

R. Jeff Richards (7294)
Yvonne R. Hogle (7550)
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (801) 220-4050
Facsimile No. (801) 220-3299
E mail: yvonne.hogle@pacificorp.com

Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR AUTHORITY TO)
REVISE RATES IN TARIFF SCHEDULE 98,)
RENEWABLE ENERGY CREDITS BALANCING)
ACCOUNT)

Docket No. 16-035-____

**APPLICATION TO REVISE RATES IN TARIFF SCHEDULE 98, RENEWABLE
ENERGY CREDITS BALANCING ACCOUNT**

Comes now Rocky Mountain Power (“Rocky Mountain Power” or the “Company”), with an Application to the Public Service Commission of Utah (“Commission”) respectfully requesting an order approving a rate change in the Renewable Energy Credits Balancing Account (“RBA”), tariff Schedule 98, pursuant to the terms and conditions of the tariff. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a regulated public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company provides retail electric service to over 830,000 customers

and has approximately 2,400 employees in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116.

3. Communications regarding this filing should be addressed to:

Bob Lively
Utah Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
E-mail: bob.lively@pacificorp.com

Yvonne R. Hogle
Assistant General Counsel
Rocky Mountain Power
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
E-mail: yvonne.hogle@pacificorp.com

In addition, Rocky Mountain Power requests that all data requests regarding this Application be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com
bob.lively@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

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

4. Tariff Schedule 98, approved by the Commission in an order issued in Docket No. 10-035-124, tracks the difference between REC revenues included in base rates and actual REC revenues collected from the sale of RECs by the Company.

5. The variances between REC revenues included in rates and actual REC revenues collected are identified and deferred each month for one full calendar year.

6. Annually on March 15, an RBA application is filed to present the variances, including applicable carrying charges, with a true-up for the difference between the amounts in rates and actual sales occurring through Tariff Schedule 98.

7. The collection or credit under Tariff Schedule 98 is to be made annually, effective June 1.

8. In this RBA filing, the deferral period was January 1, 2015 through December 31, 2015 (“Deferral Period”). The Company calculated a deferral balance for the Deferral Period of approximately \$368 thousand owing to customers over the currently effective RBA rate, to be refunded to customers over a one year period beginning June 1, 2016 through May 31, 2017.

9. The Company is proposing to revise Tariff Schedule 98 by subtracting this credit of about \$368 thousand from the approved deferral balances remaining to be collected from Dockets No. 14-035-30 (“2014 RBA”) and No. 15-035-27 (“2015 RBA”), in the total amount of \$7.5 million. In total, the Company seeks to recover beginning June 1, 2016, approximately \$7.1 million. The net change in Schedule 98 is a decrease of \$1.3 million, or 0.07 percent. This net change is the difference between the current collection level of \$8.5 million and the new proposed collection level of \$7.1 million.

10. In support of this Application, the Company has provided the testimony and exhibits of Bruce W. Griswold, Director of Short-term Origination and Qualifying Facilities Contracts; Terrell H. Spackman, Manager of Revenue Requirements; and, Joelle R. Steward, Director, Rates and Regulatory Affairs. Mr. Griswold’s testimony addresses the historical REC sales that will be used in the calculation to set the Tariff Schedule 98 surcharge. Mr. Spackman’s testimony addresses the allocation of total Company sales to Utah and the calculation of the

deferral component to true-up calendar year 2015 REC sales. Ms. Steward will address the Company's proposed REC revenue spread and REC rates in this case.

11. In his direct testimony, **Confidential Exhibit RMP___(BWG-1)**, Mr. Griswold presents the total Company REC revenues received for calendar year 2015. In his **Confidential Exhibit RMP___(BWG-2)**, Mr. Griswold provides total Company REC sales by entity, price tag, resource and vintage during the Deferral Period, with the exception of November and December, 2015. Details are not provided for November and December 2015 because they are not yet known.

12. In his **Confidential Exhibit RMP___(BWG-3)**, Mr. Griswold provides a summary of RECs sold by entity, price tag, resource and vintage estimated for November and December, 2015. Although total Company REC sales are final, the allocation of REC revenue among the Company's jurisdictions depends on the resources to which the REC sales are attributed. This assignment of Company resources to RECs sold occurs after the fact, once output from Company facilities is known and as various REC sales contracts are settled. Although total REC revenue for calendar year 2015 is known, at the time of this filing the assignment of RECs sold to individual resources in November and December 2015 was estimated since the details are not finalized. The difference between estimated and actual amounts will have a minimal impact on the Utah allocated amount, and the Company will account for such amounts in the next RBA filing.

13. In his **Confidential Exhibit RMP___(BWG-4)**, Mr. Griswold provides the details of the final November and December 2014 actual REC revenue by resource, which the Company agreed to provide in the 2015 RBA proceeding.

