
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 SETTING FINAL RATES</u>
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ISSUED: October 7, 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 revise the collection rates for the Renewable Energy Credits (REC) Balancing Account (RBA) in its Electric Service Schedule No. 98, REC Revenue Adjustment (“Schedule 98”). The Application proposed to refund approximately \$1.5 million based on a deferral period of January through December 2021, representing a Schedule 98 collection level decrease of approximately \$0.361 million, or 0.02 percent from the previous level of approximately \$1.1 million. The Application included proposed revisions to Schedule 98 reflecting the decrease.

On April 28, 2022, the Division of Public Utilities (DPU) recommended the PSC approve the Application on an interim basis, effective June 1, 2022. On May 31, 2022, the PSC issued an order approving RMP’s proposed Schedule 98 rates, effective June 1, 2022, on an interim basis subject to further refund or surcharge contingent on the PSC’s review of the final results of DPU’s audit of the RBA (“Audit Report”).

On July 12, 2022, DPU filed its Audit Report consistent with our April 6, 2022 scheduling order. The PSC’s Scheduling Order, issued April 6, 2022, allowed for comments and reply comments respecting the Audit Report, due August 4 and August 18, 2022, respectively. No party filed comments or reply comments.

DISCUSSION, FINDINGS, AND CONCLUSIONS

In its Audit Report, DPU explains it reviewed numerous documents, including RMP's responses to data requests from DPU and the Office of Consumer Services, RMP's REC sales, request for proposals, reverse request for proposals, REC-related agreements, renewable costs in base rates, the REC budget for 2021 and 2022, REC policies and procedures, and previous RBA filings. Additionally, DPU reviewed and verified that the fees RMP billed to Kennecott Utah Copper LLC ("Kennecott") were in accordance with the confidential Non-Generation and REC Supply Agreement between Kennecott and PacifiCorp dated April 8, 2019.¹ Based on this review, DPU represents RMP appears to have prudently managed the RBA and followed regulatory and reporting requirements.

DPU states it discovered RMP omitted the second tranche of REC revenue resulting in an understatement of approximately \$33,000 of Utah REC revenues. DPU indicates RMP will include this correction, including applicable carrying charges in next year's RBA filing. DPU adds that RMP's omission of the REC revenue is immaterial (less than one percent) and does not affect the interim rates. Based on the remainder of the review of the associated 2021 REC tariff, Schedule 98, and related 2021 filings with the PSC, DPU states that RMP appears to have complied with regulatory and reporting requirements. DPU represents the interim rates appear to be just, reasonable, and in the public interest and recommends the interim rates be made final.

¹ *Application of Rocky Mountain Power for Approval of the Non-Generation and Renewable Energy Credit Supply Agreement between PacifiCorp and Kennecott Utah Copper LLC*, Docket No. 19-035-20, Order Approving a Non-Generation and Renewable Energy Credit Supply Agreement (August 7, 2019).

We find the procedures DPU used to evaluate RMP's records are sufficiently rigorous to justify the conclusion that the interim rates are just and reasonable. Based on our review of the Application, DPU's Audit Report, the reasons provided in DPU's comments, and the absence of any opposition, we accept and adopt DPU's recommendation. Similarly, and based on reasons set forth above, we find the previously-ordered interim rates for Schedule 98 in this docket are just, reasonable, and in the public interest. Accordingly, we approve the interim rates previously approved in this docket as final.

ORDER

The interim rate changes on RMP's Schedule 98, Sheet No. 98 that the PSC approved in its Order issued May 31, 2022 in this docket are approved as final.

DATED at Salt Lake City, Utah, October 7, 2022.

/s/ Michael J. Hammer
Presiding Officer

Approved and confirmed October 7, 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#325765

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 7, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

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