

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. 22-035-07**  
Application to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account

In accordance with Utah Public Service Commission Rule 746-1-203, Rocky Mountain Power (“Company”) hereby submits for electronic filing its Application to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account. The Company’s application is accompanied by the direct testimony and exhibits of Company witnesses Michael G. Wilding, Justin B. Farr and Robert M. Meredith.

Pursuant to the requirement of Rule R746-405-2D, PacifiCorp states that the proposed tariff sheets do 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

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

Sincerely,



Joelle Steward  
Senior Vice President, Regulation and Customer & Community Solutions

cc: Service List – Docket No. 22-035-07

Emily L. Wegener (12275)  
Stephanie Barber-Renteria (8808)  
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*Attorneys for Rocky Mountain Power*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

IN THE MATTER OF THE APPLICATION OF )  
ROCKY MOUNTAIN POWER FOR AUTHORITY )  
TO REVISE RATES IN TARIFF SCHEDULE 98, ) Docket No. 22-035-07  
RENEWABLE ENERGY CREDITS BALANCING )  
ACCOUNT )  
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**APPLICATION TO REVISE RATES IN TARIFF SCHEDULE 98, RENEWABLE  
ENERGY CREDITS BALANCING ACCOUNT**

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Rocky Mountain Power (“Rocky Mountain Power” or the “Company”) submits this Application to the Public Service Commission of Utah (“Commission”) respectfully requesting an order approving a rate change in the Renewable Energy Credits Balancing Account (“RBA”), tariff Schedule 98, pursuant to the terms and conditions of the tariff. 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 regulated 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. The Company provides retail electric service to over 948,000 customers and has approximately 1,800 employees 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  
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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](mailto:datarequest@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@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 at (801) 220-2823.

4. Tariff Schedule 98, approved by the Commission in an order issued in Docket No. 10-035-124, tracks the difference between Renewable Energy Credits (“REC”) revenues included in base rates and actual REC revenues collected from the sale of RECs by the Company.

5. The variances between REC revenues included in rates and actual REC revenues collected are identified and deferred each month for one full calendar year.

6. Annually on or around March 15, an RBA application is filed to present the variances, including applicable carrying charges, with a true-up for the difference between the amounts in rates and actual sales occurring through Tariff Schedule 98.

7. The collection or credit under Tariff Schedule 98 is to be made annually, effective June 1.

8. In this RBA filing, the deferral period was January 1, 2021, through December 31, 2021, (“Deferral Period”). The Company calculated a deferral balance for the Deferral Period of approximately \$1.5 million, which is approximately \$361 thousand more than the deferral balance currently being refunded to customers through the RBA rate. The Company requests this amount be refunded to customers over a one-year period beginning June 1, 2022, through May 31, 2023.

9. The Company is proposing to refund \$1.5 million, which represents a net decrease in Schedule 98 of \$361 thousand, or 0.02 percent. This net change is the difference between the current collection level of \$1.1 million from Docket No. 21-035-05 (“2021 RBA”) and the new proposed refund of \$1.5 million.

10. In support of this Application, the Company has provided the testimony and exhibits of Michael G. Wilding, Vice President of Energy Supply Management; Justin B. Farr,

Assistant Revenue Requirement Manager; and Robert M. Meredith, Director, Pricing and Tariff Policy. Mr. Wilding’s testimony addresses the historical REC sales that will be used in the calculation to set the Tariff Schedule 98 rate. Mr. Wilding also describes the revenue from the sale of Utah RECs to California, which are included in this RBA filing pursuant to the Confidential Settlement Stipulation the Company entered with the Division of Public Utilities and the Office of Consumer Services (“Confidential Settlement Stipulation”) in the 2021 RBA. Mr. Farr’s testimony addresses the allocation of total-Company sales to Utah and the calculation of the deferral component to true-up calendar year 2021 REC sales. Mr. Meredith will address the Company’s proposed REC revenue spread and RBA rates in this case.

11. In his direct testimony, **Confidential Exhibit RMP \_\_\_(MGW-1)**, Mr. Wilding presents a summary table of actual REC revenues by month and by resource for calendar year 2021 on a total-Company basis, excluding the sales associated with the transfer to California and Kennecott Utah Copper (“Kennecott”).

12. In **Confidential Exhibit RMP \_\_\_(MGW-2)**, Mr. Wilding provides a summary table of actual REC sales by entity, tag price, resource, and vintage for calendar year 2021.

13. In **Confidential Exhibit RMP \_\_\_(MGW-3)**, Mr. Wilding provides the details of the final November and December 2020 actual REC revenue by resource, which the Company agreed to provide in the 2021 RBA proceeding.

