

Application of Rocky Mountain Power for Authority to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account	<u>DOCKET NO. 22-035-07</u> <u>ORDER</u>
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ISSUED: May 31, 2022

BACKGROUND AND PROCEDURAL HISTORY

On March 15, 2022, Rocky Mountain Power (RMP) filed an application (“Application”) with the Public Service Commission (PSC) requesting approval to adjust the collection rates for the Renewable Energy Credits (REC) Balancing Account (RBA) in its Electric Service Schedule No. 98, REC Revenue Adjustment (“Schedule 98”). RMP’s Application seeks a Schedule 98 decrease of approximately \$361,000, or 0.02 percent, which is the difference between the current balance of approximately \$1.1 million set in Docket No. 21-035-05 and this Application’s proposed deferral balance of approximately \$1.5 million (“Deferred Balance”). RMP requests an effective date of June 1, 2022 for the adjustment. The Application includes proposed revisions to Schedule 98, Sheet No. 98.

After holding a scheduling conference, the PSC issued a Scheduling Order and Notice of Hearing (“Scheduling Order”) on April 6, 2022, allowing an opportunity for comments on the Application and setting a hearing for May 19, 2022 to consider implementation of the proposed Schedule 98 rates on an interim basis. The Scheduling Order expects the Division of Public Utilities (DPU) will submit an audit report by July 14, 2022, with a comment period to follow.

On April 28, 2022, DPU submitted comments in support of the Application; the PSC received no other comments during this proceeding.

The PSC held a hearing on May 19, 2022, during which RMP and DPU testified.

RMP'S APPLICATION

RMP's testimony provides details of RMP's 2021 REC revenues, shows its calculation of the RBA Deferred Balance, its proposed customer rate spread for the applicable deferral periods, and a proposed customer rate design. The proposed adjustment to Schedule 98 rates allocates the 2021 RBA revenue variance to the several rate schedules over a one-year period, beginning June 1, 2022. RMP proposes to allocate the 2022 RBA refunds across customer classes using the rate spread the PSC approved in RMP's 2020 general rate case ("2020 GRC"),¹ wherein the PSC set the corresponding base RBA revenues based on the "cost of service factor 10." Consistent with past RBA filings, RMP proposes certain modifications to this rate spread pertaining to its lighting schedules 7, 11, and 12, and certain special contracts.

RMP indicates this filing includes certain REC revenues booked in 2021 related to a one-time transfer of Utah's allocated RECs for use by RMP's California customers, which was approved by the PSC in its June 1, 2021 order under RMP's previous RBA adjustment proceeding.²

The following table provides a comparison of current and proposed RBA refund and collection rates under Schedule 98.

¹ *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*, Docket No. 20-035-04, Redacted Order issued December 30, 2020.

² *See Application of Rocky Mountain Power for Authority to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account*, Docket No. 21-035-05, Order issued June 1, 2021.

Schedule	Current Schedule No. 98 Rate	Proposed Schedule No. 98 Rate
Schedule 1	-0.06%	-0.08%
Schedule 2	-0.06%	-0.08%
Schedule 2E	-0.06%	-0.08%
Schedule 3	-0.06%	-0.08%
Schedule 6	-0.07%	-0.09%
Schedule 6A	-0.05%	-0.08%
Schedule 7	-0.03%	-0.02%
Schedule 8	-0.08%	-0.09%
Schedule 9	-0.10%	-0.11%
Schedule 9A	-0.11%	-0.12%
Schedule 10	-0.05%	-0.07%
Schedule 11	-0.03%	-0.02%
Schedule 12	-0.03%	-0.02%
Schedule 15 (Traffic and Other Signal Systems)	-0.04%	-0.07%
Schedule 15 (Metered Outdoor Nighttime Lighting)	-0.07%	-0.09%
Schedule 22	-0.10%	-0.11%
Schedule 23	0.00%	-0.07%
Schedule 31	*	*
Schedule 32	*	*

*The rates for Schedules 31 and 32 shall be the same as the applicable general service schedule.

At hearing, RMP testified that the RBA deferral balance and proposed rate adjustment were calculated in a manner consistent with previous RBA filings. RMP also explained the basis for its Schedule 98 adjustment calculations.

DPU’S COMMENTS AND TESTIMONY

DPU recommends the PSC approve the Application and the proposed changes to Schedule 98 as filed, effective June 1, 2022, on an interim basis until DPU completes its final audit of the RBA as provided in the Scheduling Order. DPU testified it confirmed that resulting revenues booked from the one-time transfer of Utah-allocated RECs to RMP’s California retail

customers were included in this filing. At hearing, DPU testified that, based on its preliminary review, the Application generally complies with applicable PSC orders.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Having reviewed the Application and supporting materials, DPU's comments, and the parties' testimony at hearing, we find substantial evidence exists to conclude the rate adjustments requested in the Application are just, reasonable, and in the public interest. We further conclude the rates are consistent with our prior orders and applicable law. For these reasons, we approve the requested Schedule 98 rate adjustments, effective June 1, 2022, on an interim basis pending DPU's final audit report and any associated comments.³

ORDER

- (1) We approve RMP's Application to revise Schedule 98 and implement a rate decrease as filed on an interim basis, effective June 1, 2022, subject to further refund or surcharge contingent on the PSC's review of DPU's audit and any associated comments.
- (2) RMP's proposed modifications to Schedule 98, Sheet No. 98 are approved on an interim basis.

DATED at Salt Lake City, Utah, May 31, 2022.

/s/ Michael J. Hammer
Presiding Officer

³ The Scheduling Order in this docket allows parties an opportunity to submit comments on DPU's audit report by August 4, 2022 and the opportunity to provide reply comments by August 18, 2022.

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Approved and Confirmed May 31, 2022 as the Order of the Public Service Commission
of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#324200

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 30 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on May 31, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

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