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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  
Brenda Salter, Assistant Division Director  
Doug Wheelwright, Utility Technical Consultant Supervisor  
Bob Davis, Utility Technical Consultant

**Date:** February 14, 2023

**Re:** **Docket No(s). 23-035-T03 and 22-035-54**, Rocky Mountain Power's Proposed Tariff Changes to Electric Schedule No. 137, Net Billing Service 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 (ECR) updates to tariff Schedule No. 137, Net Billing Service, with an effective date of March 1, 2023.

## Issue

RMP filed its proposed annual updates to Schedule No. 137 on January 30, 2023. The Commission issued an action request to the Division on January 30, 2023. The Commission asked the Division to investigate RMP's filing, make recommendations, and report back by February 13, 2023. On February 1, 2023, the Commission issued its Notice of Filing and Comment Period asking any interested person to submit comments by February 14, 2023, and reply comments by February 21, 2023. RMP requests an effective date of March 1, 2023.

Division of Public Utilities

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## 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 No. 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)<sup>1</sup> by December 1<sup>st</sup> 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 in its annual ECR Schedule No. 137 update.<sup>2</sup> RMP is required to submit its annual update to the Commission thirty days prior to the March 1<sup>st</sup> effective date in order to allow parties time to evaluate RMP’s filing.<sup>3</sup>

## Discussion

The Division reviewed RMP’s annual ECR update adjustments approved by the Commission in Docket No. 21-035-64 and those proposed in RMP’s recent notice of Intent to Use ECR Input and conclude the annual and routine adjustments made by RMP are as intended.<sup>4</sup>

The adjustments that are 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, and Generation Fixed O&M Charges. RMP identified the annual 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.

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<sup>1</sup> 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>.

<sup>2</sup> 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>.

<sup>3</sup> *Id.*, at p. 9, Section A(i).

<sup>4</sup> 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>.

For the annual and routine adjustments made in this year's update, the customer generation (Schedule No. 136)<sup>5</sup> export profile and Energy Imbalance Market (EIM) for the PacifiCorp East (PACE) load aggregation point are based on 15-minute intervals for July 1, 2021, through June 30, 2022, adjusted for daylight saving time. The Division notes that the UT136 Hourly data was properly adjusted for the end of daylight saving time on November 7, 2021 (RMP Workpapers A – UT ECR Input, UT136\_Hourly, Cell I 2956), however, the data was labeled as being adjusted on November 1, 2021. The Capacity Contribution and Production Factors use June 30, 2022 this year versus the mid-year factors used in last year's report.<sup>6</sup> The \$6.07 per MWh integration cost is derived from the 2021 IRP (Docket No. 21-035-09).<sup>7</sup> RMP derives the Transmission Capacity Rate from its FERC Docket ER11-3643 filing.<sup>8</sup> 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).<sup>9</sup>

Based on its analysis, premised on the Commission's Order (April 28, 2021), the Division concludes that RMP's adjustments are routine, resulting in an ECR summer rate adjustment from 5.160 cents per kWh to **5.636** cents per kWh, and winter rate adjustment from 4.462 cents per kWh to **4.745** cents per kWh. The proposed changes represent a 9.2% (summer) and a 6.3% (winter) increase in rates, respectively.<sup>10</sup> The Division completed its own analysis, which concluded with similar results.

RMP notes the change in this annual update is primarily the result of higher energy values reflected in the accounting for higher solar integration costs. While the capacity contribution declined, the average delivered volume declined by a greater amount, resulting in an increase to the generation, transmission, and distribution capacity values on a per kWh

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<sup>5</sup> Note that Customers on Schedule No. 137 do not have 15-minute capable meters.

<sup>6</sup> See RMP Workpaper A – Calculation of the ECR and EIM Data 1-30-2023, Tab Gen, Cells D7 and D10, respectively, <https://psc.utah.gov/2023/01/30/docket-no-23-035-t03/>.

<sup>7</sup> 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/23docs/23035T03/326780Tariff1-30-2023.pdf>.

<sup>8</sup> See PacifiCorp OASIS Tariff/Company Information/OATT Pricing/2022 Transmission Formula Update/Excel 2022 Projection/Summary of Rates Tab, Cell F28, <http://www.oatioasis.com/ppw/>.

<sup>9</sup> *Supra* note 6, Tab Losses.

<sup>10</sup> *Supra* note 7, p. 4, Table 2.

basis. The impact of capacity contribution and average delivered volume on transmission capacity values was largely offset by a slight reduction in the Company's most recent Open Access Transmission Tariff (OATT) rate.<sup>11</sup> The Division's analysis of RMP's filed documents supports RMP's conclusions.

In review, the Division concludes that RMP's proposal complies with 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 Division's review of the revised tariff sheets reflect the necessary changes for a March 1, 2023, effective date.

## **Conclusion**

The Division concludes that RMP's Schedule No. 137 annual update filing adjustments are routine and comply with Commission orders and RMP's proposed inputs in Docket No. 22-035-54.<sup>12</sup> The proposed rates are just, reasonable, and in the public interest. Therefore, the Division recommends the Commission approve RMP's filing with an effective date of March 1, 2023.

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

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<sup>11</sup> *Supra* note 7, p. 4, Section III, New ECR Rates.

<sup>12</sup> See RMP's, Notice of Intent to Use ECR Input, Docket No. 22-035-54, December 1, 2022, <https://pscdocs.utah.gov/electric/22docs/2203554/326305RMPNtclntntUseECRInput12-1-2022.pdf>.