

Mark C. Moench (2284)  
Yvonne R. Hogle (7550)  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, UT 84111  
Tel. 801.220.4050  
Fax 801.220.3299  
[mark.moench@pacificorp.com](mailto:mark.moench@pacificorp.com)  
[yvonne.hogle@pacificorp.com](mailto:yvonne.hogle@pacificorp.com)

*Attorneys for Rocky Mountain Power*

In the Matter of the Application of Rocky Mountain Power for Approval of its Asset Transfer Agreement with the City of Blanding, Utah	DOCKET NO. 13-035-58 <b>RESPONSE OF ROCKY MOUNTAIN POWER TO PETITION FOR REVIEW OR REHEARING</b>
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PacifiCorp, doing business as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby responds to the Public Service Commission of Utah’s (“Commission”) Notice of Filing of Request for Review or Rehearing and Comment Period (“Notice”) issued in this docket on July 17, 2013. On July 12, 2013, Hal W. Palmer and Kammy L. Palmer (“Palmers”) sent an email to the Commission complaining about the transfer of their service to Blanding City. The Commission deemed this email as a petition for review or rehearing (“Petition”).

**BACKGROUND**

On March 28, 2013, Rocky Mountain Power entered into an Asset Transfer Agreement (“Agreement”) with Blanding City (“Blanding” or “City”) under which the Company would convey facilities to the City used by the Company to provide service to 35 customers. The customers referenced in the Agreement were located in the Company’s service territory and were served by the Company using facilities directly connected to the City’s distribution facilities.

The Agreement eliminated the need for a Load Service Requirements Contract between the Company and the City and provided for direct service to customers by the City.

On April 12, 2013, Rocky Mountain Power sent a letter to the 35 customers, attached as Exhibit A, that would be transferred to Blanding pursuant to the Agreement. The customers were told that before any transfer would take place, the Agreement had to be reviewed and approved by the Commission and that they could access information about the Agreement and comment on the proposal by reference to the Commission website, [www.psc.utah.gov/utilities/electric/dockets.html](http://www.psc.utah.gov/utilities/electric/dockets.html). The letter also referred the customers to Blanding's website, [www.blanding-ut.gov/services.electric.html](http://www.blanding-ut.gov/services.electric.html) for information about Blanding's rates and service. As a further source for information and questions about the Agreement, customers were given phone numbers and encouraged to call Bob Lively, Service Area Manager for Rocky Mountain Power, and Jeremy Redd, City Administrator for Blanding.

The Company and City filed their application for approval of the Agreement with the Commission on April 19, 2013. No customer requested intervention, raised questions or submitted comments during the Commission's evaluation of the Agreement. However, the Division of Public Utilities ("Division") reviewed the Agreement and conducted discovery regarding it.

Pursuant to the letter, six customers, including the Palmers, contacted the Company for information about the Agreement and about the proposed transfer of customers to the City. The customers generally expressed concern about the service they would receive from the City. The Company explained the reasons for the Agreement and encouraged the customers to contact the City to express their concerns and for additional information. The Company also reminded the

customers of their right to make their concerns known as part of the Commission's review and approval process.

On June 11, 2013, the Division submitted comments to the Commission recommending approval of the application. Given that no opposition had been expressed regarding the application, the fact that the Division recommended approval and based on the facts asserted in the application, the Commission issued its Order Approving Asset Transfer Agreement ("Order") on June 12, 2013.

Following issuance of the Order, the Company sent further correspondence to the 35 customers, attached as Exhibit B, informing them that the Agreement had been approved and that their service would be transferred to the City as provided in the Agreement. In addition, on June 12, 2013, the Palmers contacted the Company inquiring about the bill impact they could expect resulting from the transfer of electric service to Blanding. In response, the Palmers were provided with their Rocky Mountain Power billings for 2012 and monthly energy consumption to be used to calculate a comparison between Rocky Mountain Power billings and expected billings under Blanding rates based on past consumption patterns. The Palmers were encouraged to request that Blanding perform an estimated billing calculation using their 2012 monthly usage.

### **PETITION**

On July 12, 2013, the Palmers sent an email to the Commission complaining about the transfer of their service to the City. The Petition recited some of the foregoing facts colored by the Palmers' perspective. The Petition complained that the website provided to the Palmers "had no information on it at the time." The Petition complained that the "proposed action to transfer electric service was thrust upon [the Palmers] with a bare minimum of contact with customers and without consideration of customer concern." The Petition also complained that the Palmers

would be “paying much higher bills when [they] are transferred to the [C]ity.” The Petition attributed this to the fact that the Company has seasonal rates, but the City does not.

### **RESPONSE**

The Company’s position is that the notice it provided to customers in this circumstance was reasonable and accurate. The Company has confirmed the accuracy of the website references provided for both the City and the Commission in the initial letter. While it appears that since the April 12, 2013 letter was sent to customers prior to the filing for Commission approval of the Agreement some may have accessed the Commission website before the Blanding docket had been posted. However, once the docket had been posted they could have accessed the appropriate information about the application and Agreement. Beyond that, customers were provided with telephone numbers and contacts at both the City and Company and were encouraged to call if they had questions about this matter.

Given that the Company informed the customers about how they could gain information about the Commission proceeding and participate in it in writing in the letter and orally in the phone conversation, there does not appear to be any reasonable excuse for the Palmers not raising their issues regarding the Agreement in a timely manner.

The Company anticipates that some customers may receive bill increases and some customers may receive bill decreases under Blanding rates based on their individual consumption patterns. It appears, based on the Company’s understanding of the City rates, that the Palmers will receive a bill increase as a result of the transfer and assuming that past consumption patterns continue in the future. However, the Company understands that the bill increase will be relatively small and that other customers will receive bill decreases if their past consumption patterns continue in the future.

While bill increases for some customers may be an unfortunate result of customer transfers, the justification for the transfer as outlined in the Company's application remains valid. Specifically, as stated in the application, the transfer eliminates the need for an inefficient Load Service Requirements Contract between the Company and the City and provides for direct service and outage response from the City to the customers. Additionally, the transfer will improve efficiency by creating a more straightforward division between areas served by the City and areas served by Rocky Mountain Power. Customers will further benefit from more clarity about which company provides electric service in areas surrounding the City.

### **CONCLUSION**

The Petition offers no reasonable basis for the failure of the Palmers to raise their concerns with the Commission prior to the issuance of the Order. Furthermore, the basis for the Petition that the Palmers may see higher power bills in the future if their past consumption patterns continue, does not outweigh the benefits provided by the Agreement. For example, the elimination of an unusual and inefficient situation in which the Company provided service to the affected customers through facilities connected to City facilities under an inefficient Load Service Requirements Contract. For these reasons the Commission should deny the Petition.

DATED: July 26, 2013.

RESPECTFULLY SUBMITTED,

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Mark C. Moench  
Yvonne R. Hogle  
Rocky Mountain Power

*Attorneys for Rocky Mountain Power*