



State of Utah
Department of Commerce
Division of Public Utilities

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Recommendation

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Lane Mecham, Utility Analyst

Date: December 3, 2018

Re: **Acknowledge Revisions to Schedule 197**, Docket No. 18-035-T06

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (“Division”) has reviewed the revised tariff sheet filed by Rocky Mountain Power (“Company”) for Schedule 197, Federal Tax Act Adjustment, and finds it be consistent with the settlement approved by the Utah Public Service Commission (“Commission”) in Docket No. 17-035-69. The Division therefore recommends the Commission acknowledge the Tariff as filed.

Background

On November 9, 2018, the Commission approved the Settlement Stipulation presented by all intervening parties in resolution of Docket No. 17-035-69. Paragraph number 37 in that Stipulation states the following:

“37. Parties agree that the current annual rate reduction of \$61 million, as ordered by the Commission in its April 27, 2018 Order in this proceeding, and as approved and reflected in Schedule 197, Federal Tax Act Adjustment, will remain

in effect until the effective date of the rates set in the Company's next general rate case."

As this paragraph indicates, the rate reduction for 2018 was not approved until April 27, 2018, with an effective date of May 1, 2018. The result of that order was \$61 million being refunded over the remaining 8 months of 2018. To account for this, the tariff must be adjusted for 2019 since it will occur over 12 months.

On November 16, 2018, the Company filed its updated tariff sheet for Schedule 197 in this Docket, 18-035-T06. The Company's filing shows a reduction to all schedules affected by Schedule 197. For example, Schedule 1 received a 5.87% rate reduction previously and will now receive a 3.91% reduction under the filed tariff.

On November 19, 2018, the Commission issued a request for the Division to investigate the tariff and provide analysis and recommendations to the Commission on its findings.

The Division has reviewed the tariff and its supporting workpaper filed with the Commission as Exhibit A on May 4, 2018. The Division has concluded that the method and calculations for determining the rate reductions are appropriate and consistent with the approved settlement.

Conclusion

The Division has investigated the revised tariff sheet filed by the Company for Schedule 197, Federal Tax Act Adjustment, and finds it to be consistent with the Settlement approved by the Commission in Docket No. 17-035-69. The Division recommends the Commission acknowledge the Tariff as filed.

Cc: Michele Beck, Utah Office of Consumer Services
Jana Saba, Rocky Mountain Power