14. In **Confidential Exhibit RMP \_\_\_(MGW-4)**, Mr. Wilding provides the details of the RECs transferred to Kennecott in accordance with the Non-Generation and Renewable Energy Credit (REC) Supply Agreement between the Company and Kennecott, dated April 18, 2019, that was approved by the Commission in Docket No. 19-035-20 (“Kennecott Agreement”).

14. In **Confidential Exhibit RMP\_\_\_(MGW-5)**, Mr. Wilding provides the details of the RECs transferred to PacifiCorp's California customers in accordance with a Settlement Stipulation that was approved by the Commission on June 1, 2021, in the 2021 RBA.

15. Mr. Farr's direct testimony, **Confidential Exhibit RMP\_\_\_(JBF-1)**, shows a table summarizing the deferred balance for the Deferral Period in the RBA of approximately \$1.5 million refund.

16 **Confidential Exhibit RMP\_\_\_(JBF-2)** shows the beginning deferred balance of the RBA on January 1, 2021, of approximately \$1.57 million which was rolled over from the December 31, 2020, balance and trues up the estimated resource assignments from the 2021 RBA with the actual results.

17. The actual REC sales revenue received by the Company during the 2021 Deferral Period was approximately \$4.66 million on a Utah-allocated basis plus an additional \$600 thousand associated with the Kennecott Agreement, as illustrated in **Confidential Exhibit RMP\_\_\_(JBF-2)**.

18. Pursuant to the settlement stipulation in Docket No. 11-035-200 ("2012 GRC Settlement Stipulation"), the Company is allowed to retain, as an incentive, 10 percent of the revenues obtained from sales of RECs. Except for REC revenue from the Kennecott Agreement and the California REC Transfer Agreement, all the REC revenue booked in calendar year 2021 qualifies for the 10 percent incentive calculation. The Company calculated the incentive by taking 10 percent of the Utah allocated REC revenue, excluding the revenue associated with the aforementioned Agreements, resulting in a \$466 thousand incentive amount, as shown in **Confidential Exhibit RMP\_\_\_(JBF-2)**.

19. The amount of REC revenues in base rates for January 1, 2021, through December 31, 2021, were set at \$3.57 million, on a Utah-allocated basis, consistent with the most recent general rate case, Docket No. 20-035-04 , reflected as a monthly amount of REC revenue in the amount of \$298 thousand, as reflected in **Confidential Exhibit RMP \_\_\_(JBF-2)**.

20. The RBA balance to be refunded of approximately \$1.5 million includes approximately \$92 thousand of carrying charges at the applicable carrying charge rate, shown in **Confidential Exhibit RMP \_\_\_(JBF-2)**.

21. The deferred balance to be refunded to customers through Schedule 98 is approximately \$1.5 million shown in **Confidential Exhibit RMP \_\_\_(JBF-2)**.

22. The Company proposes to allocate all refunds across customer classes based on a cost of service factor 10 allocation, as specifically described in Mr. Meredith’s testimony, and in general as set forth in the table below.

<b>Customer Class</b>	<b>Proposed Percentage</b>
<b>Residential</b>	
Schedules 1, 2, 3	-0.01%
<b>General Service</b>	
Schedule 23	-0.01%
Schedule 6	-0.01%
Schedule 8	-0.01%
Schedule 9	-0.01%
<b>Irrigation</b>	
Schedule 10	-0.01%
<b>Public Street and Area Lighting Schedules</b>	
Schedules	
7, 11, 12	0.00%
Schedule 15	-0.01%

23. Based on the forecast period 12 months ending May 2023, this proposal would result in a net decrease in rates of 0.02 percent from the current charge.

24. Mr. Meredith's direct testimony, **Exhibit RMP\_\_ (RMM-1)**, contains the Company's proposed rate spread. **Exhibit RMP\_\_ (RMM-2)** contains the billing determinants and the calculations of the proposed REC rates in this case. **Exhibit RMP\_\_ (RMM-3)** contains the proposed rates for Tariff Schedule 98. The current Schedule 98 rates will terminate on May 31, 2022, and the new Tariff Schedule 98 rates will become effective on June 1, 2022.

25. Pursuant to the terms and conditions of the RBA, the rate effective date of a sur-credit in the amount of \$1.5 million, is June 1, 2022.

WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission approve the balance for the Deferral Period of approximately \$1.5 million, to be refunded to customers, effective on June 1, 2022.

DATED this 15<sup>th</sup> day of March 2021.

Respectfully submitted,  
ROCKY MOUNTAIN POWER



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**CERTIFICATE OF SERVICE**

Docket No. 22-035-07

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)  
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**Division of Public Utilities**

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**Rocky Mountain Power**

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Adviser, Regulatory Operations