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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations

Docket No. 20-035-04

ROCKY MOUNTAIN POWER'S POST-HEARING BRIEF

(Addressing Cost of Capital, Revenue Requirement, and Cost of Service/Pricing Phases)

Rocky Mountain Power (“RMP” or “Company”) provides this Post-Hearing Brief pursuant to the Amended Scheduling Order and Notice of Electronic Hearing issued by the Public Service Commission of Utah (“Commission”) on November 12, 2020.

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I. INTRODUCTION

RMP respectfully requests that the Commission approve the Company's requested base rate increase of \$72 million, to be implemented through two rate changes in 2021 and phased in over three years with deferred tax savings, as a just and reasonable reflection of the Company's cost of providing safe and reliable service to Utah customers. RMP provides customers with some of the lowest energy rates in the country. The Company has responsibly and prudently managed costs, and provides safe, reliable, and cost-effective service, all while adapting to a changing energy market and the COVID-19 pandemic. RMP's requested base rate increase will result in a 1.1% increase in 2021, another 1.1% increase in 2022, and a 1.3% increase in 2023. Such modest increases—the first since 2014—are necessary to continue to provide customers with the same level of reliability, safety and efficiency into the future.

RMP's requested return on equity ("ROE"), reduced to 9.8%, is more than justified by current market conditions. The proposed ROE is also consistent with the ROEs approved for vertically-integrated utilities, and is just, reasonable, and in the public interest. Further, the Company's proposed capital structure matches the average of the five quarters that make up the test period, a method the Commission has previously accepted in RMP's prior applications and is necessary to fund the Company's anticipated expenditures and its credit ratings.

Further, the Company's net power costs and revenue requirement are just, reasonable, and in the public interest. Intervenor arguments claiming the Company acted imprudently are based on improper legal standards and analyses that are inconsistent with the facts. The net power cost, EBA, and revenue requirement adjustments proposed by the Company are focused on capturing all benefits and costs, and providing the revenue necessary for prudent operation, no more and no less.

Finally, RMP has pursued a well-reasoned, balanced, and fair approach to cost of service and pricing. The changes proposed by the Company seek to “better match the energy landscape we have today and what is expected for the future.”¹

II. ARGUMENT

A. STANDARD OF REVIEW

Utility rates and charges must be just and reasonable, taking into consideration: “the cost of providing service to each category of customer, economic impact of charges on each category of customer, and on the well-being of the state of Utah; methods of reducing wide periodic variations in demand of such ... services, and means of encouraging conservation of resources and energy.”² The Commission has broad discretion to set appropriate rates and rate designs that are (1) consistent with Utah law, (2) in the public interest, and (3) just and reasonable.³ While the burden is on the utility to propose rates, “management decisions are generally accorded some deference, since management is most intimately involved in operating the utility and looking after the interests of customers, creditors, and owners.”⁴

B. COST OF CAPITAL PHASE

1. The Company’s Proposed ROE Is Reflective of Current Market Uncertainty and Instability, Is in Line with Approved ROEs, and Is Just, Reasonable, and in the Public Interest.

Under the *Hope* and *Bluefield* standards, the Company is entitled to a fair and reasonable return on its investment commensurate with the returns earned by investments of comparable risk.⁵ The Company’s return must be sufficient to attract capital investment necessary for the Company to provide its Utah customers with safe and reliable service.⁶ The Company’s

¹ Nov. 17, 2020 Hr’g Tr. 19:1-3.

² [Utah Code § 54-3-1](#).

³ *Id.* § 54-4-4.1.

⁴ *Mountain States Legal Found. v. Utah Pub. Serv. Comm’n*, 636 P.2d 1047, 1057 (Utah 1981).

⁵ See *Bluefield Water Works & Improvement Co. v. Pub. Serv. Comm’n of W. Va.*, 262 U.S. 679, 692 (1923); *Fed. Power Comm’n v. Hope Nat. Gas Co.*, 320 U.S. 591, 603 (1944).

⁶ *Stewart v. Utah Pub. Serv. Comm’n*, 885 P.2d 759, 767 (Utah 1994).

proposed ROE of 9.8% is reflective of current market conditions, is in line with approved ROEs nationwide, and is just, reasonable, and in the public interest.

a. Market Conditions Are More Volatile and Uncertain Than at the Time of the Company's Last Rate Case.

In its February 2020 Report and Order in Dominion Energy Utah's ("DEU") general rate case proceeding, the Commission emphasized the importance of assessing how market conditions have changed since a utility's last rate case when determining an appropriate ROE.⁷ There is no dispute that market conditions have changed substantially between 2014 (when the Company had its last rate case) and 2020. In fact, due to the pandemic, conditions have changed dramatically since the Commission issued its decision in DEU's recent rate case. Market conditions are more volatile than they were at the time of the Company's last rate case, and investors seek returns at even higher levels to compensate for their risks.⁸ As Ms. Bulkley notes in her testimony (and Professor Woolridge conceded during cross-examination), the utilities industry has underperformed, has not recovered as have other areas of the market, and has weathered volatility not experienced since the great recession of 2008-09.⁹ Figure 4 from her rebuttal shows the vast difference in volatility between 2014 and the present.¹⁰ As market uncertainty and volatility increase, so do the returns required to maintain investment in a sector, including the utilities sector. This point was made repeatedly by the Duffs & Phelps report relied on so heavily by Division of Public Utilities ("DPU") witness Mr. Coleman and conceded by him during cross-examination.

⁷ *Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications*, Docket No. 19-057-02, Report and Order, at 6 (Feb. 25, 2020).

⁸ Rebuttal Testimony of Ann Bulkley ("Bulkley Rebuttal") at ll. 290-312, 361-64.

⁹ *Id.* at ll. 293-94; Hr'g Tr. 243:5-18, 243:20-244:16 (Oct. 29, 2020).

¹⁰ Bulkley Rebuttal at l. 307.

