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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

Collaborative Stakeholder Process for Rocky Mountain Power's Grid Modernization and Rate Design	Docket No. 21-035-16
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**COMMENTS OF THE UTAH ASSOCIATION OF ENERGY USERS**

Pursuant to the March 17, 2021 Scheduling Order and Notices of Technical Conference, Comment Period, and Scheduling Conference, the Utah Association of Energy Users ("UAE") hereby submits the following comments regarding the Informational Filing filed by Rocky Mountain Power ("RMP" or "Company") on May 3, 2021.

In its Informational Filing, RMP recommended that the collaborative stakeholder process address "at a minimum" the following topics:

- Retail rate unbundling
- Generation and transmission cost of service methodology
- Distribution cost of service methodology
- Advanced rate design for residential customers
- Advanced rate design for nonresidential customers
- Conjunctive billing
- Options for large customers<sup>1</sup>

<sup>1</sup> RMP Informational Filing at 12.

UAE has previously identified topics that it would like to address during this collaborative stakeholder process, including the following:

- Retail rate unbundling;
- Generation, transmission, and distribution cost of service allocation and classification methodologies;
- Conjunctive billing; and
- Options for large customers.<sup>2</sup>

UAE continues to recommend that these topics be addressed during the collaborative stakeholder process. UAE further offers the following comments to further identify the matters that UAE would like to address with respect to certain of the topics.

Generation, transmission, and distribution COS allocation and classification methodologies

Historically, UAE has generally supported the Commission's practice of allocating production and transmission costs to the retail customer classes in the same manner as these costs are allocated in the Company's jurisdictional allocation. As such, even though UAE believes that other approaches are superior to the Company's 75%-demand/25%-energy allocation method for production and transmission costs, UAE has not objected to using this allocation method for both jurisdictional and retail class allocation as it is consistent with the method used for allocating these costs to Utah in the first instance. In the Company's recent general rate case, the Commission reaffirmed its support for the 75%-demand/25%-energy allocation method, citing that the split is balanced, reasonable, and appropriate and that it has historically promoted uniformity and simplicity.<sup>3</sup> Any decision to change this longstanding production and transmission allocation

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<sup>2</sup> See Docket No. 20-035-04, *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*, Reply Comments of UAE on Collaborative Stakeholder Process (March 2, 2021) at 2.

<sup>3</sup> See *id.*, Final Order (Dec. 30, 2020) at 64.

methodology should be based on a reassessment of the appropriate coincident peak months to be used in the production and transmission allocators. The analysis should also investigate the use of the Average & Excess demand weighting method, which is a robust energy weighted allocation method that considers both the average and excess demand loads on the system. Similarly, to the extent the Commission considers changes to RMP's ECOSS methodologies, there should also be an analysis to investigate the appropriate classification of customer-related costs when allocating distribution plant. In particular, the analysis should investigate the use of well-accepted methodologies such as the minimum-size method or the minimum-intercept method.

#### Conjunctive Billing

UAE supports the consideration of conjunctive demand billing in this collaborative stakeholder process. Conjunctive demand billing measures the simultaneous aggregate demand for a multi-site customer across eligible service locations, providing an opportunity for a multi-site customer to be treated on an equal basis as a similar sized single site customer for generation and transmission service. The cost to provide generation and transmission service to a multi-site customer with several sites is not materially different than the cost to serve a single site customer with the same aggregate load. Further, conjunctive demand billing can provide a price signal to incentivize a multi-site customer to manage its aggregate load during periods of high demand more effectively, resulting in a net benefit to the system.

#### Options for Large Customers

UAE supports consideration of options for large customers. In addition to conjunctive billing, discussed above, UAE would like to discuss issues related to Schedule 32, Service from Renewable Energy Facilities. Schedule 32 was implemented in response to Senate

Bill 12 in 2012 to enable qualifying retail customers to receive electricity directly from a Renewable Energy Facility. However, in the nine years since the adoption of SB 12, customer participation in the program has been very limited, despite significant interest from many customers in the opportunity to contract for renewable energy. UAE believes there should be a greater effort to implement the statute by making Schedule 32 an effective and viable rate option for customers. In particular, UAE believes the rate design should better capture the capacity value that a solar renewable energy resource provides and should better reflect the Company's actual cost to serve a Schedule 32 customer.

DATED this 24th day of May 2021.

Respectfully submitted,



By: \_\_\_\_\_

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Certificate of Service  
**Docket No. 21-035-16**

I hereby certify that a true and correct copy of the foregoing was served by email this 17th day of May 2021 on the following:

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