

March 2, 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-T05** - Rocky Mountain Power's Proposed Tariff Revisions to  
Electric Service Schedule No. 94 – Energy Balancing Account

**Docket No. 09-035-15** - Application of Rocky Mountain Power for Approval of its  
Proposed Energy Cost Adjustment Mechanism

On December 10, 2021, Rocky Mountain Power (“Company”) filed an Application to Establish an Interim Rate Process in the Energy Balancing Account (“Application”). The Application requested approval to implement an interim rate process by modifying Electric Service Schedule No. 94 – Energy Balancing Account (“Schedule 94”) effective March 1, 2022, and included a modified Schedule 94 containing the proposed timelines. On February 4, the Company submitted reply comments responding to the Division of Public Utilities’ (“DPU”) conclusion that the Company’s proposed schedule included with the Application did not fit within the necessary 300 day statutory period, a requirement that was added to Utah Code 54-7-13.5 in the 2021 Utah legislative session. On February 24, 2022, the Commission denied the Company’s Application on this basis, stating, “In principle, we find RMP’s Application, and DPU’s recommendation for its approval, reasonable and in the public interest. However, we cannot approve a process that is, on its face, contrary to law.”<sup>1</sup>

The Company and DPU have been in discussions to revise the process in Schedule 94 to implement new timelines that include an interim rate process as well as accommodate the new time limitations. Based on the discussions, the Company proposes the following changes to the procedural schedule in Schedule 94.

**Procedural Schedule for the EBA in Schedule 94 beginning with the 2023 EBA Filing**

Beginning with the EBA that is filed in the spring of 2023, the Company proposes to move the filing date of the EBA to May 1 of each year with an interim rate effective date of July 1. Moving the filing date back allows the remainder of the procedural schedule to be similar to the

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<sup>1</sup> Docket No. 09-035-15 Order Denying Application, p. 4.

timing in recent EBA proceedings. The table below illustrates the dates and compares them to the current schedule.

	Existing Schedule		Beginning w/ 2023 EBA	
	Date	# Days	Date	# Days
RMP Filing	15-Mar		1-May	
Interim Rates			1-Jul	61
DPU Audit	5-Nov	235	7-Nov	190
Hearing	21-Jan	312	26-Jan	270
PSC Order	28-Feb	350	25-Feb	300

The Company proposes this schedule does not begin until the 2023 EBA that is filed in the spring of 2023, due to certain circumstances that exist for the EBAs in Docket Nos. 21-035-01 (“2021 EBA”) and 22-035-01 (“2022 EBA”) described in the next section.

**Procedural Schedule for the EBA in Schedule 94 for 2022 EBA**

In the 2021 EBA, the Settlement Stipulation, which was approved by the Commission on February 23, 2022, stated that rates under Schedule 94 would not change March 1, 2022, and instead the existing rates under Schedule 94 would remain in place, which would effectively recover the approved \$6.6 million request in that proceeding over two months in March and April of 2022. The signatory parties of the settlement intended for the next rate change in Schedule 94 to be the interim rate change on May 1, 2022, from Docket No. 22-035-01, subject to a Commission finding that any applicable requirements of Utah Code 54-7-13.5(2)(k) are met. If the new schedule discussed above is implemented for the 2022 EBA, rates under Schedule 94 would not be effective until July 1, 2022, introducing rate uncertainty and possible instability for the months of May and June, 2022, as Schedule 94 rate would likely need to be set to zero while the new interim rates in the 2022 EBA were adjudicated. As stated in the Settlement Stipulation, the Company anticipates the requested recovery of the 2022 EBA to be significant. Therefore, to accommodate the terms of the Stipulation in a manner that provides rate stability to customers, the Company recommends that the schedule for 2022 EBA preserve the March 15 filing date and May 1 interim rate date as follows:

	Existing Schedule		Docket No. 22-035-01	
	Date	# Days	Date	# Days
RMP Filing	15-Mar		15-Mar	
Interim Rates			1-May	47
DPU Audit	5-Nov	235	21-Sep	190
Hearing	21-Jan	312	9-Dec	269
PSC Order	28-Feb	350	9-Jan	300

Under the Company’s proposal outlined in this letter, the 2022 EBA would be collected over 14 months from May 1, 2022, through June 30, 2023. Attached are tariff sheets for Schedule 94 that

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reflect the EBA timelines recommended for 2022 EBA. The Company will make another tariff filing in January 2023 to implement the proposed EBA schedule for 2023 going forward.

### **Tariff Filing**

Enclosed is the revised tariff page associated with Tariff P.S.C.U No. 51, applicable to electric service in the State of Utah. In accordance with the requirement of Rule R746-405-2(D), the Company states that the revised tariff sheet does not constitute a violation of state law or Commission rule. The tariff sheet reflects an effective date of May 1, 2022.

First Revision of Sheet No. 94.3	Electric Service Schedule No. 94	Energy Balancing Account (EBA)
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Informal inquiries may be directed to Jana Saba, Manager, State Regulatory Affairs, at (801) 220-2823.

Sincerely,



Joelle Steward  
Senior Vice President, Regulation

cc: Service List – Docket No. 09-035-15

## ELECTRIC SERVICE SCHEDULE NO. 94 – Continued

**Net Power Costs (NPC):** the sum of costs incurred to acquire power to serve customers less revenues collected from sales for resale. NPC components are those included in the Company's production cost model and recorded in the FERC Accounts described in this electric service schedule.