Further, the S&P Utilities Index continues to show that utility stocks have not recovered with the rest of the market.¹¹ In fact, “[t]he utilities sector has been one of the worst performing market sectors in 2020, having declined by 14.44 percent from the mid-February peak as compared to a 3.70 percent decline for the S&P 500.”¹² Professor Woolridge conceded this point on cross-examination.¹³ This is an indication that investors do not currently view utilities as the safe haven they once were, a view that Professor Woolridge also acknowledged.¹⁴ Ms. Bulkley also noted that Charles Schwab has rated the utilities sector as “Underperform” as the industry is expected to continue to suffer the effects of the pandemic and other market pressures.¹⁵ Mr. Coleman barely discusses the market impact of the pandemic, and Professor Woolridge does not reflect the pandemic’s impact on the Company’s ROE, despite widespread negative industry outlooks from analysts.¹⁶

These market changes are an indication that it has been and likely will continue to be more difficult for utilities to attract capital unless they offer competitive rates.¹⁷ As Ms. Bulkley explains:

The risks in the current market environment were not present in the data in RMP’s last rate case. Given the uncertainty and volatility that has characterized capital markets in 2020, it is reasonable that equity investors would now require a higher return on equity to compensate them for the additional risk associated with owning common stock under these market conditions. Therefore, relying on current market data would likely suggest that the cost of equity has increased since the Commission approved the settlement in RMP’s last rate proceeding. As a result, the Company’s updated recommendation of 9.80 percent, which is equivalent to the authorized ROE in RMP’s last rate case, is likely a conservative estimate of the ROE in the current market environment.^{18]}

¹¹ See RMP Cross Ex. 7.

¹² Bulkley Rebuttal at 558-60.

¹³ Hr’g Tr. 243:5-18, 243:20-244:16 (Oct. 29, 2020).

¹⁴ Bulkley Rebuttal at ll. 533-34; Direct Testimony of J. Randall Woolridge (“Woolridge Direct Testimony”) at 15.

¹⁵ Bulkley Rebuttal at ll. 534-35.

¹⁶ *Id.* at ll. 1682-85; *see also* ll. 385-420, 569-574.

¹⁷ Bulkley Rebuttal at ll. 574-76.

¹⁸ *Id.* at ll. 447-57.

b. The Company's Proposed ROE Is Consistent with Approved ROEs; the ROEs Proposed by the DPU and the OCS Are Not.

Regulatory decisions from other jurisdictions, while not binding, provide “a basic test of reasonableness and a benchmark that investors consider in assessing the authorized ROE against the returns available from other regulated utilities with comparable risk.”¹⁹ Intervenor witnesses have acknowledged that the average and median approved ROEs from other jurisdictions are far above those advocated by the Office of Consumer Services (“OCS”) and the DPU.

As Ms. Bulkley notes, authorized returns for integrated utilities from 2018 through August 2020 ranged from 8.75% to 10.5%, with a median of 9.73%.²⁰ Of those, the great majority (47 out of 63 decisions) were between 9.5% and 10.5%.²¹ The Company’s proposed ROE of 9.8% is consistent with this range and, in fact, is on the lower end. No evidence was adduced by intervenors suggesting the Company’s specific ROE should fall outside of the majority range.

Mr. Chriss’s ROE review was consistent with Ms. Bulkley’s analysis. He concluded that “the average ROE for vertically integrated utilities from 2017 to the present is 9.73 [(the same figure as Ms. Bulkley)], and the trend in these averages has been relatively stable.”²² He also acknowledged that the Company’s proposed ROE of 9.8% is “generally consistent with recent Commission decisions and national trends”²³

In stark contrast, Mr. Coleman’s and Professor Woolridge’s proposed ROE ranges are unreasonably low. On cross-examination, Professor Woolridge conceded his proposed ROE range of 7.60% to 8.95% is well below authorized returns for vertically integrated utilities.²⁴ On

¹⁹ *Id.* at ll. 180-82.

²⁰ *Id.* at 9:187-90 & Fig. 2.

²¹ *Id.* at ll. 192-94.

²² Rebuttal Testimony of Steve Chriss at ll. 139-41.

²³ *Id.* at ll. 179-80; Hr’g Tr. 18:11-15 (Oct. 30, 2020).

²⁴ Hr’g Tr. 221:15-25, 222:1-4 (Oct. 29, 2020); *see id.* 227:21-228:2; RMP Cross Ex. 4.

cross-examination, he admitted that he has *never recommended* an ROE above 9.0% at any time from 2012 to the present.²⁵ He also conceded that his recommended ROE of 9.0% is the same ROE he recommended in February 2020 (pre-pandemic) for a distribution-only utility, an outcome that does not make sense and that he could not explain at hearing.²⁶ Similarly, Mr. Coleman's range of 7.24% to 9.17%²⁷ is well below average and median ROEs for vertically integrated utilities.

Additional evidence shows that Mr. Coleman's and Professor Woolridge's ROE recommendations are unreasonable and unsupported. The ROEs recommended by Mr. Coleman (9.25%) and by Professor Woolridge (9.0%) would put the Company's ROE in the bottom quartile of all authorized returns for vertically integrated utilities in the United States.²⁸ They provide no evidence to justify such a low ROE.

In addition, the ROE ranges identified by Mr. Coleman and Professor Woolridge from their modeling are so low that even they do not rely on them.²⁹ While Mr. Coleman derives a 7.24% to 9.17% ROE range from his DCF, CAPM and Risk Premium modeling, he *does not recommend an ROE within this range*.³⁰ Rather, he recommends a 9.25% ROE, which is above the high end of his range. He provides no explanation for how he actually arrived at his 9.25% figure, but attempts to justify recommending an ROE above his calculated range by resorting to "policy considerations, the Division's own evaluation of current market risks and RMP's individual risk profile."³¹ But this statement is nothing more than an admission that even Mr. Coleman recognizes that his ROE modeling is unreasonable and does not account for the market

²⁵ Hr'g Tr. 225:13-25 (Oct. 29, 2020); RMP Cross Exs. 3, 5.

²⁶ Hr'g Tr. 231:15-232:20 (Oct. 29, 2020); RMP Cross Ex. 4.

²⁷ Bulkley Rebuttal at ll. 622-23.

²⁸ *Id.* at ll. 61-64.

²⁹ *Id.* at ll. 170-77, 1659-65; Direct Testimony of Casey Coleman at 67; Direct Testimony of J. Randall Woolridge ("Woolridge Direct") ll. 79-85, 1338-1350.

³⁰ Bulkley Rebuttal at ll. 622-27.

³¹ Direct Testimony of Casey Coleman ("Coleman Direct") at 67.

and risks faced by RMP. In addition, the results from Mr. Coleman's CAPM analysis are lower than the authorized ROE for all U.S. electric utilities during the past 40 years.³²

Similarly, Professor Woolridge does not rely on his calculated range of 7.60% to 8.95%. Instead, he arbitrarily concludes that the Company's ROE should be set at 9.0%, showing that Mr. Woolridge, like Mr. Coleman, does not have confidence in his model results.³³

c. The Company's Proposed ROE of 9.8% Is Just, Reasonable, and in the Public Interest.

Unlike Mr. Coleman and Professor Woolridge's ROE recommendations, the Company's proposed ROE actually appears within Ms. Bulkley's calculated range. Moreover, as noted, the analyses performed by Ms. Bulkley are not only consistent with ROEs authorized by other commissions during the relevant period, but also account for the current market volatility caused by the COVID-19 pandemic, and current industry data. Further, the Company is proposing an ROE that is 40 basis points below the figure justified by Ms. Bulkley's analyses. And the Company makes this recommendation even though market conditions are far more volatile and unfavorable than they were at the time of the Company's last rate case. In all, the Company's proposed ROE is the only one that is supported by the evidence, and the only one that is just, reasonable, and in the public interest.

2. The Company's Proposed Capital Structure Is Necessary to Further Company Operations, and Is Just, Reasonable, and in the Public Interest.

The OCS is the only party that takes issue with the Company's proposed capital structure of 53.67% common equity and 46.32% long-term debt.³⁴ Specifically, Professor Woolridge contends for a capital structure of 50% common equity, 49.99% long-term debt, and 0.01%

³² Bulkley Rebuttal at ll. 1088-89.

³³ Woolridge Direct ll. 2064-2066.

³⁴ DPU supports the Company's requested capital structure and notes that this structure takes into account the risks of an integrated electric utility, and so the ROE should not be adjusted for risk. Coleman Direct ll. 67, 1160-66.

preferred stock.³⁵ Alternatively, he states that, if the Commission approves RMP's proposed capital structure, his ROE recommendation should be reduced to 8.75%.³⁶ However, Professor Woolridge's capital structure recommendations are flawed for three reasons.

First, the proxy data he relies on for his recommendation comes from the holding company level, rather than at the operating utility level.³⁷ As such, his proxy companies (and by extension their corresponding capital structures) incorporate corporate-level debt for non-regulated and non-utility activities.³⁸ RMP is a regulated operating utility, and the capital structure that will be set in this case is for RMP, not its parent company.³⁹ In contrast, the proxy data relied on by Ms. Bulkley are at the operating company level, and the capital structure requested by the Company is well within the equity percentage range calculated by Ms. Bulkley: low 47.49% and high 61.54%, with a mean of 52.73%.⁴⁰ Further, the capital structure requested by the Company matches the average of the five quarters that make up the test period, a method the Commission has previously approved in RMP's prior applications.⁴¹

Second, Professor Woolridge does not account for the Tax Cuts and Jobs Act of 2017 and the Company's anticipated capital spending requirements explained by Ms. Koblaha in her

³⁵ Surrebuttal Testimony of J. Randall Woolridge at l. 71.

³⁶ *Id.* at ll. 75-79.

³⁷ Bulkley Rebuttal at ll. 2542-44; Rebuttal Testimony of Nikki Koblaha ("Koblaha Rebuttal") at ll. 81-86.

³⁸ Bulkley Rebuttal at ll. 2544-45.

³⁹ *See In the Matter of NorthWestern Energy's Application for Authority to Increase Retail Electric Utility Service Rates and for Approval of Electric Service Schedules and Rules and Allocated Cost of Service and Rate Design*, Docket No. 2018.02.012, Order No. 7604u (December 20, 2019) at ¶¶46, 57.

⁴⁰ Direct Testimony of Ann Bulkley at ll. 120-126; Bulkley Rebuttal at ll. 2550-53; Koblaha Rebuttal at ll. 75-81.

⁴¹ Koblaha Rebuttal at ll. 64-67; *see also In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 09-035-23, Report and Order on Revenue Requirement and Cost of Service and Spread of Rates, at 15 (Feb. 18, 2010) (accepting the Company's cost of capital position because the five quarter average "smooths out the variability which is inherent in the lumpy nature of equity infusions and debt issuances").

testimony.⁴² He does not explain how the Company can both meet its capital spending requirements and maintain its credit rating if its capital structure is below the Company's recommendation.

Finally, Professor Woolridge's capital structure analysis relies on the inclusion of short-term debt.⁴³ This is not appropriate because doing so would result in that debt being "double-counted as financing both rate base and construction work in progress" and "[s]hort-term debt balances can move dramatically"⁴⁴ In addition, the Company has frequent periods where it has no short-term debt outstanding, "demonstrating that short-term debt is not a permanent source of financing" for RMP.⁴⁵ Professor Woolridge does not dispute this. As such, his reliance on short-term debt to arrive at his recommended capital structure is misplaced and not reflective of RMP's actual operations.

The Company's proposed capital structure is appropriate and reasonable. Therefore, RMP requests that the Commission approve that structure.

C. REVENUE REQUIREMENT PHASE

1. Standard of Review

The Company's investments are properly included in the rate base if it shows substantial evidence that they were prudent and used and useful in providing utility service to customers.⁴⁶ In reviewing prudence decisions, the Commission "focus[es] on the reasonableness of the expense resulting from the action of the public utility judged as of the time the action was taken" and "determine[s] whether a reasonable utility, knowing what the utility knew or reasonably should have known at the time of the action, would reasonably have incurred all or

⁴² Koblaha Rebuttal at ll. 68-74.

⁴³ Woolridge Direct at ll. 551-570.

⁴⁴ Koblaha Rebuttal at ll. 89-91.

⁴⁵ *Id.* at ll. 93-94.

⁴⁶ *Comm. of Consumer Servs. v. Pub. Serv. Comm'n of Utah*, 2003 UT 29, ¶ 14, 75 P.3d 481.

some portion of the expense, in taking the same or some other prudent action.”⁴⁷ The Commission may not “substitute [its] judgment in hindsight for the reasonable decisions made by management.”⁴⁸ Similarly, a decision is not imprudent “merely because [the Commission] conclude[s] that a better, reasonable alternative was available for consideration or action.”⁴⁹

2. Pryor Mountain

The OCS challenges the prudence of the Pryor Mountain Wind Project, arguing that the project was not procured via a competitive bid, RMP did not seek a voluntary resource acquisition decision, the project has experienced cost overruns, and the project uses turbine equipment acquired from an affiliate.⁵⁰ OCS is wrong on each count.

a. The Company Was Not Required to Perform a Competitive Bid or Seek a Voluntary Resource Decision for Pryor Mountain.

