issued May 31, 2012 in Docket No. 11-035-T10 the Commission stated:

[P]roposed Schedule 94 states on Original Sheet No. 94.8: “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.” While our order establishing the EBA provides for an interim rate process, that process has been challenged in Docket No. 12-035-67, the Company’s initial application to recover an EBA balance. Parties are currently preparing legal briefs on various issues that have been raised. In accepting proposed Schedule 94 with the quoted language, we do not express a decision on the questions that have been raised regarding the propriety and content of an EBA interim rates process. Rather, we accept the Schedule 94 language subject to our future order in Docket No. 12-035-67.

Similarly, in an order issued June 12, 2012, in Docket No. 12-035-67, the

Commission stated:

We recognize UIEC could have raised at several earlier stages its objections to the interim rates process described in our order establishing the EBA. We conclude, nevertheless, under the current circumstances the best course is to evaluate fully UIEC’s objections before ruling on the Company’s request to recover EBAC through interim rates. As the parties well know, the EBA is a pilot program, and this Application is the first instance of its operation. Since inception of the EBA pilot, we have noted on several occasions that various associated administrative procedures would be developed during the course of the pilot, as the Commission and parties gain experience with this rate making mechanism. We therefore take this opportunity to examine and further refine the process leading to EBA-related rate adjustments. Following our review of the briefs, we will provide additional guidance regarding the Company’s request to recover fourth quarter 2011 EBAC.

Consistent with the foregoing statements, the Commission affirms its intent to re-assess the procedural requirements for recovery of deferred EBAC. As noted in our June 12, 2012 order, we will provide additional guidance following our review of the briefs submitted by parties addressing the interim rates process.¹ Through this course of action, the Commission will

¹ The final round of briefing concluded June 13, 2012.

DOCKET NOS. 12-035-67 AND 11-035-T10

- 3 -

clarify the procedural requirements UIEC questions. Accordingly, we do not address the petition for review or rehearing UIEC presents in the alternative.

DATED at Salt Lake City, Utah this 18th day of June, 2012.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#228039

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 18th day of June, 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)
PacifiCorp

Gary A Dodge (gdodge@hjdllaw.com)
Hatch, James & Dodge

Kevin Higgins (khiggins@energystrat.com)
Neal Townsend (ntownsend@energystrat.com)
Energy Strategies

F. Robert Reeder (bobreeder@parsonsbehle.com)
William J. Evans (bevans@parsonsbehle.com)
Vicki M. Baldwin (vbaldwin@parsonsbehle.com)
Parsons Behle & Latimer

Mark C. Moench (mark.moench@pacificorp.com)
David L. Taylor (dave.taylor@pacificorp.com)
Yvonne R. Hogle (yvonne.hogle@pacificorp.com)
Rocky Mountain Power

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant