

Emily L. Wegener
Stephanie Barber-Renteria (Wyoming Bar #7-4917)
1407 West North Temple, Suite 320
Salt Lake City, Utah 84114
Telephone No. (801) 220-4526
Facsimile No. (801) 220-3299
emily.wegener@pacificorp.com
stephanie.barber-renteria@pacificorp.com

Attorney for Rocky Mountain Power

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF
ROCKY MOUNTAIN POWER TO INCREASE
CURRENT RATES BY \$27.8 MILLION TO
RECOVER DEFERRED NET POWER COSTS
UNDER TARIFF SCHEDULE 95 ENERGY
COST ADJUSTMENT MECHANISM AND TO
DECREASE CURRENT RATES BY \$1.6
MILLION UNDER TARIFF SCHEDULE 93,
REC AND SO2 REVENUE ADJUSTMENT
MECHANISM

Docket No. 20000-__-EM-22
(Record No. _____)

APPLICATION

Rocky Mountain Power, a division of PacifiCorp (“Company” or “Rocky Mountain Power”), hereby submits this application (“Application”) to the Wyoming Public Service Commission (“Commission”) under two different rate schedules: (1) its energy cost adjustment mechanism (“ECAM”) Tariff Schedule 95, requesting approval to collect approximately \$25.9 million in deferred net power costs (“NPC”); and (2) its REC and SO₂ revenue adjustment mechanism (“RRA”) Tariff Schedule 93, requesting approval to refund approximately \$2.7 million to customers to reflect the sale of renewable energy credits (“RECs”) and sulfur dioxide (“SO₂”) emission allowances. The total ECAM deferral amount requested for calendar year 2021 (“Deferral Period”) is a charge consisting of the following components: 1) deferred ECAM costs of \$25.8 million after the applicable sharing bands are applied (ECAM costs include NPC, the

embedded cost differential (“ECD”), the Qualifying Facility (“QF”) adjustment, production tax credits, chemical costs, and start-up fuel costs); 2) accrued interest of approximately \$0.6 million; and 3) a credit of approximately \$0.6 million to true-up revenues from the 2020 ECAM (Docket No. 20000-582-EM-20) and the 2021 ECAM (Docket No. 20000-599-EM-21).

The Company proposes to collect the deferral balance of \$25.9 million over a 12-month period, from July 1, 2022, through June 30, 2023.

The Company is proposing to revise Tariff Schedule 95 by replacing the current sur-credit to customers approved to refund approximately \$1.9 million (adjusted for load) with a rate charge to collect the approximately \$25.9 million, for a total increase of approximately \$27.8 million or 4.2 percent.

Under Tariff Schedule 93, the Company is proposing to refund to customers approximately \$2.7 million to account for calendar year 2021 balancing account adjustments and 2022 forecast sales revenues for REC and SO₂ products in the market. From the currently approved approximately \$1.1 million sur-credit, this results in a rate decrease of approximately \$1.6 million from current rates, as more fully described below.

The proposed ECAM and RRA rate adjustments and percentage impacts vary by rate schedule under the terms in Tariff Schedules 95 and 93 as illustrated later in this Application. Rocky Mountain Power respectfully requests that this overall decrease in Wyoming rates become effective on an interim basis July 1, 2022, as approved by the Commission in the previous year’s ECAM and RRA Application in Docket No. 20000-599-EM-21 (Record No. 15767), subject to further review and hearing. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division in the

states of Wyoming, Utah, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Wyoming and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Wyoming. Rocky Mountain Power's principal place of business in Wyoming is 2840 East Yellowstone Highway, Casper, Wyoming, 82602.

3. Communications regarding this filing should be addressed to:

Stacy Splittstoesser
Wyoming Regulatory Affairs Manager
Rocky Mountain Power
315 W. 27th St.
Cheyenne, Wyoming 82001
E-mail: stacy.splittstoesser@pacificorp.com

Emily L. Wegener
Stephanie Barber-Renteria
Rocky Mountain Power
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
E-mail: emily.wegener@pacificorp.com
stephanie.barber-renteria@pacificorp.com

In addition, Rocky Mountain Power requests that all data requests regarding this application be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to Stacy Splittstoesser, Wyoming Regulatory Affairs Manager at (307) 632-2677.

ECAM Deferred Net Power Costs

4. Tariff Schedule 95 permits the Company to track total NPC on an unbundled basis apart from other investments and expenses included in base rates and to account for historical actual NPC incurred by the Company on behalf of its customers that may be over or under the amount recovered in base rates through the ECAM. Tariff Schedule 95 requires the Company to file a deferred NPC adjustment application annually on or before April 15. Under Tariff Schedule 95, interim rates become effective annually on July 1.

