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March 30, 2017

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84111

Attention: Gary Widerburg
Commission Secretary

Re: Technical Workshop on Rocky Mountain Power's Reliability Baseline Indices
Docket No. 15-035-72

In its July 5, 2016 Order in the above-referenced docket the Public Service Commission of Utah ("Commission") directed the Division of Public Utilities ("DPU") and Rocky Mountain Power ("Company") to convene a technical workshop to address reliability indices, baselines and other related issues. Accordingly, a technical workshop was held on September 27, 2016. In its November 7, 2016 memorandum recommending approval of revised SAIDI and SAIFI reliability baseline indices discussed in the workshop, the DPU noted that the Company intended to propose a replacement process for the current Worst Performing Circuit ("WPC") process. Under the current WPC process the Company annually selects the five worst performing circuits based on a circuit performance index ("CPI") score, which uses a weighting of values of sustained outages, momentary outages, and breaker operations. The current standard is to improve the CPI score by 20 percent within five years. In reply comments dated December 1, 2016, the Company clarified its intent to work with the DPU, the Commission, and stakeholders to propose modifications to the the WPC process, anticipating a filing for that purpose during the first quarter of 2017. Accordingly, on March 16, 2017 the Company met with the DPU and representatives of the Office of Consumer Services to review the Open Reliability and Reporting ("ORR") process. The Company now proposes to replace the WPC process with the ORR, as described herein.

The ORR process shifts the Company's reliability program from a circuit-based view, reliant on blended reliability metrics (using circuit SAIDI, SAIFI and MAIFI), to a more strategic and targeted approach based upon recent trends in local area performance, as measured by customer minutes interrupted (from which SAIDI is derived). The decision to fund one performance improvement project versus another is based on cost effectiveness as measured by the cost per avoided annual customer minute interrupted. However, the cost effectiveness measure will not limit funding of improvement projects in areas of low customer density where cost effectiveness per customer may not be as high as projects in more densely populated areas.

As the Company has evaluated outage data, and as the outage analysis and monitoring processes it has developed, it found the WPC program was not aligned with the targeted method of improving reliability and recognized better cost effectiveness could be achieved for system reliability improvement. As a result the Company developed the the ORR process.

On a daily basis the Company systems alert operations and engineering team members about outages experienced at interrupting devices (circuit breakers, line reclosers and fuses). Repetitive system alerts indicate that system improvements may be needed. On a routine basis, local operations and engineering team members review the performance of the network using geospatial and tabular tools to look for improved reliability opportunities. As system improvement projects are identified, estimates of reliability improvement and costs to deliver that improvement are prepared. If the project's cost effectiveness metrics are favorable, i.e. low cost and high avoidance of future customer minutes interrupted, the project is approved for funding and the forecast customer minutes interrupted are recorded for subsequent review. Upon completion of design work and construction, the project is identified for follow up review of effectiveness. One year after completion, routine assessments of performance are prepared. The table below contains a summary of performance for all reliability improvement projects by district. The Company proposes that this table replace the Company's current Worst Performing Circuit Report, contained in the Company's Service Quality Report.

Approval Metrics			Effectiveness Metrics					
District	Project count	Budgeted Cost/CML	Plans Meeting Goals (>1 year since project completion)	Estimated Avoided annual CML	Actual Avoided annual CML	Budgeted Cost per annual avoided CML	Actual Cost per annual avoided CML	Plans Not Meeting Goals (not included in metrics)
American Fork	8	\$1.05	4	207,684	269,466	\$0.59	\$0.15	0
Cedar City	2	\$4.76	1	79,853	114,614	\$2.41	\$1.18	1
Jordan Valley	17	\$0.60	8	317,521	541,182	\$0.89	\$0.57	1
Layton	4	\$0.63	2	30,998	38,747	\$3.15	\$2.38	1
Metro	16	\$0.38	10	2,619,725	4,422,054	\$0.34	\$0.19	0
Montpelier	1	\$0.75	0	-	-	\$0.00	\$0.00	0
Ogden	11	\$0.55	6	386,385	734,114	\$1.14	\$0.54	1
Park City	4	\$1.23	1	2,669	5,337	\$41.97	\$12.21	0
Price	6	\$0.23	3	127,794	137,091	\$0.67	\$0.94	0
Richfield	3	\$1.78	1	349	349	\$28.35	\$17.08	0
Smithfield	2	\$1.87	0	-	-	\$0.00	\$0.00	1
Tooele	4	\$0.42	3	158,168	236,569	\$1.24	\$0.49	0
Tremonton	2	\$3.08	1	58,070	105,495	\$2.58	\$0.59	0
Vernal	2	\$5.80	1	246	491	\$109.98	\$0.00	0
TOTAL	82	\$0.53	41	3,989,462	6,605,509	\$ 0.65	\$ 0.33	5

The Company has worked with regulators and other stakeholders over the years to align its reliability programs with the interests of its customers to improve service cost-effectiveness. Over these years the Company has demonstrated its effectiveness with prior filings, actual reliability results and technical workshops. The Company works hard to improve service reliability for its customers and expects that work to continue going forward. The Company appreciates the cooperation of regulators and interested parties in the process of developing fair and flexible reliability indices and baselines.

The Company respectfully requests that the Commission approve the ORR process described herein as a replacement for the current WPC process.

All formal correspondence and Staff requests regarding this filing should be addressed to:

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Informal questions should be directed to Bob Lively at (801) 220-4052.

Sincerely,


A handwritten signature in blue ink, appearing to read "Jeffrey K. Larsen".

Jeffrey K. Larsen
Vice President, Regulation

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of March 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

<u>Utah Office of Consumer Services</u> Cheryl Murray - cmurray@utah.gov Michele Beck - mbeck@utah.gov	
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