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Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Jeff Einfeldt, Utility Technical Consultant

Date: March 16, 2020

Re: **Docket No. 13-035-02**, Rocky Mountain Power's Annual Depreciation Rate Change Compliance Filing for 2020.

Recommendation (Acknowledge)

The Division of Public Utilities ("Division") recommends the Public Service Commission ("Commission") acknowledge Rocky Mountain Power's ("RMP") annual depreciation rate change compliance filing.

Background

Pursuant to paragraph 30 of the settlement stipulation in Docket No. 13-035-02, RMP filed a letter with the Commission dated December 20, 2013 proposing a reporting mechanism to provide information that may have significant implications to RMP's depreciation expense. This information is organized into three general areas and is to be filed with the Commission no later than March 1 of each year.

In compliance with the approved reporting mechanism, the Company filed on February 21, 2020.

Comments

The Commission issued an action request dated February 24, 2020 requesting the Division review the current filing, with the Division's recommendation due by March 23, 2020. In compliance with the approved reporting mechanism, RMP provided information for the following three specified reporting areas: (1) any proposed early steam/gas/wind generation unit retirement; (2) major steam/gas/wind 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.

Early Generation Unit Retirements

RMP plans to retire Cholla Unit 4 by December 31, 2020 and will propose ratemaking treatment for unrecovered plant balances and other costs in its 2020 general rate case. RMP anticipates no changes for gas or wind generation units from those reported in 2019.

Major Capital Additions to Generation Assets Greater than \$100 million

RMP lists no major steam or gas plant capital additions for the current reporting period. The Division is aware that RMP is completing construction and integration of repowered wind generation assets approved in Docket No. 17-035-39, and new wind generation assets approved in Docket No. 17-035-40. This activity was reported in prior years.

Completed External Studies Regarding Plant Decommissioning

A decommissioning study was recently completed on behalf of RMP and was filed on January 16, 2020 as part of the current Depreciation Docket No. 18-035-36. This study is currently being analyzed by interested parties and intervenors to the Depreciation Docket and will continue to be analyzed as part of the next general rate case anticipated to be filed in May, 2020.

After reviewing RMP's filing of the above information on February 21, 2020, the Division believes it complies with the Commission approved reporting requirements and is consistent with prior year filings.

Conclusion

The Division recommends the Commission acknowledge the Company's compliance filing dated February 21, 2020.

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