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Department of Commerce

Division of Public Utilities

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To: Utah Public Service Commission
From: Utah Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Abdinasir M. Abdulle, Utility Analyst
Charles Peterson, Technical Consultant
Date: March 7, 2018
Re: In the Matter of Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities

RECOMMENDATION (Acknowledge)

The Division of Public Utilities ("Division") has reviewed Rocky Mountain Power's ("Company") proposed updates to Schedule 37 avoided cost prices that were filed with the Public Service Commission ("Commission") on February 22, 2018. The Division recommends that the Commission acknowledge the Company's filing as in compliance with the January 23, 2018 Commission Order in Docket Nos. 17-035-T07 and 17-035-37.

ISSUE

In compliance with the January 23 Public Service Commission Order in Docket Nos. 17-035-T07 and 17-03537, on February 22, 2018, Rocky Mountain Power filed its updated Electric Service Schedule No. 37. The filing contains proposed tariff sheets and two appendices. The Company requested an effective date March 1, 2018. On February 26, 2018, the Commission issued an Action Request asking the Division of Public Utilities to review the filing for tariff compliance and to report back as soon as possible. On February 28, 2018, the Commission issued a Notice of Filing and Comment Period, and Order Suspending Tariff. This notice requires any interested party to submit comments on the Company's proposed tariff revisions on or before **Wednesday, March 7, 2018**, and reply comments may be submitted on or before

Wednesday, March 14, 2018. This memorandum represents the Division's comments on the Company's proposed tariff revisions.

DISCUSSION AND CONCLUSION

On May 30, 2017, the Company filed Advice Letter 17-08 in which it proposed changes to the method and the pricing for Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities. Later, this Docket was consolidated with Docket No. 17-035-37 – Schedule 38 Avoided Cost Input Changes Quarterly Compliance.

On January 23, 2018, the Commission issued an Order in Docket Nos. 17-035-T07 and 17-035-37, in which it directed Rocky Mountain Power to file updated Electric Service Schedule Nos. 37 and 38 consistent with this Order, within 30 days. In compliance with this Commission Order, on February 22, 2018, the Company filed its updated Electric Service Schedule No. 37. The filing contains proposed tariff sheets and two appendices.

The Division reviewed the Company's filing in light of the above referenced Commission Order. The Division determined that the Company's proposed updates to Schedule 37 rates are calculated in accordance with the Commission approved method (Proxy/Partial Displacement Differential Revenue Requirement method used for Schedule 38 with some modifications). Therefore, the Division recommends the Commission acknowledge the Company's proposed tariff revisions.

CC: Jana Saba, RMP
Michele Beck, OCS