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Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER TO EXTEND THE 2017 PROTOCOL THROUGH DECEMBER 31, 2019

Docket No. 17-035-____

APPLICATION TO EXTEND THE 2017 PROTOCOL THROUGH DECEMBER 31, 2019

Rocky Mountain Power, a division of PacifiCorp ("Company" or "Rocky Mountain Power"), hereby submits this application to the Public Service Commission of Utah ("Commission") pursuant to the Commission's Order in Docket No. 15-035-86, which approved the interjurisdictional allocation methodology known as the 2017 Protocol, requesting the Commission approve the extension of the 2017 Protocol for one year, through December 31, 2019.

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 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. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 320, Salt Lake City, Utah, 84116.

3. Communications regarding this filing should be addressed to:

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

R. Jeff Richards Daniel E. Solander Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116 E-mail: <u>daniel.solander@pacificorp.com</u>

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): <u>datarequest@pacificorp.com</u>

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

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

4. On June 23, 2016, the Commission issued its Order in Docket No. 15-035-86, approving the settlement of PacifiCorp's interjurisdictional cost allocation issues known as the 2017 Protocol. The 2017 Protocol was entered into with the understanding that it would be a limited-term agreement, effective January 1, 2017, through December 31, 2018, with an option for

a one year extension to allow parties more time to study the impact of emerging policies on interjurisdictional allocation of costs and revenues. Section II of the 2017 Protocol provides that it may be extended for one additional year, through December 31, 2019, if all state commissions that approved it determine it should be extended, by no later than March 31, 2017.

5. As approved by the Commission, in Utah the 2017 Protocol essentially employs the 2010 Protocol Method as previously modified and approved by the Commission, with the addition of an Equalization Adjustment of \$4.4 million and other specific adjustments.

6. In Section I of the 2017 Protocol, the Company committed to continued evaluation of alternative inter-jurisdictional allocation methods, including consideration of corporate structure alternative and distribution of the results of its analysis no later than March 31, 2017. The Company conducted a year-long effort to analyze the practicability and cost impacts of an alternative corporate structure. The Company also developed an alternative allocation concept that would achieve results similar to structural separation for generation, while retaining the current company structure and economic dispatch across the system, and increasing state autonomy in resource decisions. The Company presented the results of the analysis to the Multi-State Protocol ("MSP") Broad Review Workgroup on December 14, 2016, and to the Commissioner Forum on January 25, 2017.

7. While stakeholders have reengaged in MSP discussions and are reviewing alternatives, based on the discussions at the Commissioner Forum, it seems unlikely that the parties will be able to reach consensus on a proposal to be presented to the commissions with adequate time for approval before December 31, 2018, the currently scheduled expiration of the 2017 Protocol. Accordingly, Rocky Mountain Power respectfully requests that the Commission approve the Company's request to extend the term of the 2017 Protocol for one additional year as

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contemplated by the Parties to the 2017 Protocol Agreement, through December 31, 2019. This will allow the Company and the parties sufficient time to continue to evaluate allocation alternatives and reach agreement on a new interjurisdictional cost allocation methodology that would replace the 2017 Protocol beginning January 1, 2020.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission approve this Application and extend the terms of the 2017 Protocol through December 31, 2019, with a decision from the Commission prior to March 31, 2017.

DATED this 1st day of February 2017.

Respectfully submitted,

ROCKY MOUNTAIN POWER

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