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Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR AUTHORITY) Docket No. 13-035-____
TO REVISE RATES IN TARIFF SCHEDULE 98,)
RENEWABLE ENERGY CREDITS BALANCING)
ACCOUNT)

**APPLICATION TO REVISE RATES IN TARIFF SCHEDULE 98, RENEWABLE
ENERGY CREDITS BALANCING ACCOUNT**

Comes now Rocky Mountain Power (“Rocky Mountain Power” or the “Company”), with an Application to the Public Service Commission of Utah (“Commission”) respectfully requesting an Order approving a rate change in the Renewable Energy Credits Balancing Account (“RBA”), tariff Schedule 98, pursuant to the terms and conditions of the tariff. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a regulated public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company provides retail electric service to over 830,000 customers

and has approximately 2,400 employees in Utah. Rocky Mountain Power's principal place of business in Utah is 201 South Main, Suite 2300, Salt Lake City, Utah 84111.

3. Communications regarding this filing should be addressed to:

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201 South Main Street, Suite 2300
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In addition, Rocky Mountain Power requests that all data requests regarding this Application be sent in Microsoft Word or plain text format to the following:

By email (preferred):
datarequest@pacificorp.com
dave.taylor@pacificorp.com

By regular mail:
Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to Dave Taylor at (801) 220-2923.

4. Tariff Schedule 98, approved by the Commission in an order issued in Docket No. 10-035-124, tracks the difference between REC revenues included in rates and actual REC revenues collected from the sale of RECs by the Company.

5. The variances between REC revenues included in rates and actual REC revenues collected are identified and deferred each month for one full calendar year.

6. Annually on March 15, an RBA application is filed to present the variances, including applicable carrying charges, with a 100 percent true-up for the difference between the amounts in rates and actual sales occurring through Tariff Schedule 98.

7. The collection or credit under Tariff Schedule 98 is to be made annually, effective June 1.

8. In this RBA filing, the deferral period was January 1, 2012 through December 31, 2012 (“Deferral Period”). The Company calculated a \$3.3 million deferral balance (“Total Deferred Balance”) to be credited to customers.

9. In support of this Application, the Company has provided the testimony and exhibits of Ms. Stacey J. Kusters, Director of Origination, Mr. Steven R. McDougal, Director of Revenue Requirements, and Ms. Joelle R. Steward, Director of Pricing, Cost of Service, and Regulatory Operations. Ms. Kusters’ testimony addresses the historical REC sales that will be used in the calculation to set the Tariff Schedule 98 credit. Mr. McDougal’s testimony addresses the allocation of total Company sales to Utah and the calculation of the deferral component to true-up calendar year 2012 REC sales. Ms. Steward’s testimony addresses the Company’s proposed REC revenue spread and REC rates in this case.

10. Ms. Kusters’ direct testimony, **Confidential Exhibit RMP___(SJK-1)**, presents the total Company REC revenues received for calendar year 2012. In her **Confidential Exhibit RMP___(SJK-2)**, Ms. Kusters provides total Company REC sales by entity, price tag, resource and vintage during the Deferral Period, with the exception of November and December 2012. Although total Company REC sales are final, the allocation of REC revenue among the Company’s jurisdictions depends on the resources to which the REC sales are attributed. This assignment of Company resources to RECs sold occurs after the fact, once output from Company

facilities is known and as various REC sales contracts are settled. Although total REC revenue for calendar year 2012 is known, at the time of this filing the assignment of RECs sold to individual resources in November and December 2012 was estimated since the details are not finalized. The difference between estimated and actual amounts will have a minimal impact on the Utah allocated amount, and the Company will account for such amounts in the next RBA filing.

11. Mr. McDougal's direct testimony, **Exhibit RMP___(SRM-1)**, shows a table summarizing the Total Deferred Balance in the RBA of approximately \$3.3 million.

12. **Confidential Exhibit RMP___(SRM-2)** shows the beginning deferred balance of the RBA in January 1, 2012 of \$24.1 million which was rolled over from the December 31, 2011.

13. The actual REC sales revenue received by the Company during the 2012 Deferral Period was approximately [REDACTED] million on a total Company basis, or \$47.8 million on a Utah-allocated basis, as illustrated in **Confidential Exhibit RMP___(SRM-2)**, line 3.

