

March 15, 2022

***VIA ELECTRONIC FILING***

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

Attention: Gary Widerburg  
Commission Administrator

RE: **Docket No. 22-035-01**  
Rocky Mountain Power's Application for Approval of the 2022 Energy Balancing  
Account  
*Rocky Mountain Power's Application*

In accordance with Utah Public Service Commission ("Commission") Rule 746-1-203, PacifiCorp, d.b.a. Rocky Mountain Power, hereby submits for electronic filing its Application for Approval of the 2022 Energy Balancing Account. The Application is accompanied by the direct testimonies, exhibits and workpapers of Mr. Jack Painter and Mr. Robert M. Meredith and the applicable filing requirements.

The enclosed proposed tariff sheet is associated with Tariff P.S.C.U No. 51 of Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405-2D, PacifiCorp states that the proposed tariff sheet does not constitute a violation of state law or Commission rule.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

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

Utah Public Service Commission

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Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

A handwritten signature in blue ink that reads "Joelle Steward". The signature is written in a cursive style with a large initial "J".

Joelle Steward

Senior Vice President, Regulation and Customer & Community Solutions

cc: Service List – Docket No. 22-035-01

Emily L. Wegener (12275)  
Stephanie Barber-Renteria (8808)  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
Telephone No. (801) 220-4526  
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[stephanie.barber-renteria@pacificorp.com](mailto:stephanie.barber-renteria@pacificorp.com)

*Attorneys for Rocky Mountain Power*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

IN THE MATTER OF ROCKY MOUNTAIN )  
POWER’S APPLICATION FOR APPROVAL )           Docket No. 22-035-01  
OF THE 2022 ENERGY BALANCING )  
ACCOUNT )

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**ROCKY MOUNTAIN POWER’S APPLICATION FOR APPROVAL OF THE  
2022 ENERGY BALANCING ACCOUNT**

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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 No. 94 (“Tariff Schedule 94”), requesting approval to recover approximately \$90.6 million in deferred EBA Costs (“EBAC”). The \$90.6 million deferral includes the following components: (1) approximately \$107.6 million of EBA-related costs; (2) a credit of approximately \$22.4 million for sales made to a special contract customer; (3) approximately \$2.9 million in costs for Utah situs resources; and (4) a charge of approximately \$2.6 million in interest.

The Company has included revised Tariff Schedule 94 to recover from customers approximately \$90.6 million over 14 months beginning May 1, 2022 on an interim basis

through June 30, 2023. This results in an overall increase to retail customers of Tariff Schedule 94 of approximately 1.9 percent.

This Application is consistent with Tariff Schedule 94, approved by the Commission on July 17, 2012, as amended by the Commission’s Order on EBA Interim Rate Process, issued August 30, 2012, and as amended in Docket Nos. 16-035-T05 and 09-035-15 by orders issued May 16, 2016, February 16, 2017, November 14, 2019, March 13, 2020, and consistent with any changes approved in pending Docket No. 22-035-T05 (together, the “EBA Order”).

The proposed EBA rate increase reflected in this Application represents an EBA rate adjustment under Tariff Schedule 94 as set forth above. It is allocated to rate schedules consistent with the base EBA amounts approved by the Commission in the Company’s general rate case filing in Docket No. 20-035-04 (the “2020 GRC”), as more fully explained below. Rocky Mountain Power respectfully requests that, pursuant to the provisions in Tariff Schedule 94, this increase in Utah rates become effective, on an interim basis, May 1, 2022. In addition, the Company proposes that any difference between the 2021 EBA and the final amount collected be amortized when final rates are implemented on July 1, 2023.

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 310  
Salt Lake City, UT 84116  
E-mail: [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)

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[stephanie.barber-renteria@pacificorp.com](mailto:stephanie.barber-renteria@pacificorp.com)

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](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 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, which provide for a rate effective date on an interim basis of May 1, 2022. Changes to the EBA schedule as well as additional information in support of the interim rate request are provided in more detail in this Application.

6. The EBA deferral calculation consists of three revenue requirement components: NPC, production tax credits (“PTCs”) and wheeling revenue. NPC are defined as the sum of fuel expenses, wholesale purchased power expenses, wheeling expenses, less wholesale sales revenue. PTCs are included in the EBA as approved in the Company’s 2020 GRC, which are an offset to the Company’s federal income taxes based upon actual energy generated at eligible wind-powered generating facilities. Wheeling revenue includes amounts booked to FERC account 456.1, Revenues from Transmission of Electricity of Others. Collectively, the three 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, PTCs and wheeling revenue to the total base EBAC recovered in rates as established in a general rate case. 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, 2021 through December 31, 2021 (“Deferral Period”).

