



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Abdinasir M. Abdulle, Technical Consultant
Charles Peterson, Technical Consultant

Date: July 15, 2013

Re: 13-035-T09, Schedule 37 Avoided Cost Purchases from QFs

RECOMMENDATION (Approve)

The Division of Public Utilities (“Division”) has reviewed the Rocky Mountain Power’s (“Company”) Rocky Mountain Power’s (“Company”) revisions to its proposed update to Schedule 37 for qualifying facilities that was filed with the Public Service Commission (“Commission”) on June 24, 2013 along with the Company’s responses to the Commission’s questions filed on July 8, 2013. The Division recommends that the Commission approve the Company’s filing as in compliance with the Commission Orders in Docket Nos. 08-035-78 and 12-035-T10

ISSUE

In compliance with Commission Orders in Docket No. 08-035-78, dated February 12, 2009, and 12-035-T10, dated November 28, 2012, on May 31, 2013 the Company made

its annual filing of Schedule 37 for purchases from small qualifying facilities. On June 7, 2013, the Commission issued an Action Request to the Division requesting an investigation and to report back by June 24, 2013. The Division responded to the action request on June 24, 2013, recommending conditional approval subject to the Company filing revisions described in the Division's memorandum. The Company filed the discussed revisions on June 24, 2013. On June 28, 2013, the Commission issued an Order requesting that the Company answer certain questions posed by the Commission. The Company filed its response to those questions on June 8, 2013, pursuant to the Commission's Order. The Division is filing this memorandum pursuant to the Commission's June 28, 2013 Order

DISCUSSION

The Division has reviewed the Company's June 24, 2013 revised filing. The Division believes that the Company's June 24, 2013 filing satisfies the concerns raised in the Division's June 24, 2013 memorandum. The Division recommends that the Commission approve the Company's update to Schedule 37 as reflected in the Company's June 24, 2013 revised filing.

The Division also reviewed the Company's response to the Commission's questions and sought clarification for the Company's response to item number 4. In that response, the Company stated that "Changing the on- and off-peak hour percentage impacted the final avoided cost price in Table 2 of the Company's Amended Filing by \$0.02 per MWh or less annually due to rounding off the CCCT on-peak capacity factor calculation." The Division understands that the \$0.02 per MWh refers to the effects, due to rounding, of the change from 57 percent peak load time percentage to 56 percent. The substantive changes in the corrected filing on June 24 are due to the Company's correction of reported natural gas plant capacity, as described in the Division's June 24, 2013 memorandum. As stated above, the Division believes the revised filing addresses the Division's concerns.

CONCLUSION

The Division recommends that the Commission approve the Company's Schedule 37 update as revised.

CC: Dave Taylor, RMP
Michele Beck, OCS