

Gary A. Dodge (0897)
Phillip J. Russell (10445)
HATCH, JAMES & DODGE
10 West Broadway, Suite 400
Salt Lake City, UT 84101
Telephone: 801-363-6363
Facsimile: 801-363-6666
Email: gdodge@hjdllaw.com
prussell@hjdllaw.com

*Attorneys for the Utah Association of
Energy Users*

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky
Mountain Power to Increase the Deferred EBA
Rate Through the Energy Balancing Account
Mechanism

Docket No. 18-035-01

UAE REPLY COMMENTS

Pursuant to the Commission's March 29, 2018 Scheduling Order, Notice of Hearing, and Tariff Status, the Utah Association of Energy Users ("UAE") files these Reply Comments regarding the Application filed March 15, 2018 in this docket by Rocky Mountain Power ("RMP" or "Company") and regarding the comments filed April 5, 2018 by the Division of Public Utilities ("Division"). UAE has reviewed the Company's Application in this docket and has reviewed the comments filed by the Division on April 5, 2018. Without repeating the detailed discussions included in those filings, UAE submits the following reply comments.

UAE CONTINUES TO ASSERT THAT INTERIM EBA RATES ARE UNLAWFUL

At the outset, UAE repeats its assertion that interim EBA rates are unlawful. UAE and other parties addressed this issue with the Commission in Docket 09-035-15, in which the

Commission imposed interim rates over the objection of UAE and others. UAE and other parties appealed that decision, and that appeal remains pending before the Utah Supreme Court in Appellate Case Number 20170364-SC (the “Appeal”). For all of the reasons discussed in Docket 09-035-15 and in the Appeal, UAE continues to maintain, and does not waive, its argument that the Commission is not authorized to impose interim EBA rates. As such, UAE submits that the Commission should reject RMP’s Application in this docket to the extent that it seeks to impose a rate increase on an interim basis.

Notwithstanding its objection to interim rates, and without waiving that objection in any manner, UAE submits the following Comments in response to the Company’s “alternative proposal” to “offset the Deer Creek mine amortization expense for 2017 against the regulatory liability established in Docket No. 17-035-69.” Application at 2.

COMMENTS RE: “ALTERNATIVE PROPOSAL”

The Application asks the Commission to impose one of two interim rates, either A) a 0.1% EBA rate increase to Utah ratepayers to recover \$2.8 million, or B) a 0.3% EBA rate decrease to return \$6.5 million to Utah ratepayers with certain costs being used to offset the Company’s regulatory liability in Docket No. 17-035-69 (“Tax Reform Docket”). Without waiving its assertion that the Commission is without power to impose such interim rates, UAE offers the following comments on the second option set forth above.

UAE agrees with the Division’s recommendation that the Commission decline to adopt the Company’s “alternative proposal” to offset the approximately \$9.1 million in costs representing the Utah-allocated Deer Creek mine amortization expense against any ratepayer recovery ordered in the Tax Reform Docket. UAE takes this position for two primary reasons.

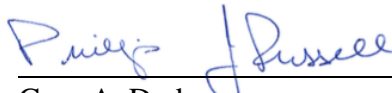
First, as noted by the Division, it is premature for the Commission to approve in this docket any portion of any relief that may be granted in the Tax Reform Docket. An initial hearing was held in the Tax Reform Docket on April 18, 2018 regarding prompt implementation of partial rate relief appropriate in light of tax reform, but the Company intends to submit supplemental filings in the Tax Reform Docket in June of 2018, and additional proceedings will then follow. The Commission is thus not expected to issue a final ruling in that docket until well after the May 1, 2018 date by which the Company has requested that interim EBA rates be imposed in this docket. Adopting the Company's proposal would require the Commission to approve the use of a portion of the federal income tax savings before a formal determination is made in the Tax Reform Docket. For that reason, the "alternative proposal" should be denied.

Second, the Commission should ensure that the Tax Reform Docket will provide Utah ratepayers with a straightforward and transparent examination of the amounts the Company has over-collected from ratepayers since the new corporate tax laws went into effect January 1, 2018. Permitting the Company to " earmark" existing ratepayer liabilities against ratepayer relief in the Tax Reform Docket only serves to muddle the issue.

For these reasons, UAE opposes consideration of the Deer Creek mine amortization adjustment in the Tax Reform Docket and requests that the Commission decline to adopt the Company's alternative proposal on that point.

DATED this 19th day of April 2018.

Respectfully submitted

By: 

Gary A. Dodge
Phillip J. Russell
HATCH, JAMES & DODGE, P.C.
Attorneys for UAE

Certificate of Service
Docket No. 18-035-01

I hereby certify that a true and correct copy of the foregoing was served by email this day 19th day of April, 2018, on the following:

ROCKY MOUNTAIN POWER

| | |
|----------------------------|--------------------------------|
| Jeff Richards | robert.richards@pacificorp.com |
| Yvonne Hogle | yvonne.hogle@pacificorp.com |
| Jana Saba | jana.saba@pacificorp.com |
| datarequest@pacificorp.com | |

DIVISION OF PUBLIC UTILITIES

| | |
|-------------------------|----------------------|
| Patricia Schmid | pschmid@agutah.gov |
| Justin Jetter | jjetter@agutah.gov |
| Chris Parker | chrisparker@utah.gov |
| William Powell | wpowell@utah.gov |
| dpudatarequest@utah.gov | |

OFFICE OF CONSUMER SERVICES

| | |
|---------------|------------------------|
| Steven Snarr | stevensnarr@agutah.gov |
| Robert Moore | rmoore@agutah.gov |
| Michele Beck | mbeck@utah.gov |
| Cheryl Murray | cmurray@utah.gov |

/s/  _____