



State of 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

Bob Davis, Utility Technical Consultant

Abdinasir Abdulle, Utility Technical Consultant

Trevor Jones, Utility Analyst

Date: February 14, 2022

Re: **Docket No. 22-035-T02 – Tariff Filing**, – Rocky Mountain Power’s Proposed Tariff Changes to Electric Service Schedule No. 137, Net Billing Service for the Annual Update to the Exported Customer-Generated Energy Credit Rates and Rocky Mountain Power’s Notice of Intent to Use Export Credit Rate Input.

Recommendation (Approval)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve Rocky Mountain Power’s (RMP) proposed customer-generated export credit rate updates to tariff Schedule No. 137, Net Billing Service with an effective date of March 1, 2022.

Issue

On January 28, 2022, RMP filed its proposed annual updates to Schedule No. 137 requesting an effective date of March 1, 2022. On January 28, 2022, the Commission issued an action request to the Division requesting that it investigate RMP’s filing. The Commission asked the Division to report back by February 11, 2022. On February 2, 2022, the Commission issued its Notice of

Filing and Comment Period. The Commission asked that any person interested in filing comments and reply comments should do so by February 14, 2022, and February 22, 2022, respectively.

Background

The Commission issued its final order for Docket No. 17-035-61 on August 11, 2021 (Order), for the annual update timing, procedure, and scope of Electric Service Schedule No.137 — Net Billing Service. The Commission approved, among other conclusions and findings, an annual update of Schedule 137 to reflect current assumptions applied to the various models used to determine a reasonable export credit rate for the succeeding year. The Commission’s Order directed RMP to file its Notice of Intent to Use ECR Input (Docket No. 21-035-64)¹ by December 1st of each year. The Notice of Intent is filed before the tariff update to make parties aware of the various value point inputs RMP intends to use to update the annual export credit rate (ECR) for Schedule No. 137.² RMP is required to submit its annual update filing to the Commission thirty days prior to the March 1st effective date of Schedule No. 137 to allow parties time to evaluate the filing.³

Discussion

The Division reviewed RMP’s annual update ECR input adjustments to those proposed and approved by the Commission in Docket No. 21-035-64 and conclude the annual and routine adjustments made by RMP are as intended.⁴

The adjustments subject to future proceedings and therefore not adjusted in this year’s annual update are Generation and Distribution Capital Cost, Generation and Distribution Carrying Charges, Integration Charge, and Generation Fixed O&M Charges. RMP identified the annual

¹ See Rocky Mountain Power’s Notice of Intent to Use ECR Input, Docket No. 21-035-64, December 1, 2021, <https://pscdocs.utah.gov/electric/21docs/2103564/321387Notice12-1-2021.pdf>.

² See Commission Order, Docket No. 17-035-61, August 11, 2021, at page 10, Section A(ii), <https://pscdocs.utah.gov/electric/17docs/1703561/3199401703561oaaecrup8-11-2021.pdf>.

³ *Id.*, at page 9, Section A(i).

⁴ See Commission Order, Docket No. 21-035-64, Rocky Mountain Power’s Notice of Intent to Use Export Credit Rate Input, January 11, 2022, <https://pscdocs.utah.gov/electric/21docs/2103564/321871AckLtrfromPSC1-10-2022.pdf>.

and routine adjustments for each value point in Workpaper A including specific load research data from Confidential Workpaper B needed for the capacity contribution and production factors.

For the annual and routine adjustments made in this update, the customer generation (Schedule 136)⁵ export profile and Energy Imbalance Market (EIM) for the PacifiCorp East (PACE) load aggregation point are based on 15-minute intervals for July 1, 2020, through June 30, 2021, adjusted for daylight savings time. The Division notes that the EIM data was adjusted for the November 2020 time change but not the spring of 2021 time change. The Division concludes this omission is not material to the resulting ECR rates. The Capacity Contribution and Production Factors use December 31, 2020 versus June 30, 2021.⁶ Using the mid-year data point versus the historic end date data point does not seem to change the resulting ECR rates in a material way. The integration cost is derived from the 2019 IRP as the 2021 IRP (Docket No. 21-035-09) is still under review.⁷ RMP derives the Transmission Capacity Rate from its FERC Docket ER11-3643 filing.⁸ Finally, the demand and energy losses used for the energy, generation, transmission, and distribution value points are derived from the most recent Demand and Energy Loss Study (2018) performed by RMP for the most recent general rate case (Docket No. 20-35-04).⁹

Based on its analysis premised on the Commission's April 28, 2021 Order, the Division concludes that RMP's adjustment of the ECR summer rate from 5.817 cents per kWh to **5.160** cents per kWh, and winter rate from 5.487 cents per kWh to **4.462** cents per kWh are reasonable. The proposed changes represent an eleven percent and a nineteen percent reduction in rates, respectively.¹⁰ The Division completed its analysis with similar results. The Division's review of the revised tariff sheets reflect the necessary changes for a March 1, 2022, effective date.

⁵ Note that Customers on Schedule 137 do not have 15-minute capable meters.

⁶ See RMP Workpaper A – Calculation of the ECR and EIM Data 1-28-2022, Tab Gen, Cells D7 and D10, respectively, <https://psc.utah.gov/2022/01/28/docket-no-22-035-t02/>.

⁷ See Rocky Mountain Power's Proposed Changes to Electric Service Schedule No. 137 ..., Docket No. 22-035-T02, page 2, Integration Costs, <https://pscdocs.utah.gov/electric/22docs/22035T02/322108Tariff1-28-2022.pdf>.

⁸ See PacifiCorp OASIS Tariff/Company Information/OATT Pricing/2021 Transmission Formula Update/Excel 2021 Projection/Summary of Rates Tab, Cell F28, <http://www.oatioasis.com/ppw/>.

⁹ *Supra* n6, Tab Losses.

¹⁰ *Supra* n7, page 4, Table 2.

The Division notes that this filing is the first annual update for Schedule No. 137 and a work in progress. The Division looks forward to any comments from other parties that may suggest alternative methods or needed data that might make future filings more efficient.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code R746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. The filing does not appear to violate statute or rule.

Conclusion

The Division concludes that RMP's Schedule No. 137 annual update filing adjustments are routine, reasonable, and comply with Commission orders, and therefore, are just and reasonable and in the public interest. The Division recommends the Commission approve RMP's filing with an effective date of March 1, 2022.

cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS