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Attorney for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER TO DECREASE)
THE DEFERRED EBA RATE THROUGH THE) Docket No. 21-035-01
ENERGY BALANCING ACCOUNT)
MECHANISM)

**APPLICATION TO DECREASE THE DEFERRED EBA RATE THROUGH THE
ENERGY BALANCING ACCOUNT MECHANISM**

Rocky Mountain Power, a division of PacifiCorp (“Company” or “Rocky Mountain Power”), hereby submits this application (“Application”) to the Public Service Commission of Utah (“Commission”) pursuant to energy balancing account mechanism (“EBA”) tariff Schedule 94 (“Tariff Schedule 94”), requesting approval to recover approximately \$1.7 million in deferred EBA Costs (“EBAC”). The \$1.7 million includes the following components: (1) a credit of approximately \$6.7 million, the difference between the Actual EBAC and the Base EBAC in current base rates for the period beginning January 1, 2020 through December 31, 2020 (“Deferral Period”); (2) an expense of approximately \$5.0 million related to an adjustment for sales made to

a special contract customer; (3) approximately \$3.2 million in costs related to the Utah situs resources; and (4) a charge of approximately \$245 thousand in accrued interest.

The Company has included revised Tariff Schedule 94 to recover from customers \$1.7 million. This results in an overall decrease to retail customers of the Tariff Schedule 94 rate of approximately 1.7 percent.

This Application is consistent with Tariff Schedule 94, approved by the Commission (1) on July 17, 2012, as amended by the Commission's Order on EBA Interim Rate Process, issued August 30, 2012, and as amended in Dockets Nos. 16-035-T05 and 09-035-15 by orders issued May 16, 2016, February 16, 2017, November 14, 2019, and March 13, 2020 (together, the "EBA Order").¹

The proposed EBA rate decrease reflected in this Application represents an EBA rate adjustment under Tariff Schedule 94 as set forth above. It is allocated to rate schedules pursuant to and consistent with the Commission-approved net power cost ("NPC") allocator from the Company's general rate case filing in Docket No. 13-035-184 (the "2014 GRC"), as explained further below. Rocky Mountain Power respectfully requests that, pursuant to the provisions in Tariff Schedule 94 and the EBA Order, the Commission authorize recovery of the amounts in this

¹ *In the Matter of Rocky Mountain Power for Approval of Its Energy Cost Adjustment Mechanism*, Docket No. 09-035-15, Order (November 14, 2019).

Application, with a change in Utah rates to become effective, per the schedule in Tariff Schedule 94, on March 1, 2022.² In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, Utah, 84116.

3. Communications regarding this filing should be addressed to:

Jana Saba
Utah Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
E-mail: jana.saba@pacificorp.com

² The Company recognizes that the Utah legislature passed a revision to the Energy Balancing Account statute during the 2021 general legislative session, but is not seeking interim rates in this filing. See Utah Code Ann. § 54-7-13.5

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In addition, Rocky Mountain Power requests that all data requests regarding this application be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
 PacifiCorp
 825 NE Multnomah, Suite 2000
 Portland, Oregon 97232

Informal questions may be directed to Jana Saba, Utah Regulatory Affairs Manager, at (801) 220-2823.

4. Tariff Schedule 94 permits the Company to monitor total EBAC on an unbundled basis apart from other investments and expenses included in base rates and to account for historical actual EBAC that may be over or under the amount recovered in base rates through the EBA.

5. Under Tariff Schedule 94, the Company files a deferred EBAC adjustment application annually on or before March 15. Included with this filing are changes to Tariff Schedule 94 to include provision for a rate effective date of March 1, 2022.

6. The EBA deferral calculation consists of two revenue requirement components: NPC and wheeling revenue. NPC are defined as the sum of fuel expenses, wholesale purchased power expenses, wheeling expenses, less wholesale sales revenue. Wheeling revenue includes

amounts booked to FERC account 456.1, revenues from transmission of electricity of others. Collectively, the two components are known in Tariff Schedule 94 as “Energy Balancing Account Costs” or “EBAC”.

7. The deferred EBAC is determined pursuant to Tariff Schedule 94 by comparing, in a deferral period, the actual NPC and wheeling revenue to the total base EBAC recovered in rates as established in a general rate case. From January 1, 2020 through December 31, 2020, 100 percent was deferred for later recovery from or refund to customers. In addition, several adjustments were made to actual NPC this year, as described in the direct testimony of NPC Specialist Jack Painter.

8. The Deferral Period for this Application is the 12-month period beginning January 1, 2020 through December 31, 2020.

9. The request in this Application includes four components: (1) the EBA deferral amount (“EBA Deferral Amount”) for a credit of approximately \$6.7 million; (2) an expense of approximately \$5.0 million related to an adjustment for sales made to a special contract customer; (3) approximately \$3.2 million in costs related to the Utah situs resources; and (4) a charge of approximately \$245 thousand in accrued interest.

10. For the Deferral Period, base NPC were set at \$1.491 billion (“Base NPC”) and wheeling revenue was set at \$97 million.

11. Actual NPC were higher than Base NPC during the Deferral Period as a result of, among other things, a reduction in wholesale sales revenue and increases in purchased power

expense, partially offset by a reduction in coal fuel, natural gas, and wheeling expenses, among other expenses.

