



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director

Energy Section
Artie Powell, Manager
Abdinasir Abdulle, Utility Analyst

Date: October 16, 2017

Re: Docket No. 17-035-43, Rocky Mountain Power Study – 2016

Recommendation (Acknowledge with Recommendations)

The Division of Public Utilities (“Division”) recommends that the Commission acknowledge Rocky Mountain Power’s (“Company”) 2016 Annual Cost of Service Study filed with the Commission on June 15, 2017, with the recommendation indicated below.

Issue

On June 15, 2017, the Company filed with the Commission its Class Cost of Service Study based on annual Results of Operations for 2016 (2016 COS). On August 7, 2017, the Commission issued an Action Request to the Division asking the Division to review the Company’s filing for compliance and to make recommendations. The Commission asked the Division to report its

findings and recommendations by October 16, 2017. This memorandum represents the Division's response to the Commission's Action Request.

Discussion

In compliance with Commission's letter of May 29, 2014 in Docket No. 14-999-01, which required the Company to file the annual cost of service study within 45 days of filing the year-end semi-annual financial results of operation, on June 15, 2017, the Company filed with the Commission its Class Cost of Service Study (COS) based on annual Results of Operations for 2016 (2016 COS). The Division reviewed the Company's 2016 COS model and compared it with the Company's 2015 COS model, which was filed with the Commission a year earlier, on June 15, 2016.

The 2016 COS model is the same as the 2015 COS model, updated for the end of year 2016 results of operations and incorporates the Division's September 15, 2016 recommendation in Docket No. 16-035-15. However, the Division notes that in the Inputs tab, the Company is using 2010 protocol instead of 2017 protocol. However, the use of 2010 protocol does not change results of the cost of service. Hence, to avoid confusion, the Division recommends that the Company change the 2010 protocol label to 2017 protocol label in the Input tab.

The Division concludes that the 2016 COS model is the same as the 2015 COS model, updated for the end of year 2016 results of operations. Therefore, the Division recommends that the Commission acknowledge it.

CC: Bob Lively, RMP
Michele Beck, OCS