5. Tariff Schedule 95 provides two rate elements in Rocky Mountain Power's retail tariff rate schedules in Wyoming: (1) a base NPC rate and (2) a deferred NPC rate.

January – June 2021

6. For the first six months of calendar year 2021, the deferred NPC rate in Tariff Schedule 95 allows the Company to recover the difference between base and actual NPC, and includes a true-up for fuel, purchased power (including NPC financial hedges), wheeling expenses, sales-for-resale for natural gas and electricity, the ECD, chemical costs and start-up fuel costs.¹ Due to the sharing band, the Company either does not recover or refunds 30 percent of the variance between actual ECAM costs and base ECAM costs. As a result of the most recently approved cost allocation methodology ("2020 Protocol"), beginning January 1, 2021, a qualifying facility adjustment ("QF") credit is included and the ECD is no longer applicable.²

¹ The Commission approved the Company's request to include these costs in the ECAM in the 2015 general rate case in Docket No. 20000-469-ER-15 ("2015 GRC").

² See, Memorandum Opinion, Findings and Order issued December 3, 2020 in Docket No. 20000-572-EA-19 (Record No. 15400).

7. The deferred ECAM for the first six months of calendar year 2021 is determined by comparing the total adjusted actual ECAM costs recovered in rates, and then applying a 70/30 percent sharing band. The historical comparison period for January through June of 2021 is the 12-month period beginning January 1, 2015, through December 31, 2015, that was effective from January 1, 2016, through June 30, 2021. For this period, the base ECAM originated from the 2015 GRC.

July – December 2021

8. The Commission approved updates to Tariff Schedule 95 in the Company's most recent rate case. The proposed changes went into effect on July 1, 2021. For the last six months of calendar year 2021 (July through December), the deferred NPC rate in Tariff Schedule 95 allows the Company to recover the difference between base and actual NPC, and includes a true-up for fuel, purchased power (including NPC financial hedges), wheeling expenses, sales-for-resale for natural gas and electricity, chemical costs and start-up fuel costs and production tax credits ("PTCs").³ Due to the sharing band, the Company either does not recover or refunds 20 percent of the variance between actual ECAM costs and base ECAM costs, with the exception of the PTCs and the QF adjustment that are not subject to the sharing band.

³ The Commission approved the change to the sharing band from 70/30 to 80/20 and allowed the inclusion of PTCs in the ECAM (which are not subject to the 80/20 sharing band) in the Company's general rate case in Docket No. 20000-578-ER-20 ("2020 GRC").

9. The deferred ECAM for the final six months of calendar year 2021 is determined by comparing the total adjusted actual ECAM costs recovered in rates, and then applying an 80/20 percent sharing band. The historical comparison period for July through December of 2021 is the 12-month period beginning January 1, 2021, through December 31, 2021, that was effective from beginning July 1, 2021. For this period, the base ECAM originated from the 2020 GRC. The calculation of the deferred ECAM rate in this Application includes the use of billing determinants through June 2022.

10. The deferred NPC adjustment in this Application is the result of several factors including, but not limited to, a reduction in wholesale sales revenue, an increase in purchased power expense, an increase in natural gas fuel expense, an increase in wheeling and other expenses, which were partially offset by a reduction in coal fuel expense.

11. Under Tariff Schedule 95, the deferred NPC adjustment is calculated monthly and recorded as a deferred expense on the Company's books.

12. In support of this Application, the Company has provided the testimony and exhibits of two witnesses: Jack Painter, Net Power Cost Specialist, who explains the deferred ECAM, and Robert M. Meredith, Director, Pricing and Cost of Service, who explains the rate spread and rate design aspects of this Application.

13. **Exhibit RMP___(JP-1)** shows the detailed calculation of the deferred ECAM by month including detailed entries for the changes described above.

14. The ECD adjustment is no longer effective and **Exhibit RMP___(JP-2)** has been discontinued with this Application.

15. Total-Company and Wyoming-allocated actual NPC, chemical costs, start-up fuel costs, and PTCs were developed in **Confidential Exhibit RMP___(JP-3)**. Under Tariff Schedule

95, the monthly total-Company actual NPC was adjusted to include Commission-ordered regulatory adjustments, to remove out of period accounting entries. The adjusted total-Company actual NPC, chemical costs, start-up fuel costs, and PTCs are then allocated to Wyoming based on the 2020 Protocol allocation methodology.

16. **Confidential Exhibit RMP ___(JP-4)** provides the details supporting the residual balance from the 2020 ECAM and 2021 ECAM dockets.

