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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: August 4, 2016

Subject: Office of Consumer Services' Comments and Response to the Division of Public Utilities' July 7, 2015 RBA Audit Report. Docket No. 16-035-10, In the Matter of the Application of Rocky Mountain Power for Authority to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account

Discussion

On March 15, 2016, Rocky Mountain Power (Company) filed with the Utah Public Service Commission (Commission) an Application to revise rates in tariff Schedule 98 (Application), Renewable Energy Credits Balancing Account (RBA). The Company requested an effective date of June 1, 2016.

On April 26, 2016, the Division of Public Utilities (Division) filed initial comments recommending that the Commission approve the Application as filed.

On May 12, 2016, the Company filed replacement pages for Exhibit RMP__(THS-2) Page 1 of 3, and Exhibit RMP THS__(THS-3) Page 1 of 1. The revisions were made to correct the allocation of the Schedule 98 surcharge to residual 2014 and 2015 RBA balances. The changes had no impact on the total deferral balance in the original exhibits.

At a hearing on May 13, 2016, both the Division of Public Utilities (Division) and the Office of Consumer Services (Office) recommended approval of the Company's application on an interim basis. On May 20, 2016 the Commission issued an Order approving the Company's Application on an interim basis.

The confidential "Division Audit Report of Rocky Mountain Power, Renewable Energy Credits Balancing Account" (Audit Report) was filed on July 7, 2016. The Division identified the scope of their audit and the audit findings.

The Division noted that they had no cause to change or modify the interim rates that had previously been approved by the Commission. The Division concluded that the REC revenue rates and actual revenue appear to be properly stated.

Office Analysis

The Office engaged the services of Donna Ramas to provide assistance in the review of the Company's Application as well as the Division's Audit Report. Ms. Ramas has participated on behalf of the Office in a number of past cases related to the Company's REC sales and allocation issues, including rate cases and past RBA filings.

Materials Reviewed

In its evaluation and analysis, the Office reviewed the following relevant information:

- Application of Rocky Mountain Power, including testimonies and exhibits provided in support of its Application;
- Corrected exhibits filed for RMP witness Terrell Spackman;
- Discovery responses and supplemental and revised responses submitted by the Company;
- Division of Public Utilities' Initial Comments, dated April 26, 2016;
- Division of Public Utilities' Audit Report, dated July 7, 2016; and
- Rate spread used in prior Company RBA filings.

The Office's analysis identified a few very minor discrepancies which have an immaterial impact on the Tariff Schedule 98 rates.

Recommendation

The Office recommends that the Commission approve the previously authorized interim Schedule 98 rates and rate spread as final rates.

CC: Chris Parker, Division of Public Utilities
Bob Lively, Rocky Mountain Power
Gary Dodge, UAE
Kevin Higgins, UAE
Neal Townsend, UAE