14. Mr. Spackman's direct testimony, **Exhibit RMP___(THS-1)**, shows a table summarizing the deferred balance for the Deferral Period in the RBA of approximately \$368 thousand credit along with the calculation of the \$7.5 million remaining to be collected related to the 2014 and 2015 RBA proceedings.

15. **Exhibit RMP___(THS-1)** shows the beginning 2014 REC deferred balance in the RBA on January 1, 2015 of approximately \$13.6 million and the 2015 REC deferred balance in the RBA on January 1, 2015 of approximately \$5.5 million for a total of about \$19.1 million which was rolled over from the December 31, 2014 balance. This amount was adjusted by approximately \$35 to reflect the true-up after updated and finalized resource assignments for November and December 2014 became known.

16. The actual REC sales revenue received by the Company during the 2015 Deferral Period was approximately \$2.6 million on a Utah-allocated basis, as illustrated in **Exhibit RMP___(THS-2)**.

17. Pursuant to the settlement stipulation in Docket No. 11-035-200 ("2012 GRC Settlement Stipulation"), the Company is allowed to retain, as an incentive, 10 percent of the revenues obtained from sales of RECs incremental to the forecast REC revenue included in that case of \$25 million through May 31, 2013, and thereafter incremental to the revenues received under contracts entered into after July 1, 2012. All of the REC revenue booked in calendar year 2015 qualifies for the 10 percent incentive calculation. The Company calculated the incentive by taking 10 percent of the Utah allocated REC revenue, resulting in a \$261 thousand incentive amount, as shown in **Exhibit RMP___(THS-2)**.

18. The amount of REC revenues in base rates for January 1, 2015 through December 31, 2015 were set at \$2.0 million, on a Utah-allocated basis, consistent with the agreement in the

2014 GRC Settlement Stipulation, reflected as a monthly amount of REC revenues in the amount of \$167 thousand, as reflected in **Exhibit RMP___(THS-2)**.

19. The 2016 RBA credit balance of \$368 thousand includes approximately \$15 thousand of carrying charges at the Company's most recently approved cost of debt, shown in **Exhibits RMP___(THS-2) and RMP___(THS-3)**. The 2014 and 2015 RBA remaining balances of \$7.5 million include approximately \$119 thousand of carrying charges from January 1, 2015 through May 31, 2015, shown in **Exhibit RMP___(THS-2)**.

20. The deferred balance to be refunded to customers through Schedule 98 is approximately \$368 thousand shown in **Exhibit RMP___(THS-3)**.

21. The Company proposes to subtract this \$368 thousand credit from approved deferral balances remaining to be collected from the 2014 RBA and the 2015 RBA, in the collective amount of \$7.5 million, for a total collection of approximately \$7.1 million, shown in **Exhibit RMP___(JRS-1)**.

22. The estimated balance of the 2014 RBA and the 2015 RBA as of May 31, 2016 is about \$7.5 million. The Company proposes to spread this amount across customer classes proportionally based on the spread of the \$8.5 million approved in Docket No. 15-035-27. The Company proposes to allocate the 2015 deferral revenue across customer classes based on the rate spread approved in the rate cases where the corresponding Base RBA revenues were set, as specifically described in Ms. Steward's testimony.

Customer Class	Proposed Percentage
Residential	
Schedules 1, 2, 3	(0.08)%
General Service	
Schedule 23	(0.05)%
Schedule 6	(0.05)%
Schedule 8	(0.07)%
Schedule 9	(0.09)%
Irrigation	
Schedule 10	(0.08)%
Public Street and Area Lighting Schedules	
Schedules	
7, 11, 12	(0.02)%
Schedule 15	(0.04)%

23. Based on the forecast test period 12 months ending May 2016, this proposal would result in a net decrease in rates from the current surcharge of 0.07 percent.

24. Ms. Steward's direct testimony, **Exhibit RMP__(JRS-1)**, contains the Company's proposed rate spread, which follows two different spreads. **Exhibit RMP__(JRS-2)** contains the billing determinants and the calculations of the proposed REC rates in this case. **Exhibit RMP__(JRS-3)** contains the proposed rates for Tariff Schedule 98. The current Schedule 98 rates will terminate on May 31, 2016, and the new Tariff Schedule 98 rates will become effective on June 1, 2016.

25. Pursuant to the terms and conditions of the RBA, the rate effective date of new rates in the amount of \$7.1 million is June 1, 2016.

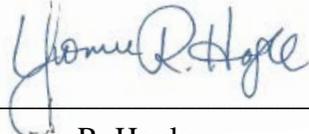
WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission approve the refund of the deferral balance for the Deferral Period of approximately

\$368 thousand, to be credited to customers, resulting in a net surcharge to customers of \$7.1 million, effective on June 1, 2016.

DATED this 15th day of March, 2016.

Respectfully submitted,

ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Yvonne R. Hogle". The signature is written in a cursive style and is positioned above a horizontal line.

Yvonne R. Hogle
Assistant General Counsel
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Rocky Mountain Power
yvonne.hogle@pacificorp.com