The Utah Energy Resource Procurement Act (“Act”) provides that competitive solicitation requirements *do not apply* to a renewable energy resource with a nameplate capacity of less than 300 megawatts.⁵¹ Pryor Mountain, with a nameplate capacity of 240 megawatts, is exempt from competitive bid requirements. Similarly, a utility is not required to seek pre-approval of a resource decision.⁵² Despite this, the OCS suggests the project was imprudent because it was not competitively bid and was not pre-approved. This argument would effectively impose a bidding requirement where the legislature expressly declined to do so. This is contrary to the statutory framework and is particularly improper where: (1) the Company did not have development rights to Pryor Mountain at the time it issued its request for proposals (“RFP”) for

⁴⁷ Utah Code § 54-4-4(4)(a)(ii)-(iii). See also *In re Application of Rocky Mountain Power*, 292 P.U.R.4th 1, 2011 WL 4430828, at *25 (Utah P.S.C. Sept. 13, 2011).

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ DPU initially suggested that the project was imprudent in its pre-filed testimony but reversed course during the revenue requirement hearing and testified that the Company was prudent in pursuing the project. Nov. 5, 2020 Hr’g Tr. 66:3-16 (Zenger).

⁵¹ Utah Code § 54-17-502.

⁵² *Id.* § 54-17-402(1).

the Energy Vision 2020 resources,⁵³ (2) when the acquisition opportunity arose, a competitive solicitation process could not have been completed in time to qualify for 100% of production tax credits (“PTCs”),⁵⁴ and (3) the Company was aware (based on its recent RFP) of the limited opportunities to acquire other wind resources that could be PTC-eligible and without significant incremental transmission upgrades.⁵⁵ The Company need only demonstrate that the costs of the project were reasonably incurred, and that recovery will result in just and reasonable rates.⁵⁶ The Company has fully met that burden.

As explained by Company witnesses, Pryor Mountain was a time-sensitive opportunity to develop a project that could meet capacity shortfalls, capture full PTC benefits, capture value from the sale of renewable energy credits, and provide net power cost benefits.⁵⁷ The Company’s economic modeling is the same it used for the Energy Vision 2020 projects, which the Commission found to be “thorough and extensive.”⁵⁸ Its analysis shows that the project will reduce nominal revenue requirements during the majority of the project’s 30-year life, deliver significant net benefits, and fulfill a capacity need.⁵⁹ Thus, the Company acted prudently.⁶⁰

b. COVID-related Cost Overruns Do Not Render the Project Imprudent.

The OCS suggests that cost overruns and delays caused by the pandemic render the project imprudent. But, the pandemic and its impacts were not foreseeable at the time the Company decided to pursue the project, and cannot be a basis for alleged imprudence.⁶¹ In any

⁵³ Rebuttal Testimony of Rick Link (“Link Rebuttal”) 9:179-85.

⁵⁴ *Id.* 10:197-99.

⁵⁵ *Id.* 10:193-96.

⁵⁶ *Id.* § 54-4-4(4).

⁵⁷ Link Rebuttal 9:174-75; Direct Testimony of Robert Van Engelenhoven (“Van Engelenhoven Direct”) 1:16-23, 4:82-83, 7:141-42; RMP Cross Ex. 10.

⁵⁸ *Application of RMP for Approval of a Significant Energy Resource Decision*, Docket No. 17-035-40, Order, at 22 (Jun. 22, 2018).

⁵⁹ Direct Testimony of Rick Link 16:309-17:316.

⁶⁰ *See Application of RMP for Approval of a Significant Energy Resource Decision*, Docket No. 17-035-40, Order, at 27 (“[W]e are also cognizant of the risks attendant to failure to act on productive investment opportunities.”).

⁶¹ *See Utah Code § 54-4-4(4)(a)(ii)-(iii)*. Cf. *In re Mountain Fuel Supply Co.*, Nos. 91-057-11 & 91-057-17, 1993

(continued . . .)

event, cost overruns and project delays are potential risks for *any* project and do not, standing alone, render a project imprudent.⁶² The Company anticipated these risks and mitigated them by, for example, using a combination of procurement strategies and acquiring completed turbines available in nearby Colorado.⁶³

c. RMP's Purchase of Affiliate Equipment Was Prudent.

When a utility seeks to recover costs associated with an affiliate transaction, it must present substantial evidence that its decision, under the totality of the circumstances, was “not the product of a conscious or unconscious favoring of affiliate over ratepayer interests.”⁶⁴ The Company has met this burden with regard to the turbine equipment for Pryor Mountain.

First, the affiliate equipment was necessary to qualify for 100% of PTC benefits.⁶⁵ The equipment was obtained by Berkshire Hathaway Energy Renewables in 2016 and was therefore “safe harbor” equipment that satisfied the start-of-construction requirement for PTC eligibility.⁶⁶ The Company *could not* have acquired safe-harbor equipment from a non-affiliate to qualify for PTC eligibility.⁶⁷ The use of the affiliate equipment also allowed the Company to satisfy the continuous-construction requirement for PTC eligibility.⁶⁸ The equipment was available, assembled, and readily transportable to the project via train, allowing the Company to deploy timely the equipment and satisfy the continuity safe harbor to qualify for PTCs.⁶⁹

WL 501430 (Utah P.S.C. Sept. 10, 1993) (“It is not reasonable to assume that a prudent gas supply manager making a decision in 1990 about how to meet gas requirements in 1991 would have anticipated spot-market prices at the low levels actually reached in 1991.”).

⁶² *Application of RMP for Approval of a Significant Energy Resource Decision*, Docket No. 17-035-40, Order, at 28 (June 22, 2018).

⁶³ Van Engelenhoven Direct 5:100-06, 8:170-73; Rebuttal Testimony of Robert Van Engelenhoven (“Van Engelenhoven Rebuttal”) 6:118-7:147; RMP Cross Ex. 10, at 10-12 (identifying mitigation strategies); Hr’g Tr. 106:13-107:3 (Nov. 3, 2020).