17. The Company has also provided several additional items sponsored by Mr. Painter which are intended to improve the transparency of NPC issues and reduce discovery requests as part of **Exhibit RMP ___(JP-5)** and **Confidential Exhibit RMP ___(JP-6)** through **Confidential Exhibit RMP ___(JP-8)** including the following:

- Details of the monthly market prices at major markets.
- Hourly generation logs of the Company’s thermal and wind-owned resources.
- Outage logs for thermal and hydro resources.

In its Order in Docket No. 20000-368-EA-10, the Commission included a list of 16 minimum filing requirements (“MFR”) that are required with a deferred NPC ECAM application. The Company has also provided, in MFR 13, the North American Electric Reliability Corporation and its Generating Availability Data System (“NERC GADS”) information as ordered by the Commission in the 2015 ECAM case (Docket No. 20000-472-EA-15).

18. The Company has provided the requested MFR information in the form of discovery responses, packaged together in **Attachment 1** to the Application. Some of the responses to the minimum filing requirements are voluminous (thousands of pages) and therefore, **Attachment 1** is provided only in electronic format.

19. Table A below summarizes the proposed price changes by tariff rate schedule applicable to the 2022 ECAM deferred NPC adjustment. Within each rate schedule, the percentage change to individual customers may be higher or lower than the average due to rate design, customer load factors, and usage characteristics. **Exhibit RMP__ (RMM-2)** shows the deferred NPC price change across rate schedules. It also includes billing determinants for rate design purposes through June 2023, and both present proposed rates for each rate schedule. The resulting ECAM rate change in this Application represents an overall proposed rate increase of approximately \$27.8 million, or approximately 4.2 percent, from the currently effective sur-credit of approximately \$1.9 million (adjusted for load).

Table A

| | Proposed Percentage Change to Schedule 95 |
|------------------------------|--|
| Residential | |
| Schedules 2, 19 | 2.8 |
| General Service | |
| Schedule 25 | 3.0 |
| Schedules 28, 29 | 3.8 |
| Large General Service | |
| Schedule 33 | 4.9 |
| Schedule 46 | 4.6 |
| Schedule 48T | 5.0 |
| Irrigation | |
| Schedule 40 | 3.5 |
| Schedule 210 | 3.5 |
| Lighting Schedules | |
| Schedule 15 | 2.4 |
| Schedule 51 | 1.5 |
| Schedule 54 | 5.3 |
| Schedule 58 | 6.1 |
| Overall | 4.2 |

REC and SO₂ Revenue Adjustment Mechanism

20. Tariff Schedule 93, “REC and SO₂ Revenue Adjustment Mechanism” (“RRA”), allows the Company to include in monthly customer billings a surcharge or sur-credit based on a per-kilowatt and per-kilowatt-hour rate to reflect the revenues from the sale of RECs and SO₂ emission allowances.

21. The RRA contains two main components. First, it imputes a forecast REC and SO₂ projection (“Forecast Period”). Second, it calculates any applicable deferral amount which accrued during the previous 12 months (“Comparison Period”) to true-up the actual REC and SO₂ revenue.

22. In support of this Application, the Company has provided the testimony and exhibits of Michael G. Wilding, Vice President of Energy Supply Management, Nicholas L. Highsmith, Revenue Requirement Manager, and Robert M. Meredith, Director, Pricing and Cost of Service. Mr. Wilding’s testimony addresses the historical and forecast sale of RECs and SO₂ allowances. Mr. Highsmith’s testimony addresses the allocation of total-Company sales to Wyoming and the calculation of the deferral component to true up calendar year 2021 REC and SO₂ sales. Mr. Meredith’s testimony addresses the rate spread and rate design implementation of Tariff Schedule 93.

23. **Confidential Exhibits RMP___(MGW-1) through RMP___(MGW-9)** illustrate the total Company REC and SO₂ revenue forecast as well as the confidential actual total-Company REC sales by entity, price, resource and vintage.

24. **Exhibit RMP___(NLH-1)** is a summary of the RRA which shows the Wyoming allocated REC and SO₂ sales deferred revenue balance from calendar year 2021, the REC and SO₂ revenue forecast for calendar year 2022, the existing RRA sur-credit in rates of which results in a

rate decrease of approximately \$1.6 million over a 12-month period from July 1, 2022 through June 30, 2023.

25. **Exhibit RMP___(NLH-2)** shows the detailed calculation of forecast REC and SO₂ revenues for the 12-months ending December 31, 2022, including applicable renewable portfolio standards and the allocation of RECs to Wyoming.

