

DPU EXHIBIT 1.1 Dir – PUBLIC
EXECUTIVE SUMMARY

Docket No. 21-035-01

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2021 EBA AUDIT REPORT FOR ROCKY MOUNTAIN POWER

Prepared by the Utah Division of
Public Utilities

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1 EXECUTIVE SUMMARY

The Utah Division of Public Utilities (Division or DPU) and its outside consultant, Daymark Energy Advisors, Inc. (Daymark), have completed the 2021 audit of Rocky Mountain Power's (Company) Energy Balancing Account (EBA) for the calendar year 2020 (2020 Deferral, Deferral Period). The Division recommends a recovery amount of \$6,552,200 for the 2020 Deferral Period. This recommended recovery is \$53,873 less than the revised recovery amount requested by the Company in its June 2021 Supplemental Testimony filing. The Commission may also wish to further adjust the Company's recovery amount by including a \$34,267 increase to correct the Company's Wyodak coal cost adjustment, as described below.

The combined \$53,873 DPU recommended reduction from outages and the \$34,267 Wyodak coal cost adjusted increase would net a total recommended recovery of \$6,586,467 for the 2020 Deferral Period.

The Division's findings specifically addressed in this report (DPU Report) are as follows:

1. The Company's level of documentation was generally comparable to that provided in prior filings.
2. The Company was generally complete and timely in its Data Request responses. As needed during the audit, the Company's personnel were available and generally responsive to the Division's requests.
3. The Division provided Daymark with a scope of work to perform. The Division asked Daymark to review variants of actual Net Power Cost (NPC) versus Base NPC, outages, natural gas and power transactions, a high-level review of Energy Imbalance Market (EIM) benefits, and changes to energy risk management policies. The results of the review of these items are provided in Daymark's separately issued Testimony, Executive Summary, and 2021 EBA Audit Report.¹
4. On March 15, 2021, the Company filed a request for an EBA recovery of \$1,715,940 for the 2020 Deferral Period. On June 14, 2021, the Company filed a request for an increased

¹ Daymark Exhibits 2.0, 2.2, and Confidential Exhibit 2.3.

total recovery of \$6,606,072 to correct a misallocation of loads and sales due to a partial meter failure at the Treasureton substation. This requested amount includes a \$3,247,893 correction for the prior EBA deferral period from July 2019 through December 2019.

The Company's June 14, 2021 corrective filing included Excel exhibit "CONFIDENTIAL RMP Workpapers 2 – Updated Loads 6-14-2021." The tab entitled Table 1 calculated the 2020 Deferral recovery to be \$3,358,179. This is \$3,247,893 less than the \$6,606,072 total the Company is seeking. The Table 1 calculation filed June 14, does not include the portion of the Treasureton substation meter failure correction from July 2019 through December 2019.

5. Based on its audit of outages, Daymark recommends an adjustment to reduce NPC on a Utah allocated basis of \$53,873. This amount combines an Energy Balancing Account Costs (EBAC) adjustment of \$50,871 and an interest adjustment of \$3,002, which the Division adopts. The recommended Utah allocated adjustment reduces the Company's revised proposed recovery of \$6,606,072 to \$6,552,200.

In addition to these recommended outage and replacement power cost adjustments, Daymark found that the Company's lack of emphasis on providing plant-specific evidence of what it is doing to minimize outage durations to be of concern. The Company should make every effort to ensure that "learnings" from outage events are properly vetted across the fleet to help proactively minimize future outages.

6. During the Division's review, the Company confirmed that a correction to the 2020 Wyodak coal cost adjustment is needed. The \$517,221 reduction for Wyodak liquidated damages in the 2021 EBA for the 2020 Deferral Period should have been \$449,705, the sum of calendar years 2021 and 2022. The Company suggested that this true-up will be corrected in the 2022 EBA for the calendar year 2021 deferral period. If the Commission wished to make this adjustment during this 2021 EBA review year, the recommended Utah allocated total calculated adjustment would be \$34,267, including \$3,753 of interest.

The combined \$53,873 DPU recommended reduction from outages and the \$34,267 Wyodak coal cost increase adjustment would net a total decrease of \$19,606 and a net recommended recovery of \$6,586,467 for the 2020 Deferral Period. In other words, the Wyodak correction helps mitigate the effect of the outage adjustments on the Company's overall request.

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The Division's audit report, its purpose, and scope is included as DPU Confidential Exhibit 1.2.

The Daymark audit report, its purpose, and scope is included as DPU Confidential Exhibit 2.3.