⁶⁴ *In re Questar Gas Co.*, 246 P.U.R.4th 495, 2006 WL 372645 (Utah P.S.C. Jan. 6, 2006).

⁶⁵ Van Engelenhoven Direct 4:82-5:92.

⁶⁶ *Id.*; see also IRS Notice 2020-41 § 2, <https://www.irs.gov/pub/irs-drop/n-20-41.pdf> (explaining Five Percent Safe Harbor).

⁶⁷ Rebuttal Testimony of Timothy Hemstreet (“Hemstreet Rebuttal”) 12:250-51.

⁶⁸ See IRS Notice 2020-41 § 2, <https://www.irs.gov/pub/irs-drop/n-20-41.pdf> (explaining Continuity Requirement and Continuity Safe Harbor).

⁶⁹ Van Engelenhoven Rebuttal 6:118-34.

Second, the analysis should only focus on the market at the time of the Company's decision. Using the affiliate equipment allowed the Company to avoid pricing volatility and increases in 2019 caused by strong demand due to the pending expiration of PTCs.⁷⁰ Further, the Company acquired the turbines at the affiliate's cost, which was the competitive price the affiliate paid in 2016.⁷¹

3. RMP Acted Prudently With Regard to the Lake Side Outage.

While the OCS and DPU allege the Company has not demonstrated that it acted reasonably with regard to the Lake Side outage, the evidence proves just the opposite. The Company performed all required maintenance, and operated the generator according to its design specifications.⁷² There is no evidence to suggest the Company acted negligently in any regard. Recently, under similar circumstances, the Commission determined that costs from the Company's Blundell Unit 2 were prudently incurred.⁷³ Notably, that determination was based in large part on the lack of any evidence to suggest the Company acted contrary to industry practice or that it failed to properly operate the plant.⁷⁴ Like the Blundell outage, the Lake Side outage was unanticipated, and all of the evidence shows that RMP acted prudently.

⁷⁰ *Id.* 6:132-7:143; Hr'g Tr. 108:18-23 (Nov. 3, 2020).

⁷¹ Van Engelenhoven Rebuttal 7:141-43. OCS suggests that the Company did not meet its burden to show that this cost was less than the market value in 2019. The Company is not required to make this showing in light of the fact that safe-harbor equipment cannot be transferred to a non-affiliate and still retain its safe-harbor qualities. See *IRS Notice 2018-59* § 8, <https://www.irs.gov/pub/irs-drop/n-18-59.pdf>. Thus, there was no "market" for safe-harbor equipment to provide market-reference data to the Company. Hemstreet Rebuttal 12:128-253. It was therefore appropriate to acquire the equipment at cost. Cf. *In re Mountain Fuel Supply Co., No. 95-057-12 et al., 1998 WL 1013492 (Utah P.S.C. Dec. 31, 1998)* (holding that gathering rates paid to an affiliate were reasonable even though "[t]here is no evidence of the market price for an identical level of service Lacking a market price for gathering services, we must therefore use costs to judge the reasonableness of the agreement."); *In the Matter of the Application of Dominion Energy Utah for Approval of a Third-Party Billing Rate*, Docket No. 17-057-T04, Order (July 28, 2017) (approving billing rates at affiliate's pre-tax rate of return and "[a]cknowledging that no readily discernable market exists from which to derive a market price for the services").

⁷² Hr'g Tr. 156:4-157:9 (Nov. 3, 2020) (Ralston); Rebuttal Testimony of Dana Ralston 3:65-4:76; RMP Ex. DMR-2R; RMP Ex. DMR-1R.

⁷³ *Application of Rocky Mountain Power to Increase the Deferred EBA Rate Through the Energy Balancing Account Mechanism*, Docket No. 19-035-01, Order Approving Rates and Granting Unopposed Motion to Vacate Orders, at 9 (Mar. 4, 2020).

⁷⁴ *Id.*

4. RMP's Two-Step Rate Increase Proposal Is Reasonable and Appropriate.

Due to the COVID-19 pandemic, portions of the TB Flats I and II and Pryor Mountain projects have been delayed, and only portions of each project will be in service prior to 2021.⁷⁵ The remaining portions will come into service during the first six months of 2021. Because these delays are attributable to pandemic-caused force majeure notifications, the Company proposes a two-step rate increase. The first rate increase would occur on January 1, 2021 in the amount of \$49.5 million, and the second rate change of \$22.5 million would be effective as of July 1, 2021, or 30 days after the final in-service dates for the projects.⁷⁶ To account for the fact that some circuits of the Pryor Mountain project in the January 1 rate increase will not then be in service, the Company proposes to defer all rate amounts for the project that are not in service and return those amounts to customers when the projects are in service.⁷⁷

This two-step rate increase is reasonable and within the Commission's authority. This is a very unique circumstance. The delays at issue resulted from the pandemic, which was not foreseeable and was outside of the Company's control.⁷⁸ RMP should not be denied recovery where the projects are prudent, and would have been in service by the end of 2020 but for a once-in-a-hundred-year pandemic. Further, the Commission can approve a phased rate increase and has done so previously. [Utah Code § 54-7-12](#) does not require that rates must take effect at one time, and [Utah Code § 54-4-4.1](#) provides that the Commission "may, by rule or order, adopt any method of rate regulation that is "(a) consistent with this title; (b) in the public interest; and (c) just and reasonable," including any "other components, methods, or mechanisms approved by the commission", such as phased-in rates.⁷⁹

⁷⁵ Rebuttal Testimony of Joelle Steward ("Steward Rebuttal") 10:180-84.

⁷⁶ *Id.* 10:180-92; *see also* Hr'g Tr. 172:6-18 (Nov. 4, 2020).

⁷⁷ Hr'g Tr. 172:21-173:18 (Nov. 4, 2020).

⁷⁸ Steward Rebuttal at 11:200-02.

⁷⁹ [Utah Code § 54-4-4.1\(2\)\(e\)](#).

The Commission has approved phased rate increases in prior proceedings.⁸⁰ For instance, it approved a two-step rate increase, the second step of which was to be effective only after the Sigurd-Red Butte transmission line was in service.⁸¹ The Company's two-step rate proposal here is the same kind of phased rate increase, and RMP requests that it be approved.

