

# **Proposed Filing Requirements for General Rate Cases and Major Plant Addition Cases**

## **A. General**

1. An application in a General Rate Case (“GRC”) or a Major Plant Addition Case (“MPAC”) is a complete filing if it provides sufficient information to establish a prima facie case that the public utility is entitled to the relief requested.
2. A prima facie case will be deemed established under Utah Code Ann. § 54-7-12(1)(b)(i) for a GRC application if the public utility files the data and information specified in the filing requirements listed in Sections B-F below, with the information and data listed in Sections D-F filed as part of the application. These filing requirements do not apply to an application for interim rate relief.
3. A prima facie case will be deemed established under Utah Code Ann. § 54-7-13.4(1)(a)(i) for an MPAC application if the public utility files the data and information specified in the filing requirements listed in Sections G-I below.
4. Certain information specified herein may be confidential or of a sensitive nature and may be offered for review at the public utility’s offices or otherwise as agreed or directed by the Commission. Confidential information will be provided under the terms and conditions of a protective order issued by the Commission in the case.

## **GRC Filing Requirements**

### **B. Pre-filing Notifications and Motions and Request for Scheduling Conference**

1. To the extent practicable, at least 30 calendar days prior to a public utility’s anticipated formal GRC application, a public utility shall file with the Commission and serve on the parties on the service list in the public utility’s most recent GRC, a non-binding statement of the public utility’s intention to file a general rate case.
2. At least fourteen calendar days prior to the filing of a GRC, a public utility shall file and serve on the parties on the service list in the public utility’s most recent GRC, a notice of intent to file a GRC, a request that the Commission open a docket for purposes of receiving applications for intervention and a motion for entry of a proposed Protective Order. The notice shall also include a statement of the test period the public utility has selected for its upcoming application.
3. The utility shall file with its GRC application a request for a scheduling conference and a draft notice of scheduling conference to be held as soon as practicable after the 7<sup>th</sup> calendar day following the filing.

### **C. Test Period Determination Timeline**

1. Consistent with Section B.2 above, a public utility shall file and serve on the parties on the service list in the public utility's most recent GRC, notice of the test period the public utility has selected for its upcoming GRC application.
2. Other parties may challenge the public utility's selected test period and propose an alternative test period for Commission consideration within the timeframe outlined in the next paragraph.
3. Any party may request a test period hearing by filing and serving the parties on the service list in the utility's most recent GRC a non-binding request for hearing no more than 10 calendar days after the date the GRC application is filed. Whether or not such request for hearing is made, the Commission will issue an order determining the test period to be used in the GRC as soon as practicable and, unless the Commission determines that more time is warranted and in the public interest, within 30 calendar days after the filing of the GRC application.
4. If the Commission orders the public utility to use a different test period than the test period selected by the public utility, the public utility shall revise the revenue requirement portion of its application and the cost of service and rate design portion of its application to conform to the test period ordered by the Commission. If the public utility does not file the revised revenue requirement portion of its application within 30 days of the Commission's order or the rate design portion of its application within 30 days after filing the revised revenue requirement portion of its application, the 240-day period shall be suspended for the number of days past the foregoing time periods taken to file the revisions.

**D. Results of Operations ("RO")**

1. The public utility shall provide the actual, unadjusted results of operations from the most recent reporting period filed with the Commission.
2. The public utility shall adjust the RO for any material one-time or out-of-period amounts included in unadjusted results.
3. The public utility shall identify and explain the basis for any departures from regulatory adjustments ordered by the Commission in the most recent GRC of the public utility.
4. The public utility shall provide a description, if available, of any significant changes in accounting policies for the actual RO period. Significant changes for this purpose are anything referenced in footnotes of financial statements or auditor's reports. Explanations for changes that are not significant will be provided in response to discovery.

**E. Cost of Service and Rate Design**

1. The public utility shall provide a Utah Class Cost of Service Study based on the test period with supporting documentation including the development of allocation factors.
2. The public utility shall provide its proposal for spreading any Utah revenue requirement change among the rate schedules. This will include the dollar and percentage revenue requirement change for each rate schedule.
3. The public utility shall provide its proposed rates for each rate component of each rate schedule and the test period billing determinants for all rate components used to calculate revenues necessary to recover the proposed revenue requirement. An exhibit will be provided showing the test period blocking based on adjusted actual and forecasted billing units in the development of the revenues for each rate schedule.
4. The public utility shall provide its proposed tariff sheets for all rate schedules and service regulations for which it proposes language changes. The public utility is not required to provide proposed tariff sheets for rate schedules for which it proposes price changes only.