**Production Tax Credit (PTC):** the renewable energy production tax credits included as an offset to the Company's federal income taxes based upon actual energy generated at eligible wind-powered generating facilities and generally considered a non-NPC item.

**Wheeling Revenue:** Revenues from Transmission of Electricity of Others recorded in the FERC Account described in this electric service schedule.

### EBA PROCEDURAL SCHEDULE

1. Rocky Mountain Power will file its EBA application on or about March 15.
- ~~1.2.~~ On or before May 1, the Public Service Commission of Utah (PSC) will determine whether to approve interim rates.
- ~~2.3.~~ The DPU will complete its audit and file its report and supporting testimony by November 7/September 21.
- ~~3.4.~~ The PSC will hold a hearing on or about January-December 21-9 of the following year.
- ~~4.5.~~ The PSC will issue an order on or about February 21-January 9 of the following year before the next EBA filing is made, after which a true up of rates could be ordered.
- ~~5.6.~~ The EBA rate effective date will be March 1 for a rate effective period of 12 months. Any true-up to interim rates will go into effect July 1, and be amortized through June 30 of the year following the year the application is filed unless otherwise determined by PSC order.

### EBA CALCULATIONS AND APPLICATION

**APPLICABLE FERC ACCOUNTS:** The EBA rate will be calculated using all components of EBAC as defined in the Company's most recent general rate case, major plant addition case, or other case where Base EBAC are approved. EBAC are typically booked to the following FERC accounts, as defined in Code of Federal Regulations, Subchapter C, Part 101, with the noted clarifications and exclusions:

#### FERC 501- Fuel

- FERC Sub 5011000
  - SAP 515100 – Coal Consumed-Generation (Include)
  - SAP (all other) – Legal, maintenance, utilities, labor related, miscel O&M (Exclude)
- FERC Sub 5013500 - Natural Gas Consumed (Non Gadsby) Natural Gas Swaps (Non Gadsby) (Include)
- FERC Sub (All Other) – Property tax, office supplies, Labor, Fuel Handling, Supplies, Maintenance, Start-up Fuel, Start-up Fuel Diesel, Diesel Fuel Hedge, miscellaneous O&M, Flyash Sales (Exclude)

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. ~~20-035-042-~~  
035-T05

**FILED:** ~~January 13, 2021~~ March 2, 2022  
1, 2022

**EFFECTIVE:** ~~January 1, 2021~~ May  
1, 2022

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Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. ~~20-035-042-~~  
035-T05

**FILED:** ~~January 13, 2021~~ March 2, 2022  
1, 2022

**EFFECTIVE:** ~~January 1, 2021~~ May  
1, 2022

**ELECTRIC SERVICE SCHEDULE NO. 94 – Continued**

**Net Power Costs (NPC):** the sum of costs incurred to acquire power to serve customers less revenues collected from sales for resale. NPC components are those included in the Company’s production cost model and recorded in the FERC Accounts described in this electric service schedule.

**Production Tax Credit (PTC):** the renewable energy production tax credits included as an offset to the Company’s federal income taxes based upon actual energy generated at eligible wind-powered generating facilities and generally considered a non-NPC item.

**Wheeling Revenue:** Revenues from Transmission of Electricity of Others recorded in the FERC Account described in this electric service schedule.

**EBA PROCEDURAL SCHEDULE**

1. Rocky Mountain Power will file its EBA application on or about March 15.
2. On or before May 1, the Public Service Commission of Utah (PSC) will determine whether to approve interim rates.
3. The DPU will complete its audit and file its report and supporting testimony by September 21.
4. The PSC will hold a hearing on or about December 9.
5. The PSC will issue an order on or about January 9 of the following year before the next EBA filing is made, after which a true up of rates could be ordered.
6. Any true-up to interim rates will go into effect July 1, and be amortized through June 30 of the year following the year the application is filed unless otherwise determined by PSC order.

**EBA CALCULATIONS AND APPLICATION**

**APPLICABLE FERC ACCOUNTS:** The EBA rate will be calculated using all components of EBAC as defined in the Company’s most recent general rate case, major plant addition case, or other case where Base EBAC are approved. EBAC are typically booked to the following FERC accounts, as defined in Code of Federal Regulations, Subchapter C, Part 101, with the noted clarifications and exclusions:

**FERC 501- Fuel**

FERC Sub 5011000

SAP 515100 – Coal Consumed-Generation (Include)

SAP (all other) – Legal, maintenance, utilities, labor related, miscel O&M (Exclude)

FERC Sub 5013500 - Natural Gas Consumed (Non Gadsby) Natural Gas Swaps (Non Gadsby) (Include)

FERC Sub (All Other) – Property tax, office supplies, Labor, Fuel Handling, Supplies, Maintenance, Start-up Fuel, Start-up Fuel Diesel, Diesel Fuel Hedge, miscellaneous O&M, Flyash Sales (Exclude)

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Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 22-035-T05

**FILED:** March 2, 2022

**EFFECTIVE:** May 1, 2022

**CERTIFICATE OF SERVICE**

Docket No. 09-035-15

I hereby certify that on March 2, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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**CERTIFICATE OF SERVICE**

Docket No. 22-035-T05

I hereby certify that on March 2, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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