5. RMP's Proposed Recovery of Pension Costs Is Just and Reasonable.

a. Pension Settlement Losses

The Company's revenue requirement includes \$11.9 million in actuarially-projected pension settlement losses that result when the aggregate lump sum cash distributions in a calendar year exceed a defined threshold (service cost plus interest cost).⁸² When this happens, the Financial Accounting Standards Board's Accounting Standards Codification Topic 715 requires immediate recognition in earnings of a portion of the unrecognized actuarial gains or losses.⁸³ No party disputes the Company has incurred settlement losses and expects to incur additional settlement losses during the test period. The Company sought recovery for settlement losses through a deferred accounting order in Docket No. 18-035-48.⁸⁴ The Commission denied that request, holding that the settlement loss was not unforeseeable or extraordinary.⁸⁵ Further, no party disputes that these costs are prudent and recoverable.⁸⁶ The only question is *how* the

⁸⁰ See, e.g., *In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 13-035-184, Report and Order, at 8-9, 19 (Aug. 29, 2014); *In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah and for Approval of Its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 11-035-200 et al., Report and Order, at 11, 27 (Sept. 19, 2012).

⁸¹ Docket No. 13-035-184, Report and Order, at 8-9, 19 (Aug. 29, 2014).

⁸² Direct Testimony of Nikki Koblaha ("Koblaha Direct") ll. 594-596. Ms. Ramas also admitted during cross-examination that she does not challenge the Company's calculation of pension settlement losses. Hr'g Tr. 111:6-11 (Nov. 5, 2020).

⁸³ Koblaha Direct at ll. 607-610.

⁸⁴ *Id.* at ll. 625-627.

⁸⁵ *Id.* at ll. 628-630.

⁸⁶ Direct Testimony of Donna Ramas ("Ramas Direct") ll. 507-515. Direct Testimony of Kevin Higgins ("Higgins Direct") ll. 737-742; see also Hr'g Tr. 111:12-14 (Nov. 5, 2020).

Company should recover these costs.⁸⁷

The Company proposes to recover its test-period settlement costs in rates or, failing that, through a balancing account that would true-up annually the difference between the actual and expected level of net periodic benefit cost of the Company's pension and other post retirement plans, including settlement losses and any other potential curtailment gains and losses. UAE and the OCS attempt to delay the Company's recovery by proposing that settlement losses be deferred and amortized over 20 years.⁸⁸ The Company believes this approach would unduly postpone recovery of RMP's expected costs. Further, as Ms. Ramas acknowledged, balancing accounts are an appropriate mechanism for dealing with volatile and unpredictable cost and benefit accounting items, and that there will be significantly more pension settlement activity and volatility in the future.⁸⁹

b. Rate Treatment of Prepaid Pension and Other Post-Retirement Assets.

"The prepaid pension and other post-retirement asset represents cumulative contributions made to the Company's defined benefit plans in excess of cumulative expense recognized for accounting purposes."⁹⁰ The prepaid pension issue comes about because the Company is required under the Employee Retirement Income Security Act (including the Pension Protection Act) to make plan contributions that cannot immediately be expensed under accounting rules. This misalignment results in the Company funding contributions that it must finance just as it does other rate base items. Absent the Company being allowed to recover these amounts in rates, the contributions would require a cash outlay now that the Company is not able to recover fully until sometime into the future.

To solve this problem, the Company proposes to include its cumulative net prepaid

⁸⁷ Hr'g Tr. 113:5-13 (Nov. 5, 2020).

⁸⁸ Ramas Direct ll. 507-515; Higgins Direct ll. 737-742.

⁸⁹ Hr'g Tr. 130:18-131:7; 132:21-133:4 (Nov. 5, 2020).

⁹⁰ Koblaha Direct ll. 609-697, 705-707.

pension and other post-retirement asset (\$252.335 million) in rate base based on the 13-month average of its net prepaid pension and other post-retirement asset, earning a return equal to the Company's weighted average cost of capital.⁹¹ This proposal would allow the Company to recover its financing costs associated with the net prepaid pension.⁹² Further, under the Company's proposed balancing account, any resulting regulatory asset or liability would be added to or netted against the net prepaid pension balance for rate base purposes.

The Company's proposal is just and reasonable for at least two reasons. First, because the Company is required by law to make plan contributions that differ from the amount it can recognize as an expense in any given year, the resulting prepaid pension contribution is just like any other rate base item the Company must finance and for which it would be allowed recovery. Second, these contributions benefit customers because the return on plan assets reduces future pension costs, allows for favorable tax deductions, and avoids premium increases.

The prepaid pension and other post-retirement asset is an asset of the Company that must be funded and which benefits customers. For that reason, the Company requests that the Commission approve the inclusion of the net cumulative prepaid amount in rate base and allow the Company to recover its costs to finance the plan contributions it is not permitted to expense immediately under governing accounting principles.

D. COST OF SERVICE AND PRICING PHASE

It has been over six years since RMP's last general rate case.⁹³ As a result, the Company proposes a number of incremental pricing changes and pilots to recalibrate the Company's pricing to better respond to the current energy landscape,⁹⁴ and adapted its pricing proposals

⁹¹ *Id.* at ll. 689-92.

⁹² *Id.*

⁹³ See *In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates*, Docket No. 13-035-184, Application (Jan. 3, 2014).

⁹⁴ Hr'g Tr. 19:1-3 (Nov. 17, 2020).

based on the input provided by the various parties.⁹⁵ The Company has proposed two additional collaboratives to explore more significant changes to respond to new industry methodologies and advancing technology: one collaborative for cost of service methodology changes and another to explore future rate design changes.⁹⁶ In this proceeding, the Company respectfully requests that the Commission approve RMP's cost of service study and pricing proposals including: (1) the Company's proposed changes to residential rates, including elimination of the third tier of the inclining price block; (2) reject unwarranted changes proposed by intervenors to Schedule 32 and Schedule 6A; (3) adopt unbundled rates to increase transparency and improve the accuracy of the EBA; and (4) approve the AMI project because it is cost effective and used and useful.

