
Rocky Mountain Power's Application for Approval of the 2023 Energy Balancing Account	<u>DOCKET NO. 23-035-01</u> <u>ORDER APPROVING INTERIM RATES</u>
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ISSUED: June 29, 2023

1. Procedural Background

On May 1, 2023, Rocky Mountain Power (RMP) filed its Application for Approval of the 2023 Energy Balancing Account ("Application") with the Public Service Commission (PSC). The Application requests rate recovery of approximately \$175 million in deferred energy balancing account (EBA) costs ("EBA Costs"). RMP asks to commence recovery of the EBA Costs on an interim basis, collected over 12 months, beginning July 1, 2023. This results in an overall increase to retail customers of approximately \$97.4 million, or 4.6 percent, over current rates.

On May 10, 2023, the PSC held a scheduling conference during which the parties stipulated to a schedule, including a virtual hearing on interim rates on June 15, 2023 and a hearing to consider the PSC's approval of final rates on January 26, 2024.¹

On May 23, 2023, the Division of Public Utilities (DPU) submitted comments, recommending the PSC approve the Application, effective July 1, 2023, on an interim basis pending DPU's forthcoming audit. On June 15, 2023, the PSC held a virtual

¹ Scheduling Order and Notice of Hearings issued May 11, 2023.

hearing to consider RMP's request for interim rates during which RMP and DPU appeared and offered testimony. No other party appeared.

2. Discussion, Findings, and Conclusions

Utah Code Ann. § 54-7-13.5 authorizes the PSC to approve RMP's request for interim rate treatment of its EBA Costs subject to the PSC's authority to later order a refund or surcharge. To approve interim rates, the PSC must hold a hearing and find RMP has made an "adequate prima facie showing" the proposed interim rate "appears consistent with prior years' filings" and "is more likely to reflect actual power costs than the current base rates."²

RMP's Application explains actual net power costs during the deferral period were higher than base costs because of cost increases in purchased power, natural gas, wheeling, and other expenses. RMP notes some of these costs were offset by an increase in wholesale sales, a decrease in coal fuel expense, and an increase in Production Tax Credits. RMP attached testimony and exhibits to the Application detailing the components of its EBA Costs calculation³ and cost allocation among customer schedules.⁴

At hearing, RMP provided testimony in support of its EBA Costs. RMP witnesses summarized the Application, which would result in a 4.6 percent average EBA rate

² Utah Code Ann. § 54-7-13.5(2)(k).

³ See *Direct Testimony of Jack Painter and accompanying Attachment B*.

⁴ See *Direct Testimony of Robert M. Meredith and accompanying Attachment D*.

increase, and requested the proposed rate changes become effective July 1, 2023 on an interim basis, subject to DPU's future audit.

At hearing, DPU testified in support of RMP's requested interim rate. DPU's testimony adopted its written comments filed prior to hearing, wherein DPU concluded that, overall, the information and the requested interim rates in the Application appear consistent with prior years' filings and the interim rate increase requested is more likely to reflect actual power costs than current base rates. DPU emphasized its recommendation is based on only a preliminary review and states it has not verified the accuracy of information RMP provided to support its EBA Costs. DPU represented the proposed rate spread is consistent with the PSC-approved method and recommended the PSC grant the interim EBA rate adjustment RMP requests in the Application.

No other party appeared at hearing and no party has filed comments in opposition or otherwise objected to RMP's requested interim rate request.

We find RMP's testimony, Application, exhibits, and other filings in support of its requested interim rate constitute an adequate prima facie showing that RMP's requested interim rate is more likely to reflect actual power costs than current base rates. We further find RMP's request to be consistent with prior years' filings. Accordingly, we approve the interim rate RMP requests in its Application.

3. Order

The PSC approves RMP's request for an interim rate to recover \$175 million in EBA Costs, as RMP requests in its Application, resulting in an overall increase of approximately \$97.4 million, or 4.6 percent, over current rates, effective July 1, 2023. RMP's recovery of these costs remains subject to the PSC's authority to order a refund or adjustment until after the parties have fully litigated this docket and the PSC has approved final rates.

DATED at Salt Lake City, Utah, June 29, 2023.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed June 29, 2023 as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#328610

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 written 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 June 29, 2023, a true and correct copy of the foregoing was served upon the following as indicated below:

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