

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power's)
Proposed Rate Changes to Electric Service) DOCKET NO. 13-035-T09
Schedule No. 37, Avoided Cost Purchases)
from Qualifying Facilities) ORDER

ISSUED: June 28, 2013

By The Commission:

On May 31, 2013, PacifiCorp, dba Rocky Mountain Power ("Company"), filed proposed changes to Electric Service Schedule No. 37, "Avoided Cost Purchases from Qualifying Facilities" ("Schedule 37"), of Tariff P.S.C.U. No. 49. This tariff modification goes into effect on July 1, 2013, unless suspended by the Commission.

On June 7, 2013, the Commission requested the Utah Division of Public Utilities ("Division") to investigate and review the proposed changes. On June 12, 2013, the Commission issued a notice of filing and comment period with initial comments due June 24, 2013, and reply comments due June 27, 2013.

On June 24, 2013, the Division filed comments recommending the Commission approve the Company's proposed changes to Schedule 37 rates conditional upon the Company: (1) adjusting the percentage split between on-peak hours and off-peak hours from 57 percent and 43 percent to 56 percent and 44 percent, respectively; and (2) correcting capacity contributions from gas-fired resources mistakenly excluded from 2015 through the end of the study period. On June 24, 2013, the Company submitted an updated filing of its original Schedule 37 filing ("Amended Filing") to include the changes recommended by the Division.

We commend the Division for its prompt review and the Company for its timely response to the Division's concerns. Upon reviewing the Amended Filing, however, the

Commission has questions regarding the Division's rationale for changing the on-peak and off-peak hour split and therefore suspends the Company's Schedule 37 filing at this time. We recognize changing the split between on-peak and off-peak hours will impact plant capacity factors, along with estimated capacity costs allocated to on-peak hours. Although the Division's recommendation to revise the on-peak, off-hour split appears to be reasonable, we direct the Company to provide an explanation by July 8, 2013 of the origins of the previous 57 percent/43 percent on-peak, off-peak hour split which has been in place for some time, to explain how this split has changed over time, and to justify their acceptance of the Division's recommendation on this issue.

The Commission also has questions regarding the observed on-peak and off-peak average energy costs included in Appendix 1, Table 2 of the Amended Filing. Specifically, we note the differences in the Table 2 on-peak average energy costs appear to be due to the Company's correction of now including capacity contributions from gas-fired resources beginning in year 2015, as described above. We note, however, that on-peak average energy avoided costs for years 2013 and 2014 are identical to those included in the original filing. We also note that all off-peak average energy costs for years 2013 through 2023 appear to be identical to those included in the Company's original filing. As such, we question why these costs would remain the same when the percentage split between on-peak hours and off-peak hours has been adjusted to 56 percent and 44 percent, respectively. To that end, we direct the Company to verify these costs are consistent with the proposed on-peak, off-peak hour adjustment by July 8, 2013. We also direct the Company to verify the GRID model is utilizing the proposed 56 percent/44 percent split by the same date.

DOCKET NO. 13-035-T09

- 3 -

Given the questions raised by the Commission herein, parties may file comments on the Amended Filing and the Company's July 8, 2013, responses by July 11, 2013. The Commission acknowledges that parties throughout the state rely on Schedule 37 pricing and will therefore endeavor to reach a decision on this matter as expeditiously as possible.

ORDER

Pursuant to the foregoing discussion, findings and conclusions made herein, we

ORDER:

1. The proposed Schedule 37 tariff filing is suspended pending further order of the Commission.
2. The Company shall provide a response to the issues identified herein by Monday, July 8, 2013.
3. Parties may file comments to the Company's Amended Filing and July 8, 2013, response by Monday, July 15, 2013.

DATED at Salt Lake City, Utah, this 28th day of June, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary

D#245217

DOCKET NO. 13-035-T09

- 4 -

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 28th day of June, 2013, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Dave Taylor (dave.taylor@pacificorp.com)
Rocky Mountain Power

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, UT 84111

Office of Consumer Services
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Administrative Assistant