1. RMP's Proposed Residential Rates Support Public Interest Goals While Still Encouraging Conservation of Resources.

Utah law allows the Commission to consider a broad range of factors when setting just and reasonable rates.⁹⁷ RMP proposes to eliminate the third tier energy charge for summer months and shorten the summer period from five months to four months by moving May to the winter season.⁹⁸ These changes help alleviate the current rate structure's unfair impacts on customers who have larger households or use electric vehicles.⁹⁹ RMP additionally proposes splitting out the customer service charge for multi-family and single-family customers, raising the customer service charge from six dollars to 10 dollars for single-family customers, and eliminating the eight-dollar minimum charge.¹⁰⁰ These changes to the customer service charge better reflect cost causation for those customers.¹⁰¹ Alleviating these unfair impacts and aligning

⁹⁵ Rebuttal Testimony of Robert Meredith ("Meredith Rebuttal") 63:1301-03.

⁹⁶ Hr'g Tr. 26:8-10 (Nov. 17, 2020).

⁹⁷ See [Utah Code § 54-3-1](#).

⁹⁸ Hr'g Tr. 19:9-12 (Nov. 17, 2020).

⁹⁹ Direct Testimony of Robert Meredith ("Meredith Direct") 28:566-31:619.

¹⁰⁰ Hr'g Tr. 19:12-16 (Nov. 17, 2020).

¹⁰¹ Meredith Direct 19:412-20:431.

rates with cost causation support rates that are in the public interest .

OCS has argued that the Company’s proposal creates “inequitable bill impacts within the residential class[.]”¹⁰² However, this conclusion is based entirely on an analysis that, by the OCS’s own admission, only considers the four summer months of the year.¹⁰³ These are the months when the impacts are most exaggerated because the analysis does not take into account the corresponding decrease in the volumetric charge that occurs in the other eight months of the year.¹⁰⁴ The Company’s analysis, which takes into account all 12 months, shows that the “decile of customers with the highest bill increase would see a \$5.25 monthly increase, which is modestly more than the average \$2.94 monthly increase for all residential customers.”¹⁰⁵

DPU does not make a specific recommendation on the tiers that should be proposed by the Company,¹⁰⁶ but suggests that an analysis of “net margins” should be completed.¹⁰⁷ This recommendation is a departure from the past practice of the Commission, and has not been an element required for previous changes to the energy tiers.¹⁰⁸ Regardless, the Company has presented evidence that the net margin is not altered from this design change.¹⁰⁹ Concerns have also been raised about whether the elimination of the third tier still preserves conservation incentives. With the highest summer tier price still being around 12 cents a kilowatt-hour, the Company believes that would still support energy efficiency and conservation.¹¹⁰

¹⁰² Direct Testimony of Ron Nelson (“Nelson Direct”) 77:1506-07.

¹⁰³ Hr’g Tr. 174:11-15 (Nov. 17, 2020).

¹⁰⁴ See Nov. 17, 2020 Hr’g Tr. 174:7-10 (OCS witness Mr. Nelson agrees that for two-thirds or eight months of the year, the energy charge 400kWh is lower).

¹⁰⁵ Meredith Rebuttal 26:547-49.

¹⁰⁶ Hr’g Tr. 125:2-8 (Nov. 17, 2020).

¹⁰⁷ Hr’g Tr. 119:12-20 (Nov. 17, 2020).

¹⁰⁸ See *In the Matter of the Application of Rocky Mountain Power for Authority to Increase Its Retail Electric Utility Service Rates in Utah*, Docket No. 09-035-23, Report and Order on Rate Design, at 32-33 (June 2, 2010) (Commission orders the increase of the second tier in winter and third tier in summer by 3.73%, without any discussion of a net margin analysis).

¹⁰⁹ Meredith Rebuttal 26:563-64.

¹¹⁰ Hr’g Tr. 74:8-13 (Nov. 17, 2020).

2. The Commission Should Reject the Attempts to Bifurcate Schedule 6A.

RMP’s redesign of the optional Schedule 6A (non-residential time of day) would lessen the cost for non-residential customers with the lowest load factors.¹¹¹ These changes are principled, are cost based, and will remove disincentives to the deployment of electric vehicle charging.¹¹² WRA and UCE propose that the current Schedule 6A should be retained along with another option for the redesigned schedule.¹¹³ Not only would this create confusion for customers, it could create a revenue deficiency.¹¹⁴ It is a bedrock principle that the rate design should be structured to recover the Company’s revenue requirement.¹¹⁵ As directly identified by the Company, the retention of the current Schedule 6A could create a revenue deficiency that may be as high as \$2 million,¹¹⁶ a fact acknowledged by WRA.¹¹⁷ Retaining the current Schedule 6A would violate this bedrock principle . Therefore, the Company recommends the Commission reject UCE and WRA’s proposal to retain two versions of Schedule 6A.

3. The Facilities Charge for Schedule 32 Has Been Set Appropriately.

Schedule 32 allows a contract customer to receive electricity directly from a renewable energy facility (“REF”) under certain conditions.¹¹⁸ Under the Commission’s past orders, the delivery facilities charge is intended to be set to recover the costs for the Company “to deliver the electricity from the REF to the Contract Customer over PacifiCorp’s transmission and

¹¹¹ Hr’g Tr. 21:15-17 (Nov. 17, 2020).

¹¹² Meredith Rebuttal 2:39-41.

¹¹³ UCE Sarah Wright Rebuttal 4:28-35; WRA Kressig Surrebuttal 2:13-16.

¹¹⁴ Hr’g Tr. 22:10-14 (Nov. 17, 2020).

¹¹⁵ James C. Bonbright et al., *Principles of Public Utility Rates* 383 (1988) (stating that one of the attributes of sound rate structure is “effectiveness in yielding total revenue requirements”); 16 U.S.C. § 2621(d)(1) (stating that the state regulatory authority should consider certain federal standards for ratemaking including that “[r]ates charged by any electric utility for providing electric service to each class of electric consumers shall be designed, to the maximum extent practicable, to reflect the costs of providing electric service to such class”).

¹¹⁶ Hr’g Tr. 22:10-14 (Nov. 17, 2020).

¹¹⁷ Kressig Surrebuttal 3:23-25.

