



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 Thomson, Technical Consultant

Joni Zenger, Technical Consultant

Date: May 16, 2012

Re: Docket No. 12-035-80, Application of Rocky Mountain Power for a Deferred Accounting Regarding Cost Incurred for Naughton Unit 3—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

On May 3, 2012, Rocky Mountain Power (Company) filed an application with the Public Service Commission (Commission) seeking approval of a request to "record a regulatory asset associated with the development, design, engineering and initial procurement costs incurred to meet state and federal emission requirements at its Naughton Unit 3 plant, including costs associated with a selective catalytic reduction system (SCR), a pulse jet fabric filter system (PJFF), and related environmental upgrades." (Application)

On May 8, 2012 the Commission issued an Action Request to the Division seeking an explanation and statement of issues to be addressed. The Action Request is due on June 7, 2012.

The Company's Application only seeks to establish a regulatory asset by transferring the costs, approximately \$7.9 million, from FERC Account 107 (Construction Work in Progress) to FERC Account 182.3 (Other Regulatory Assets). Cost recovery, according to the Company's Application, would be addressed in a future rate case.

The Company's Application indicates that its compliance planning activities are detailed in an application filed with the Wyoming Public Service Commission, Docket No. 20000-400-EA-11. Other pertinent information not included with the Company's Application may also be available through Wyoming proceedings. Therefore, to allow the Division (and possibly other interested parties) sufficient time for to develop and investigate the issues present by the Company's Application, the Division requests that the Commission notice a scheduling conference as soon as practicable. The Division will participate and conclude its investigation according to any established schedule.

CC Dave Taylor, Rocky Mountain Power

Michele Beck, Office of Consumer Services