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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF UTAH**

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In the Matter of Rocky Mountain Power's  
Proposed Electric Service Schedule No. 32,  
Service from Renewable Energy Facilities

Docket No. 14-035-T02

POST-HEARING BRIEF OF  
WAL-MART STORES, INC. AND  
SAM'S WEST, INC.

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Wal-Mart Stores, Inc. and Sam's West, Inc. (collectively, "Walmart"), by and through its undersigned counsel and pursuant to Rule 746-100-7 of the Public Service Commission's ("Commission") Rules of Practice and Procedure and the Provisions of the Utah Code Ann. §§ 63-46-b-9 and 63G-4-207, hereby submits this post-hearing brief addressing legal issues in Docket No. 14-035-T02, regarding Rocky Mountain Power's d/b/a PacifiCorp ("RMP") propose Electric Service Schedule No. 32 ("Schedule 32"), Service from Renewable Energy Facilities.

**Background**

On April 25, 2014, RMP filed Advice No. 14-02, requesting approval of Schedule 32, which proposes prices for services required to facilitate renewable energy contracts and includes the conditions that a customer must meet to be eligible for Utah Senate Bill 12 that was passed during the 2012 Utah legislative session.

Walmart is a large retailer with 70 facilities and over 16,000 associates in Utah, including Supercenters, Sam's Clubs, distribution centers, and gas stations. Fifty-five of these facilities take electric service from RMP. As a large commercial RMP customer with significant renewable energy goals and interest in potential opportunities made possible by Utah Senate Bill 12, Walmart moved to intervene and was granted intervention on August 26, 2014.

During the Commission's Hearing on December 9, 2014 (the "Commission Hearing"), the Commission requested further legal briefing on legal issues. Walmart supports most aspects of RMP's proposal, as described and refined in rebuttal testimony during the Commission Hearing for Schedule 32 rates and rate design. In particular, Walmart supports an administrative fee of \$260 per month, a customer charge based on the otherwise applicable full requirements schedule, elimination of the generation backup facilities charge and recovery of associated costs through on-peak shaping charges, and adoption of Schedule 32 rates for customers who would otherwise take service under Schedule 6.

Walmart appreciates RMP's willingness to work with the parties to develop reasonable Schedule 32 rates and rate design with respect to the issues discussed above. Walmart nonetheless submits comments regarding RMP's proposal to disaggregate monthly demand into daily power measurements and then further extended that by disaggregating them into hourly on-peak measurements and charges. Walmart has concerns that this proposal does not adequately set just and reasonable Schedule 32 rates because, among other things, under RMP's proposed peak day power charges, a Schedule 32 customer who delivers capacity for nearly all on-peak hours would get no demand credit if it required shaping power for even one fifteen-minute on-peak increment. This will result in an unreasonable result by measuring monthly demand based on the single highest 15-minute on-peak increment each month. To the contrary, the docket was intended to

determine appropriate Schedule 32 rates, rate design and measurements. Walmart believes the Commission can and should adopt a monthly demand measurement tailored to Schedule 32 to produce just and reasonable results for Schedule 32 and to properly implement the intent of “Senate Bill 12”. Walmart further believes that the UAE Intervention Group’s (“UAE”) proposal most reasonably and fairly addresses renewable energy contract costs.

### **Argument**

Utah Code Ann. § 54-7-805(3)(b) (“Senate Bill 12”) grants the Commission discretion to determine how: “a qualified utility that enters a renewable energy contract shall charge a contract customer for all metered electric service delivered to the contract customer, including generation, transmission, and distribution service, at the qualified utility’s applicable tariff rates, excluding...any kilowatts of electricity delivered from the renewable energy facility that coincide with the contract customer’s *monthly* metered kilowatt demand measurement.” Utah Code Ann. Section 54-17-805(3)(b) (emphasis added).

During the Commission Hearing, RMP’s witness, David L. Taylor, testified that “when customers provide a sum of their own energy requirements from their own generation resources, such as we have here in this tariff Schedule 32 or happens under our partial requirements tariff Schedule 31, again, we break that down to a daily rate.”<sup>1</sup> According to Mr. Taylor, RMP designed Schedule 32 so “if a customer requires the Company to provide the full-capacity requirement every day during the month, that customer would pay essentially the same in the combination of the delivery charge and the daily power charge as that customer would have paid for the demand component under the general service tariff.”<sup>2</sup> RMP’s proposal approximates

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<sup>1</sup> Commission Hearing Transcript at p. 24, lines 16-25 (David L. Taylor).

<sup>2</sup> *Id.* at p. 25, lines 14-21.

what a Schedule 32 customer would pay if it were a regular customer of another schedule for those periods when its off-site generation is not available and fails to credit a Schedule 32 customer who delivers solar capacity for most on-peak hours, essentially disallowing capacity credit if RMP provides shaping power for any one fifteen-minute increment during any on-peak hour each day.

To the contrary, Senate Bill 12 concerns customers who want to receive a greater portion of their electricity services from *off-site* renewable energy facilities and so *cause additional renewable energy* facilities to be installed and interconnected with Rocky Mountain Power's system, so that renewable electricity can be *delivered*, via the utility's transmission and distribution systems, from the new renewable facilities to the contract customers. Accordingly, Senate Bill 12 requires that these customers bear the "reasonably identifiable costs" associated with service under the statute and that specific costs be excluded from contract customers' utility charges, including charges for "any kilowatts of electricity delivered from the renewable energy facility that coincide with the contract customer's monthly metered kilowatt demand measurement."

The Commission has discretion to define "monthly metered kW demand measurement" for Schedule 32 in the underlying docket because the tariff does not yet exist and nothing in Senate Bill 12 mandates the manner in which the tariff rates will be determined, or more, how the "monthly metered kilowatt demand" should be charged. Instead, there is only a requirement that kilowatts of demand delivered by the Schedule 32 customer be excluded from the customer's applicable tariff charge, based on the "monthly metered kilowatt demand measurement" the Commission may adopt as just and reasonable. As RMP has departed from a simple tariff that relies on a single definition of billing demand, the Commission has the

opportunity to implement one here. It would not be inconsistent with current utility or Commission practice to take the purpose, type or objective of the rate schedule into account in establishing billing demand for a unique type of partial requirements customer.

Walmart believes that UAE's proposal, as described in its Post-Trial Brief and at the Commission Hearing, to use on-peak hours for measuring monthly metered demand is consistent with Senate Bill 12, particularly because Senate Bill 12 does not state or imply that a single monthly demand measurement point must be used for Schedule 32 partial-requirement customers. To the contrary, UAE's proposal provides Schedule 32 customers with pro rata credits for self-supplied renewable capacity during on-peak hours, while fully charging for demand costs in all on-peak hours when RMP is relied upon, thereby striking a fair and reasonable balance between Schedule 32 customers and RMP's other customers.

For the reasons discussed above, Walmart recommends that the Commission adopt UAE's proposal as described in its testimony and Post-Hearing Brief, which Walmart believes comports most closely with Senate Bill 12.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 16<sup>th</sup> day of January, 2014, a true and correct copy of the above and foregoing **POST-HEARING BRIEF OF WAL-MART STORES, INC. AND SAM'S WEST, INC.** was served upon the following as indicated below:

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