9. The request in this Application includes four main components: (1) approximately \$107.6 million of EBA-related costs; (2) a credit of approximately \$22.4 million for sales made to a special contract customer; (3) approximately \$2.9 million in costs for Utah situs resources; and (4) a charge of approximately \$2.6 million of interest.

10. For the Deferral Period, base NPC were set in the Company’s 2020 general rate case, Docket No. 20-035-04, at approximately \$1.431 billion (“Base NPC”) and became effective January 1, 2021.

11. Actual NPC were higher than Base NPC during the Deferral Period due to an increase in purchased power expenses, increases in natural gas and coal fuel expenses, an increase in wheeling and other expenses, and a decrease in wholesale sales and PTCs.

12. The Company calculated the EBA Deferral Amount using the Commission Order Method consistent with the stipulation approved by the Commission in the 2020 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, 2021, through December 31, 2021, were

approximately \$1.694 billion, compared to the \$1.431 billion Base NPC being used in this case.

14. As shown in **Exhibit RMP \_\_\_(JP-1)**, the difference between Base NPC and Actual NPC was due to a \$42 million reduction in wholesale sales, a \$125 million increase in purchased power expense, a \$52 million increase in natural gas expense, a \$30 million increase in coal fuel expense, and a \$13 million increase in wheeling and other expenses. Mr. Painter further discusses the drivers causing the variance in net power costs for the deferral period.

15. As showing in **Exhibit RMP \_\_\_(JP-1)**, Utah's allocated NPC before wheeling revenues were approximately \$757 million. After crediting Utah-allocated production tax credits of approximately \$97 million and wheeling revenues of approximately \$72.2 million, Utah actual EBAC were approximately \$588 million shown on line 4, or \$23.04 per megawatt-hour ("MWh"), shown on line 6.

16. In comparison, Utah Base EBAC were approximately \$467 million shown on line 10, after crediting Utah-allocated production tax credits of approximately \$106 million and wheeling revenues of approximately \$50.6 million shown on lines 8 and 9, respectively, or \$18.81 per MWh, shown on line 12. The monthly difference between lines 6 and 12 applied to Utah's 2021 load produces the deferred EBAC of approximately \$107.6 million, shown on line 14.

17. An adjustment for sales to a special contract customer of approximately \$22.4 million, after applying a deadband, is shown on line 17. An adjustment related to the Utah situs resources, namely the Utah Subscriber Solar program, the Utah Transition Program for Customer Generators and a fee for the Energy Imbalance Market Body of



State Regulators of approximately \$2.9 million is shown on line 18. A charge for interest of approximately \$1.5 million for the Deferral Period is shown on line 23. A charge for interest of approximately \$871 thousand (from January 2022 through March 2022) is shown on line 25 and \$230 thousand for April 2022 is shown on line 26. The total ending deferral amount of approximately \$90.6 million is shown on line 27.

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

### Annual EBA Calculation

Calendar Year 2021 EBA Deferral		<i>Exhibit RMP ___ (JP-1) Reference</i>
Actual EBA (\$/MWh)	\$ 23.04	Line 6
Base EBA (\$/MWh)	18.81	Line 12
\$/MWh Differential	<u>\$ 4.22</u>	
Utah Sales (MWh)	25,523,328	Line 5
EBA Deferrable*	\$ 107,599,353	Line 14
Special Contract Customer Adjustment*	(22,400,376)	Line 17
Utah Situs Resource Adjustment*	2,866,745	Line 18
Total Deferrable	<u>\$ 88,065,722</u>	Line 19
Interest Accrued through December 31, 2021	1,451,080	Line 23
Interest Accrued January 1, 2022 through March 31, 2022	871,124	Line 25
Interest Accrued April 1, 2022 through April 30, 2022	229,736	Line 26
<b>Requested EBA Recovery</b>	<u><b>\$ 90,617,662</b></u>	Line 27

\* Calculated monthly

### EBA Amortization and Schedule Changes

19. Certain events have recently occurred that allow changes to the timing and schedule of the EBA as follows:

- i. In the 2021 Utah Legislative Session, the legislature modified the energy balancing account statute, § 54-7-13-5(2)(l)(ii), to add a new 300-day statutory deadline for the Commission to issue a final order

and modified Utah Code Ann. § 54-7-13.5(2)(k) to permit interim rates;

- ii. On February 23, 2021, in Docket No. 21-035-01, the Commission approved a Settlement Stipulation (“2021 Settlement”) that stated rates under Schedule 94 should not change on March 1, 2022 and instead that the existing rates under Schedule 94 would remain in place through April 30, 2022, which would effectively recover the approved \$6.6 million request in that proceeding over two months in March and April of 2022. The signatory parties of the 2021 Settlement envisioned that the next rate change under Schedule 94 would be the interim rate change on May 1, 2022 as presented in this Application.

