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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Bob Davis, Utility Technical Consultant

Date: February 14, 2025

Re: **Docket No(s). 25-035-T01 & 24-035-57**, Rocky Mountain Power's Proposed Tariff Changes to Electric Service 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, 2025.

Issue

RMP filed its proposed annual updates to Schedule No. 137 on January 27, 2025. The Commission issued an action request to the Division on January 27, 2025, asking the Division to investigate RMP's filing, make recommendations, and report back by February 10, 2025. On February 3, 2025, the Commission issued its Notice of Filing and Comment Period asking any interested person to file comments by February 14, 2025.



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)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 in its annual ECR Schedule No. 137 update.² RMP is required to submit its annual update to the Commission thirty days before the March 1st effective date to allow parties time to evaluate RMP's filing.³

Discussion

The Division reviewed RMP's annual ECR update adjustments approved by the Commission in Docket No. 21-035-64⁴ and those proposed in RMP's recent notice of Intent to Use ECR Input. The Division concludes the annual and routine adjustments made by RMP are as intended.

The components that were 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.

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

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

³ *Id.* at 9, Section A(i).

⁴ *Commission's Order on Rocky Mountain Power's Notice of Intent to Use Export Credit Rate Input*, Docket No. 21-035-64, 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)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, 2023, through June 30, 2024, adjusted for daylight saving time. The Division notes that the UT136 Hourly data was properly adjusted for the ending and beginning of daylight savings time on November 5, 2023, and March 10, 2024, respectively. The Capacity Contribution and Production Factors use the 12-month UT136 Hourly Production data ending June 30, 2024.⁶ The \$1.22 per MWh integration cost is derived from the 2023 IRP (Docket No. 23-035-10).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 Order on April 28, 2021, the Division concludes that RMP's adjustments are routine, resulting in an ECR summer rate adjustment from 7.715 cents per kWh to **5.704** cents per kWh, and winter rate adjustment from 6.372 cents per kWh to **4.199** cents per kWh. The proposed changes represent a decrease of 26.1% (summer) and a 34.1% (winter) in rates, respectively.¹⁰

RMP notes the change in this annual update is primarily the result of lower energy values and is partially offset by higher transmission capacity values. While the capacity contribution increased, the average delivered volume increased by a slightly larger amount, resulting in a small impact on generation, transmission, and distribution capacity values on a per kWh basis.¹¹ The impact of capacity contribution and average delivered volume on transmission

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

⁶ *RMP Workpaper A – UT Schedule 136 Export Credit Annual Update*, Docket No. 25-035-T01, filed 1-27-2025, Tab Gen, Cells D7 and D10, respectively, <https://psc.utah.gov/2025/01/28/docket-no-25-035-t01/>.

⁷ *Id.* Tab Integration, Cell C8.

⁸ Docket No. ER11-3643, PacifiCorp OASIS Tariff/Company Information/OATT Pricing/2023 Transmission Formula Update/Excel 2024 Projection/Summary of Rates Tab, Cell F28, <http://www.oasis.oati.com/PPW/>.

⁹ Docket No. 25-035-T01, *supra* note 6, *Tab Losses*.

¹⁰ *Rocky Mountain Power's Proposed Tariff Changes to Electric Service Schedule No. 137, Net Billing*, Docket No. 25-035-T01, January 27, 2025, Table 2, at 5, <https://pscdocs.utah.gov/electric/25docs/25035T01/337832Trf1-27-2025.pdf>.

¹¹ *Id.* Section III, New ECR Rates, at 5.

capacity values are subject to the Company’s most recent Open Access Transmission Tariff (OATT) rate.¹² The Company’s OATT rate increased from \$37.10 in 2023 to \$53.53 in 2024.

Table 1 illustrates the Division’s year-over-year analysis of changes to the ECR components since the Commission’s Order in January 2021. The Division notes that while four years of data may not be inclusive of material trends, the Division is monitoring the large changes in capacity contribution and value elements.

Table 1 (DPU Analysis)¹³

		<i>Current Update</i>	<i>Prior</i>	<i>Prior</i>	<i>Prior</i>	<i>Ordered</i>	<i>Average % Change to Ordered</i>
Season		Jan. 2025	Jan. 2024	Jan. 2023	Jan. 2022	Jan. 2021	Ordered
Export Profile							
Volume (kWh per kW)	Annual	849	729	870	936	896	-6%
Capacity Contribution (%)	Annual	16.56%	14.37%	15.19%	16.19%	21.99%	-29%
Value by Element (cents/kWh)							
Energy Including integration & losses	Summer	2.662	4.984	3.215	2.758	2.439	40%
	Winter	1.158	3.641	2.325	2.060	2.109	9%
	<i>Annual (i)</i>	<i>1.772</i>	<i>4.208</i>	<i>2.669</i>	<i>2.322</i>	<i>2.233</i>	23%
Generation Capacity	Annual	1.741	1.760	1.559	1.544	2.253	-27%
Transmission Capacity	Annual	1.107	0.776	0.688	0.687	0.876	-7%
Distribution Capacity	Annual	0.193	0.196	0.173	0.172	0.249	-26%
Totals	Summer	5.704	7.715	5.636	5.160	5.817	4%
	Winter	4.199	6.372	4.745	4.462	5.487	-10%
	<i>Annual (i)</i>	<i>4.813</i>	<i>6.939</i>	<i>5.089</i>	<i>4.724</i>	<i>5.611</i>	-4%

(i) Annual values for information only and reflect seasonal weighting from the historical period.

In its annual net metering report to the Commission on August 2, 2024,¹⁴ the Division reported a slight decrease in Schedule No. 137 excess net metering generation by kWh. The excess generation was based on a 32.6 percent increase in the number of Schedule No. 137 customers. While the excess generation historical trend had been downward for Schedule Nos. 135 and 136, the trend for schedule Nos. 135, 136, and 137 is beginning to

¹² *Id.*

¹³ Docket No. 25-035-T01, *supra* note 6, *DPU Analysis based on RMP’s Summary Tab*, from prior reports.

¹⁴ *DPU Acknowledge RMPs Net Metering Report*, Docket No. 24-035-36, August 2, 2024, at 8 <https://pscdocs.utah.gov/electric/24docs/2403536/334940DPUCmnts8-2-2024.pdf>.

reverse.¹⁵ The Division has no way of knowing whether the root cause of these trends is system design, customer usage, weather, etc. The Division plans to monitor these trends.

In review of RMP's application, the Division concludes the requested changes comport with the Commission's guidelines and are routine. RMP also includes language that 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, 2025, 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. 24-035-57.¹⁶ 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, 2025.

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

¹⁵ *Id.* Illustration 2, at 8.

¹⁶ *Rocky Mountain Power's Notice of Intent to Use ECR Input*, Docket No. 24-035-57, November 27, 2024, <https://pscdocs.utah.gov/electric/24docs/2403557/336767RMPNtclntntUseECRInput11-27-2024.pdf>.