



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Dave Thompson, Technical Consultant

Joni Zenger, Technical Consultant

Date: May 16, 2012

Re: Docket No. 12-035-79, Application of Rocky Mountain Power for an Accounting Order to Defer the Costs Related to the Decommissioning of the Carbon Plant—Division's Request for a Scheduling Conference

RECOMMENDATION

The Division recommends that the Commission notice a scheduling conference in the referenced matter as soon as practicable.

ISSUE AND DISCUSSION

Rocky Mountain Power (Company) has requested that the Utah Public Service Commission (Commission) approve its Application for an Accounting Order to Defer the Costs Related to the Decommissioning of the Carbon Plant (Application). The Company filed its Application on May 1, 2012. On May 7, 2012, the Commission issued an Action Request to the Division requesting an explanation and statement of the issues to be addressed. The Action Request is due on June 6, 2012.

The Company's Application specifically seeks approval to transfer the remaining plant balances (approximately \$55 million) from electric plant in service, FERC Account 101, and accumulated depreciation, FERC Account 108, to establish a regulatory asset in other regulatory assets, FERC Account 182.3. The Company also seeks approval to begin amortizing the new regulatory asset as of the transfer date, 2015, over the remaining depreciable life of the plant, 2020.

The Company's Application indicates that although the Company continues to assess alternatives for the Carbon Plant it does not anticipate finding a least cost/risk solution other than closing the plant. The Company's Application, however, indicates that closing the plant may pose transmission system issues for which an extension to the closing date may be necessary. Given the uncertainty of the exact timing of the closing, the Division believes preliminarily that the Company's Application may be premature. Therefore, the Division requests that the Commission notice a scheduling conference to allow the Division (and possibly other interested parties) sufficient time to establish and investigate the issues posed by the Company's Application. The division will complete its investigation according to the established schedule.

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