**F. Forecasted Test Period Data (to be provided only if a forecasted test period is used)**

1. **Format.** The format of the forecasted test period data shall be comparable to the RO.
2. **Revenues.** The public utility shall provide the details supporting the test period revenues including (as applicable):
  - a. Energy usage.
  - b. Assumptions used in the development of the revenue forecasts.
  - c. Billing determinants, by customer class, used to calculate the forecasted test period revenues.
  - d. Pricing rates used in developing the forecast.
  - e. Contract changes or other specific changes anticipated in the forecast.
3. **Operating Costs.** The public utility shall provide operating cost information, including:
  - a. Forecasted costs relying on escalators or drivers shall include the details of the base costs and the key drivers that impact the forecasted amount. If forecasted costs are not based on historical levels that have been inflated or escalated, the public utility shall provide support for the forecasts in the most detailed level available.
  - b. The information shall identify the index or rate of inflation applied to accounts, budget items or specific cost components that result in adjusted costs in the forecasted test period. Source documents supporting the index or rate of inflation applied shall be identified and shall be provided or made available under the terms of a protective order if applicable.

4. **Labor Costs** shall be identified separately. The public utility shall provide:
  - a. The direct labor costs included in the unadjusted RO along with forecasted direct labor costs.
  - b. Overtime costs, premiums, incentives, or other labor costs included in the forecast, with each provided separately.
  - c. Identification of any assumed salary and wage increases included in the projected labor costs.
  - d. Pensions and benefits, overheads or other employee benefit costs that are included in the forecasted period. Each of the employee benefit components shall be separately identified (i.e., medical, dental, pensions, etc.)
5. **Capital Expenditures.** The public utility shall provide capital expenditures detail, and changes affecting rate base, including:
  - a. The detail for the changes, beginning at the end of the historical RO period through the end of the forecasted test period. The detail shall include dollar amounts and in-service dates.
  - b. The detailed calculation of depreciation expense and accumulated depreciation impacts as a result of the capital expenditures affecting rate base.
  - c. An itemization with project description shall be provided for all capital additions to rate base exceeding 0.2% of total plant in service for the period contained in the actual RO, and the forecasted test period.
  - d. Detailed calculation of plant retirements by month.
6. **Taxes.** Forecasting methods, calculations and key assumptions used to take historical tax information to projected costs and results shall be provided on a tax item basis (i.e., income, property taxes, etc.).

### **MPAC Filing Requirements**

#### **G. Plant in Service Forecast.**

1. **Qualification as a major plant addition.** The public utility shall provide details supporting the qualification of the plant as a major plant addition. In order to do so, the public utility shall state the amount of its rate base in its most recent general rate case that is used to serve Utah customers and assigned or allocated to Utah.
2. **Forecasted in-service date.** The public utility shall provide the estimated in-service date of the major plant addition.
3. **Forecasted Plant Cost.** The public utility shall provide the estimated total plant in service associated with the plant addition, along with the allocation of the forecasted plant in service to Utah.
4. **Depreciation Expense.** The public utility shall include in the revenue requirement calculation the estimated first year depreciation expense.

5. **Accumulated Depreciation.** The public utility shall include accumulated depreciation as an offset to the plant in service for the first year, using a beginning/ending rate base average.
6. **Accumulated Deferred Income Taxes.** The public utility shall include accumulated deferred income taxes as an offset rate base deduction for the first year, using a beginning/ending rate base average.

#### **H. Other MPAC Revenue Requirement Adjustments.**

1. **Property Taxes.** The public utility shall provide the estimated tax impact of the capital addition during the first year of operation.
2. **Operation and Maintenance (“O&M”) Expense.** The public utility shall provide the estimated operation and maintenance expense impact of the capital addition. This impact may include the additional O&M required to operate the major plant addition, or O&M savings associated with the major plant addition.
3. **Other Tax Impacts, including Tax Credits.** The public utility shall provide the estimated other tax impacts, such as production tax credits associated with the major plant addition.
4. **Net Power Costs (if applicable).** The public utility shall include the impact of the major plant addition on net power costs, if any. This impact shall be calculated by looking at the incremental impact of two net power cost runs, one with and one without the major plant addition.
5. **Other Revenue / Expense Adjustments.** The public utility shall include any other anticipated revenue or expense impacts associated with the major plant addition. This could include additional wheeling revenues or expenses, sales of renewable energy credits, SO<sub>2</sub> allowance sales, etc.

#### **I. Proposal for Collecting and Spreading Rates**

1. **Deferred Accounting or Rate Change.** The public utility shall state whether it proposes to recover the cost of the major plant addition through deferred accounting or a rate change.
2. **Rate Change.** If the public utility proposes to recover the cost of the major plant addition through a rate change, the public utility shall provide:
  - a. Its proposal for spreading any Utah revenue requirement change among the rate schedules. This will include the dollar and percentage revenue requirement change for each rate schedule.
  - b. Its proposed rates for each rate component of each rate schedule and the billing determinants for all rate components used to calculate revenues necessary to recover the proposed revenue requirement.

SaltLake-449317.3 0085000-01002