20. In response to these events and circumstances, PacifiCorp submitted a tariff filing in Docket No. 22-035-T05 that is pending with the Commission that contains the following proposed changes to Schedule 94 to address these circumstances:

- i. For the 2022 EBA, interim rates will become effective on May 1, 2022 and be effective for a total of 14 months until June 30, 2023.
- ii. The procedural schedule for the 2022 EBA will adjust to accommodate the 300-day statutory deadline for a Commission order by January 9, 2023.
- iii. Beginning in the 2023 EBA, the Company will file its annual EBA applications on May 1 of each year, for interim rates on July 1.

21. With the foregoing changes, the Company requests the interim rates for this EBA to be effective on May 1, 2022 and continue for 14 months until June 30, 2023, which offers an additional benefit of collecting the relatively large EBA request in this docket over a longer period, helping to mitigate the rate impact to customers.

### **Proposed Interim Rate**

22. In the 2021 Utah Legislative Session, Utah Code Ann. § 54-7-13.5(2)(k) permits the Commission to consider an interim rate request made as part of an electric corporation's filing of an energy balancing account. Prior to interim rate becoming effective, the Commission must hold a hearing on the interim rate request to consider whether the Company has made an adequate prima facie showing that the proposed

interim rate appears consistent with prior years' filing and is more likely to reflect actual power costs than the current base rates.

23. In accordance with Utah Code Ann. § 54-7-13.5(2)(k), Rocky Mountain Power hereby requests the 2021 EBA recovery amount of \$90.6 million be collected on an interim basis beginning May 1, 2022 subject to rate refund or surcharge.

24. This proposed rate change is consistent with prior years filing because it uses substantially similar methodologies to arrive at total EBAC. Using these methodologies, the Company has determined that EBAC has increased and is more likely to reflect actual power costs than the current base rates. The interim rates requested by the Company will be subject to future audit by the Division of Public Utilities and evaluation at a hearing by other parties.

25. Rocky Mountain Power hereby requests the Commission issue a notice of scheduling order so that a hearing date may be scheduled to facilitate interim rates becoming effective May 1, 2022.

### **Proposed Tariff Sheets**

26. The Company's proposal is to spread the deferred EBAC across customer classes consistent with an EBA Allocator that allocates the Base EBA amounts approved by the Commission in the 2020 GRC by cost of service factor 10 or factor 30 for different FERC accounts, as appropriate. Allocation to the customer classes is shown in **Exhibit RMP\_\_\_(RMM-1)**, attached to the direct testimony of Mr. Meredith.

27. The Company proposes to allocate the EBA deferral for CY 2021 to those customer classes that are not reflected in the cost of service study used in the 2020 GRC,

such as Schedule 31 and Schedule 32 customers, as described in Mr. Meredith’s direct testimony.

28. 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 increase of \$40.2 million, or 1.9 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.

<b>Customer Class</b>	<b>Proposed Percentage Change</b>
<b>Residential</b>	
Schedules 1, 2, 3	1.6%
<b>General Service</b>	
Schedule 23	1.7%
Schedule 6	1.9%
Schedule 8	2.4%
Schedule 9	3.3%
<b>Irrigation</b>	
Schedule 10	2.1%
<b>Public Street and Area Lighting Schedules</b>	
Schedules 7, 11, 12	1.5%
Schedule 15	3.2%

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission:

1. Issue a notice of scheduling conference so parties may confer on a procedural schedule including a hearing date for approval of an interim rate change.

2. Approve rates in Tariff Schedule 94 to recover the costs identified in this Application, as filed, with an effective date on an interim basis of May 1, 2022 through June 30, 2023.

DATED this 15th day of March 2022.

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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Emily L. Wegener  
Stephanie Barber-Renteria  
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Salt Lake City, Utah 84116  
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E-mail: [emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

**CERTIFICATE OF SERVICE**

Docket No. 22-035-01

I hereby certify that on March 15, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)  
[ocs@utah.gov](mailto:ocs@utah.gov)

**Division of Public Utilities**

[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

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**Rocky Mountain Power**

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Mary Penfield  
Adviser, Regulatory Operations