12. The Company calculated the EBA Deferral Amount for the Deferral Period using the Commission Order Method consistent with the stipulation approved by the Commission in the 2014 GRC, as set forth in detail in **Exhibit RMP__ (JP-1)**, attached to Mr. Painter's direct testimony.

Deferred EBA Cost Adjustment

13. Pursuant to Tariff Schedule 94, the deferred EBAC adjustment is calculated monthly and recorded as a deferred expense on the Company's books. Mr. Painter's **Exhibit RMP__ (JP-1)** shows the detailed calculation of the EBA Deferral Amount. Adjusted Actual Total NPC from January 1, 2020 through December 31, 2020 were approximately \$1.503 billion, compared to the \$1.491 billion Base NPC being used in this case.

14. As shown in **Exhibit RMP__ (JP-1)**, Utah's allocated NPC before wheeling revenues were approximately \$672 million. After crediting Utah-allocated wheeling revenues of approximately \$50 million, Utah actual EBAC were approximately \$622 million shown on line 3, or \$25.01 per megawatt-hour ("MWh"), shown on line 5.

15. In comparison, Utah Base EBAC were approximately \$587 million shown on line 8, after crediting Utah-allocated wheeling revenues of approximately \$41 million shown on line 7, or \$25.25 per MWh, shown on line 10. The monthly difference between lines 5 and 10

applied to Utah’s 2020 load produces the deferred EBAC of approximately \$6.7 million, shown on line 12.

16. An adjustment for sales to a special contract customer of approximately \$5.0 million, after applying a deadband, is shown on line 15. An adjustment related to the Utah situs resources, namely the Utah Subscriber Solar program and the Utah Transition Program for Customer Generators of approximately \$3.2 million is shown on line 16. A charge for interest of approximately \$182 thousand for the Deferral Period is shown on line 22. A charge for interest of approximately \$16 thousand (from January 2021 through March 2021) is shown on line 23 and \$47 thousand (from April 2021 through February 2022) is shown on line 24. The total ending deferral amount of approximately \$1.7 million is shown on line 25.

17. A summary of the total requested EBA recovery is shown in the table below.

Calendar Year 2020 EBA Deferral		<i>Exhibit RMP__ (JP-1) Reference</i>
Actual EBA (\$/MWh)	\$ 25.01	Line 5
Base EBA (\$/MWh)	25.25	Line 10
\$/MWh Differential	\$ (0.24)	
Utah Sales (MWh)	24,869,997	Line 4
EBA Deferrable*	\$ (6,713,705)	Line 12
Special Contract Customer Adjustment*	5,010,211	Line 15
Utah Situs Resource Adjustment*	3,174,121	Line 16
Total Deferrable	\$ 1,470,627	Line 17
Interest Accrued through December 31, 2020	182,131	Line 21
Interest Accrued January 1, 2021 through March 31, 2021	16,084	Line 23
Interest Accrued April 1, 2021 through February 28, 2022	47,099	Line 24
Requested EBA Recovery	\$ 1,715,940	Line 25

* Calculated monthly

Proposed Tariff Sheets

18. The Company's proposal is to spread the deferred EBAC across customer classes for the Deferral Amounts consistent with the NPC Allocator agreed to by the parties and approved by the Commission in the 2014 GRC, as shown in **Exhibit RMP___(RMM-1)**, attached to the direct testimony of Mr. Meredith.

19. The Company proposes to allocate the EBA deferral for CY 2020 and revenues to those customer classes that are not reflected in the NPC Allocators, such as Schedule 21 and Schedule 31 customers, as described in Mr. Meredith's direct testimony.

20. The table below summarizes the proposed price changes by tariff rate schedule. Mr. Meredith's **Exhibit RMP___(RMM-1)** displays the Company's proposed rate spread, as discussed above. The proposal would result in an overall decrease of \$36.1 million, or 1.7 percent to customers in Utah. Mr. Meredith's **Exhibit RMP___(RMM-2)** includes billing determinants and the calculations of the proposed EBA rates in this case. **Exhibit RMP___(RMM-3)** contains the proposed rates and revisions for Tariff Schedule 94.

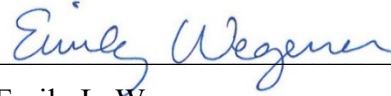
Customer Class	Proposed Percentage Change 2021 EBA
Residential	
Schedules 1, 2, 3	-1.4%
General Service	
Schedule 23	-1.6%
Schedule 6	-2.0%
Schedule 8	-2.0%
Schedule 9	-2.5%
Irrigation	
Schedule 10	-2.0%
Public Street and Area Lighting Schedules	
Schedules 7, 11, 12	-1.0%
Schedule 15 - Metered Outdoor Lighting	-1.9%
Schedule 15 - Traffic Signal Systems	-1.4%
Total	-1.7%

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission approve rates as provided in Tariff Schedule 94 to recover the costs identified in this Application, as filed, with an effective date of March 1, 2022.

DATED this 15th day of March 2021.

Respectfully submitted,

ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Emily Wegener". The signature is written in a cursive style and is positioned above a horizontal line.

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