26. **Exhibit RMP___(NLH-3)** shows the detailed calculation of the REC and SO₂ deferred balance, which includes an adjustment for the time value of money as specified in the tariff.

27. **Table B** below summarizes the proposed price changes by tariff rate schedule applicable to the 2022 RRA adjustment. Within each rate schedule, the percentage change to individual customers may be higher or lower than the average due to rate design, customer load factors, and usage characteristics. **Exhibit RMP___(RMM-2)** shows the RRA price change across rate schedules. It also includes billing determinants for rate design purposes through June 2023, both present and proposed rates for each rate schedule. The Company is also proposing a slight modification to the rate spread for Schedule 93 by allocating the RRA revenue across the customer classes based on the cost of service factor 10 that was used and approved by the Commission in the 2020 GRC as explained in the direct testimony of Mr. Meredith. The resulting RRA rate change in this Application represents an overall proposed rate decrease of approximately \$1.6 million, or 0.2 percent.

Table B

| | Proposed Percentage Change to Schedule 93 |
|------------------------------|--|
| Residential | |
| Schedules 2, 19 | -0.1 |
| General Service | |
| Schedule 25 | -0.2 |
| Schedules 28, 29 | -0.2 |
| Large General Service | |
| Schedule 33 | -0.2 |
| Schedule 46 | -0.2 |
| Schedule 48T | -0.3 |
| Irrigation | |
| Schedule 40 | -0.4 |
| Schedule 210 | -0.2 |
| Lighting Schedules | |
| Schedule 15 | -0.3 |
| Schedule 51 | -0.2 |
| Schedule 54 | -0.6 |
| Schedule 58 | -0.8 |
| Overall | -0.2 |

28. Mr. Meredith has provided testimony and exhibits in this Application which explain how the deferred NPC ECAM rate increase and the RRA rate increase are spread to the Company's service schedules. **Exhibit RMP__ (RMM-1)** is a summary rate spread exhibit which shows the combined rate spread related to both the ECAM and RRA rate increases and includes monthly billing comparisons for the combined impact by rate schedule. **Exhibit RMP__ (RMM-2)** shows the rate spread, billing determinants and rates related to the ECAM and the RRA.

29. Table C below summarizes the proposed price changes by tariff rate schedule applicable to the combined 2022 RRA adjustment and 2022 ECAM. Within each rate schedule,

the percentage change to individual customers may be higher or lower than the average due to rate design, customer load factors, and usage characteristics. The combined effect of the 2022 RRA and ECAM in this Application represents an overall proposed rate increase of approximately \$26.3 million or approximately 4.0 percent.

Table C

| | Combined Proposed Percentage Change |
|------------------------------|--|
| Residential | |
| Schedules 2, 19 | 2.7 |
| General Service | |
| Schedule 25 | 2.9 |
| Schedules 28, 29 | 3.6 |
| Large General Service | |
| Schedule 33 | 4.7 |
| Schedule 46 | 4.4 |
| Schedule 48T | 4.6 |
| Irrigation | |
| Schedule 40 | 3.1 |
| Schedule 210 | 3.3 |
| Lighting Schedules | |
| Schedule 15 | 2.1 |
| Schedule 51 | 1.3 |
| Schedule 54 | 4.7 |
| Schedule 58 | 5.3 |
| Overall | 4.0 |

27. **Exhibit RMP__ (RMM-3)**, contains proposed revised tariff Schedule 93 and Schedule 95 in both legislative and final formats with the RRA and ECAM rates, respectively, that reflect the calculations and analysis set forth in the exhibits to this Application.

28. In order to expedite the approval process of this Application, the Company has included both printed and electronic versions of a proposed Notice of Application.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a Notice of Application for the 2022 RRA and the 2022 ECAM as soon as practicable. Rocky Mountain Power further requests that the Commission approve interim rates as provided in this application and tariff Schedule 95 to collect approximately \$25.9 million in ECAM deferred NPC and approve interim rates as provided in tariff Schedule 93 to refund customers approximately \$2.7 as a sur-credit to reflect RRA forecast and true-up of REC and SO₂ revenues as identified in this Application, both with an interim effective date of July 1, 2022.

DATED this 15th day of April, 2022.

Respectfully submitted,

ROCKY MOUNTAIN POWER



Emily L. Wegener
Stephanie Barber-Renteria
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (801) 220-4526
Facsimile No. (801) 220-3299
E-mail: emily.wegener@pacificorp.com
stephanie.barber-renteria@pacificorp.com

Attorneys for Rocky Mountain Power

Attachment 1

Minimum Filing Requirements

**ATTACHMENT 1 IS VOLUMINOUS AND IS
PROVIDED ELECTRONICALLY ON CD.**