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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Doug Wheelwright, Utility Technical Consultant Supervisor
Brenda Salter, Utility Technical Consultant Supervisor
Abdinasir Abdulle, Utility Technical Consultant

Date: July 12, 2022

Re: **Docket No. 22-035-33**, Rocky Mountain Power's 2021 Annual Cost of Service Study.

Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge Rocky Mountain Power's (RMP or Company) 2021 Annual Cost of Service Study (2021 COSS) filed with the Commission on June 13, 2022. The Division recommends the Commission direct RMP file its future Annual COSS including all summary tabs that were omitted from the current filing.

Issue

On June 13, 2022, RMP filed its 2021 COSS based on the Annual Results of operations for 2021. On the same day, the Commission issued an Action Request asking the Division to review the Company's filing for compliance and to make recommendations. The Commission asked the Division to report its findings and recommendations by July 13, 2022. This memorandum represents the Division's response to the Commission's Action Request.

Division of Public Utilities

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Background, and Discussion

The Commission's letter dated May 29, 2014, in Docket No. 14-999-01, required RMP to file the annual cost of service study within 45 days of filing the year-end semi-annual financial results of operations. In compliance with the Commission's letter, RMP filed its 2021 COSS on June 13, 2022. The Division reviewed the Company's 2021 COSS model and compared it with the Company's 2020 COSS, which was filed with the Commission as part of the Company's general rate case filing in Docket No. 20-035-04.

The Division determined that the 2021 COSS is materially the same as the 2020 COSS updated for the end of year 2021 results of operations. The Division notices that the 2021 COSS is missing some of the summary tabs including class summary, production summary, transmission summary, distribution summary, retail summary, and miscellaneous summary. The Division also noticed that the 2021 COSS correctly removed those tabs that were introduced into the model because of the Company's functional unbundling proposal, which the Commission rejected. These tabs include Production-Demand Variable, Production-Demand Fixed, Production-Energy Variable, Production-Energy Fixed, Transmission-Demand Variable, Transmission-Demand Fixed, Transmission-Energy Variable, and the Transmission-Energy Fixed. Though these changes do not affect the results of the COSS, the missing summary tables make it a bit more difficult to glean information from the models. Therefore, the Division recommends that the Commission direct RMP to file its future Annual COSS including all summary tabs that were omitted from the current filing.

The 2021 COSS was filed within 45 days of filing the 2021 year-end semiannual financial results of operations.

Conclusion

Based on its review of RMP's filing, the Division concludes that the 2021 COSS is materially the same as the 2020 COSS but the Company omitted several summary tabs. Therefore, the Division recommends that the Commission acknowledge RMP's 2021 COSS. The Division recommends the Commission direct RMP to file future Annual COSS including all summary tabs that were omitted.

cc: Jana Saba, RMP
Michele Beck, Office of Consumer Services