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# State of Utah Department of Commerce Division of Public Utilities

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## ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Manager, Energy Section  
David Thomson, Technical Consultant

Subject: Docket No. 13-035-02. Rocky Mountain Power's 2018 Depreciation Rate Change Compliance Filing. In the matter of the Application of Rocky Mountain Power for Authority to Change its Depreciation Rates Effective January 1, 2014.

Date: April 2, 2018

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### RECOMMENDATION

The Division of Public Utilities ("Division") recommends that the Public Service Commission ("Commission") acknowledge that the depreciation rate change compliance filing provided to the Commission on March 1, 2018, satisfies the Commission accepted reporting system.

### BACKGROUND

Per paragraph 30 of the settlement stipulation in Docket No. 13-035-02, Rocky Mountain Power ("Company") filed a letter with the Commission dated December 20, 2013. In that letter the Company proposed a reporting system that provided information regarding three scenarios that the Company identified as having significant implications on the Company's depreciation expense. The information would be filed by letter to the Commission on or before March 1 of every year. On January 7, 2014, the Commission issued a notice of filing and comment period specifying that any interested party may submit comments on the Company's proposal on or before Friday,

January 24, 2014, and reply comments by February 14, 2014. The Commission received no comments on the Company's proposal.

On March 5, 2014 in a letter to the Company, the Commission acknowledged that the Company's proposed reporting system was compliant with paragraph 30 of the settlement stipulation approved in Docket No. 13-035-02.

Using the acknowledged reporting system, the Company has made filings dated February 27, 2014; February 27, 2015; March 4, 2016; March 1, 2017 and March 1, 2018.

### **COMMENTS**

The Division has reviewed the latest filing dated March 1, 2018, per a Commission Action Request dated March 1, 2018. The Division's recommendation is due April 2, 2018. In compliance with the established reporting system, the Company provided information under the three accepted reporting scenarios, which are: (1) any proposed early steam generation unit retirement; (2) major steam plant capital additions over \$100 million that impact the depreciation of the unit; and (3) any completed external studies regarding plant decommissioning that result in significant changes (a change of 25 percent) to the amount previously projected in the last approved depreciation rates.

After reviewing the filing the Division believes it complies with the Commission acknowledged reporting requirements and is consistent with prior year filings.

### **CONCLUSION**

The Division recommends the Commission approve the compliance filing as filed by the Company.

cc: Michele Beck, Office of Consumer Services  
Joelle Steward, Rocky Mountain Power  
Jana Saba, Rocky Mountain Power