

April 18, 2019

***VIA ELECTRONIC FILING***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

**RE: Docket No. 19-035-01**  
In the Matter of the Application of Rocky Mountain Power to Increase the Deferred  
EBA Rate through the Energy Balancing Account Mechanism  
*Reply Comments*

On March 29, 2019, the Public Service Commission of Utah (“Commission”) issued a Scheduling Order and Notice of Hearings and Tariff Status (“Notice”) regarding Rocky Mountain Power’s (“Company”) Application to Increase the Deferred EBA Rate through the Energy Balancing Account Mechanism (“Application”). On April 4, 2019, the Division of Public Utilities (“Division”), filed its preliminary review of the Application concluding that the filing appears to not depart substantially from prior years’ filings and recommending the Commission approve the interim rates effective May 1, 2019. The Division also proposed an alternative recommendation. Specifically, the Division stated:

Alternatively, the Commission may wish to find that the net power cost component in base rates is unreasonable because, given past history, it is less likely to match net power costs as well as the amount RMP seeks to include in interim rates. If the Commission does so, it may impose a charge, in accordance with Title 54, Chapter 4, Authority of Commission over Public Utilities, to adjust rates in a manner it finds to be just and reasonable until the conclusion of the Division’s audit and related processes allow establishment of final rates<sup>1</sup>.

The Division’s alternative recommendation misses the objective of the EBA Tariff Schedule 94 – Energy Balancing Account (EBA) which, generally, is to set an EBA rate annually reflecting a charge or sur-credit for the appropriate deferral period when actual net power costs deviate from the net power costs in base rates, for the amount of the difference. The Division’s alternative recommendation is also inconsistent with the currently effective EBA Schedule 94, which was authorized by the Commission May 1, 2018. The “mismatch issue” the Division raises indirectly in its preliminary review in this docket is as a consequence of the design of the EBA Tariff Schedule 94. The Division raised the issue directly in its Final Evaluation Report of

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<sup>1</sup> DPU Comments, April 4, 2019, pages 1-2.

PacifiCorp's Energy Balancing Account (EBA) Pilot Program filed with the Commission May 20, 2016 in Docket No. 09-035-15.<sup>2</sup> The Commission declined to address the mismatch issue raised by the Division during the EBA pilot period.<sup>3</sup> Therefore, the Company recommends that Commission reject the Division's alternative recommendation and respectfully requests the Commission approve interim rates as provided in Tariff Schedule 94 to recover the costs identified in the Application, effective May 1, 2019.

Sincerely,



Joelle Steward  
Vice President, Regulation

CC: Service List - Docket No. 19-035-01

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<sup>2</sup> See generally, Docket No. 09-035-15.

<sup>3</sup> *Id.*, Order, p. 12 (February 16, 2017).

**CERTIFICATE OF SERVICE**

Docket No. 19-035-01

I hereby certify that on April 18, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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