14. The vast majority [REDACTED] of the REC revenue in base rates during 2012 was generated from three existing contracts as specifically set forth in Ms. Kuster's direct testimony. The remaining REC revenue was generated through the sale of [REDACTED] million RECs at an average price of [REDACTED] per REC.

15. The amount of REC revenues in rates for January 1, 2012 through October 11, 2012 is consistent with the stipulated amount in the settlement stipulation in Docket No. 10-035-14 for a total amount of approximately \$39.7 million, on a Utah-allocated basis, reflected as a monthly amount of REC revenues from January 1, 2012 through October 11, 2012 in **Confidential Exhibit RMP___(SRM-2)** on line 4.

16. The amount of REC revenues in rates for October 12, 2012 through December 31, 2012 is consistent with the stipulated amount in Docket No. 11-035-200 (“2012 GRC”) for a total of amount of approximately \$5.5 million, on a Utah-allocated basis, reflected as a monthly amount of REC revenues from October 11, 2012 through December 31, 2012 in **Confidential Exhibit RMP___(SRM-2)** on line 5. The total amount of REC revenues in base rates for 2012 are approximately \$45.2 million, shown in the total column **Confidential Exhibit RMP___(SRM-2)** on line 6.

17. The Company included approximately \$22.1 million in surcredits in customer bills through Schedule 98 during calendar year 2012. Included in this amount is the 2012 RBA \$4 million surcredit, which reset the RBA rate on June 1, 2012. The amount is reflected in **Confidential Exhibit RMP___(SRM-2)** on line 7.

18. The estimated Schedule 98 surcredit, for the period beginning January 1, 2013 through May 31, 2013 is estimated to be approximately \$1.9 million, shown in **Confidential Exhibit RMP___(SRM-2)** on line 14, in the total column. This represents an estimate of the surcredits that will be returned to customers during January through May 2013 as a result of the 2012 RBA application. With the exception of January 2013, the monthly amounts shown in **Confidential Exhibit RMP___(SRM-2)** on line 14 are estimated. The Company will update the February through May 2013 collections in its 2014 RBA filing.

19. The Company included approximately \$0.5 million of carrying charges for calendar year 2012 at the Company’s most recently approved cost of debt, shown in **Confidential Exhibit RMP___(SRM-2)** on line 12, and estimated carrying charges from January 1, 2013 through May 31, 2013 in the amount of approximately \$94,000, also shown in **Confidential Exhibit RMP___(SRM-2)** on line 17.

20. The Total Deferred Balance to be credited to customers through Schedule 98 is approximately \$3.3 million shown in **Confidential Exhibit RMP___(SRM-2)** on line 12.

21. The Company has allocated the proposed approximate \$3.3 million RBA credit across customer classes consistent with the approved spread of REC revenues in 2012 GRC, which applies the proposed RBA credit as illustrated below:

Customer Class	Proposed Percentage
Residential	
Schedules 1, 2, 3	(0.19)%
General Service	
Schedule 23	(0.16)%
Schedule 6	(0.16)%
Schedule 8	(0.19)%
Schedule 9	(0.19)%
Irrigation	
Schedule 10	(0.19)%
Public Street and Area Lighting Schedules	
Schedules	
7, 11, 12	(0.05)%
Schedule 15	(0.14)%

On an overall basis, based on the forecast test period 12 months ending May 2013, this proposal would result in an overall credit of approximately 0.2 percent to tariff customers in Utah.

22. Ms. Steward's direct testimony, **Exhibit RMP___(JRS-1)**, contains the Company's proposed rate spread which follows the REC rate spread from the 2012 GRC as discussed above. **Exhibit RMP___(JRS-2)** contains the billing determinants and the calculations of the proposed REC rates in this case. **Exhibit RMP___(JRS-3)** contains the proposed rates for

Tariff Schedule 98. The current Schedule 98 rates will terminate on May 31, 2013, and the Tariff Schedule 98 rates will become effective on June 1, 2013.

23. Pursuant to the terms and conditions of the RBA, the rate effective date of the proposed rate credit of approximately \$3.3 million is June 1, 2013.

WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission approve the proposed rate credit of approximately \$3.3 million, effective on June 1, 2013.

DATED this 15th day of March, 2013.

Respectfully submitted,

ROCKY MOUNTAIN POWER

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