¹¹⁸ *In the Matter of Rocky Mountain Power’s Proposed Electric Service Schedule No. 32, Service from Renewable Energy Facilities*, Docket No. 14-035-T02, Report and Order, at 1 (Mar. 20, 2015) (hereinafter “Schedule 32 Order”).

distribution facilities[.]”¹¹⁹ The Company has calculated its delivery facilities charges based upon these costs.¹²⁰ UAE and the University of Utah claim that this is inconsistent with the Commission’s prior order in Docket No. 14-035-T02.¹²¹ However, the order does not require Schedule 32 customers to pay the same exact facilities charge as full-requirements customers, but is concerned about customers paying a “different effective rate for delivery services than their full service counterparts[.]”¹²²

The Company’s proposed prices ensure that Schedule 32 customers would not be able to use an offsite renewable resource to avoid paying some of the fixed delivery costs that are unavoidable for full-requirements customers.¹²³ In fact, analysis shows that the Company’s proposed Schedule 32 pricing better preserves the proportionality of recovery of demand-related costs as compared to the UAE/University of Utah proposal.¹²⁴ Therefore, the Company recommends the Commission approve RMP’s proposed Schedule 32 pricing.

4. OCS and Other Parties Fundamentally Misunderstand RMP’s Unbundling Proposal.

RMP’s proposed sub-functionalization and consequent unbundling allow delivery costs in rates to be delineated from supply, and allow base EBA costs in rates to be identified so the accuracy of the EBA can be improved.¹²⁵ These benefits are consistent, are beneficial, and support the transparency that allows parties to better assess the “economic impact of charges on each category of customer.”¹²⁶ OCS, supported by UCE,¹²⁷ claims that RMP is departing “from

¹¹⁹ *Id.* at 11.

¹²⁰ *See* Meredith Direct 48:949-57 (“[T]he Company calculated proposed Delivery Facilities Charges for Schedule 32 based upon the cost of fixed-demand-related transmission, distribution substations, distributions poles and conductor, and distribution transformers allocated to full requirement customers.”).

¹²¹ Benson Surrebuttal at ll. 59-60; Bieber Surrebuttal at ll. 219-25.

¹²² Schedule 32 Order at 28.

¹²³ Meredith Rebuttal 52:1062-66.

¹²⁴ *Id.* 50-51:1025-34.

¹²⁵ Hr’g Tr. 25:1-8 (Nov. 17, 2020).

¹²⁶ [Utah Code § 54-3-1](#).

¹²⁷ Surrebuttal of Sarah Wright 8:116-23.

designing rates on cost-based information from an [embedded cost of service study].”¹²⁸ This results in OCS witness Mr. Nelson confusing and conflating the demand and energy classification with the fixed supply and variable supply components of unbundling.¹²⁹ However, as explained by Mr. Meredith, “unbundling will not impact the overall base prices.”¹³⁰ Mr. Meredith further explains, “It does not make demand charges higher or energy charges lower. It merely slices these categories up for convenience.”¹³¹ Unbundling is a necessary step to support programs that have been envisioned by H.B. 411.¹³² The Company’s cost of service study is changed only minimally from past approved cost of service studies in order to allow unbundling.¹³³ Therefore RMP recommends the Commission approve its cost of service study and unbundling proposal.

5. The Company’s AMI Project Is Cost Effective, Used and Useful, and Will Facilitate Innovative Rate Design.¹³⁴

The Company has demonstrated that its AMI project is just, reasonable, used and useful, and in the public interest because it has positive quantifiable and unquantifiable customer benefits, is being rolled out in a cost-effective manner, and could facilitate future rate design changes. Intervenors support AMI technology but take issue with non-quantified advanced AMI applications and accompanying roadmap with stated cost savings. The prudence of the AMI project is based on the analysis of actual operational benefits that increase over time, through labor, theft, operations and saturation savings, while allowing the technology to mature within the business and allowing other business developments, data gathered and lessons learned to be

¹²⁸ Nelson Surrebuttal 40:754-56.

¹²⁹ See Hr’g Tr. 153:17-154:18 (Nov. 17, 2020).

¹³⁰ Surrebuttal Testimony of Robert Meredith 9:177-78.

¹³¹ Hr’g Tr. 25:13-16 (Nov. 17, 2020) (with the caveat explained by Mr. Meredith, that unbundling does affect the rates for the subscriber solar delivery charge).

¹³² Hr’g Tr. 25:3-6 (Nov. 17, 2020).

¹³³ Meredith Direct 4:68-71.

¹³⁴ See Section B.6.

studied and leveraged. Western Resource Advocates witness Mr. Howe and Utah Clean Energy witness Ms. Wright also comment on the ability of AMI to assist in implementing advanced rate design, and seek a more refined framework before implementation. These are not reasons to delay a prudent project, and there are no rate design programs that have been foreclosed by the Company's chosen course of action.

Further, contrary to the DPU's and OCS's claim, it is not the rule in Utah that projects costs cannot be recovered in rates unless 100% of the project has been completed. Rather, project costs are recoverable *to the extent* that the project is used and useful for customers. For instance, in *Terra Utilities, Inc. v. Public Service Commission*, the Supreme Court of Utah affirmed a Commission decision holding that, while Terra Utilities could not recover all of the costs of a water project (because a portion of the project was not yet benefitting customers), the utility was entitled to recover the portion of the costs necessary to serve existing customers.¹³⁵ In doing so, the court determined that the "proportionate part of the system" that was benefitting customers "was actually used and useful within the meaning of the statute."¹³⁶

Here, as Mr. Mansfield confirmed in testimony, the AMI costs in the Company's revenue requirement are limited to those costs that will have been incurred through the end of 2021 to provide facilities that will benefit customers during the test period.¹³⁷ The IT portion of the project will be 88.5% completed by the end of 2021, the field area network will be 82.3% complete by that time, and at least 34,500 AMI meters will have been installed and functioning. Thereafter, each new meter from customer growth or net metering will provide all of the AMI benefits for those customers.¹³⁸ The Company requests that the Commission approve its recovery of these costs.

¹³⁵ 575 P.2d 1029, 1033 (Utah 1978).

¹³⁶ *Id.*

¹³⁷ Hr'g Tr. 204:20-205:3 (Nov. 3, 2020).

¹³⁸ *Id.* 201:17.

IV. CONCLUSION

For the foregoing reasons, the Company requests that the Commission approve the relief sought by the Company in its application and supporting testimony in this matter.

Respectfully submitted this 30th day of November 2020.

ROCKY MOUNTAIN POWER

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I hereby certify that on November 30, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

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