



1407 West North Temple  
Salt Lake City, UT 84116

September 27, 2023

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Wyoming Public Service Commission  
2515 Warren Avenue, Suite 300  
Cheyenne, Wyoming 82002

Attn: John Burbridge, Chief Counsel

Docket No. 20000-\_\_\_\_-ET-23  
Record No. \_\_\_\_\_

**RE: IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER  
FOR AUTHORITY TO MAINTAIN TARIFF SCHEDULE 198 CARBON CAPTURE  
COMPLIANCE CHARGE AT 0.3 PERCENT PER MONTH – Application**

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Dear Mr. Burbridge:

Please find enclosed for filing Rocky Mountain Power's (the "Company") application requesting to maintain the tariff Schedule 198 surcharge at 0.3 percent per month. One hard copy of the application and supporting exhibits are being provided to the Wyoming Public Service Commission ("Commission"). The Company has also filed these documents electronically on the Commission's docket management system.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[stacy.splittstoesser@pacificorp.com](mailto:stacy.splittstoesser@pacificorp.com)  
[zachary.rogala@pacificorp.com](mailto:zachary.rogala@pacificorp.com)  
[katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)

By regular mail:

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

Wyoming Public Service Commission

September 27, 2023

Page 2

With copies to:

Stacy Splittstoesser  
Wyoming Regulatory Affairs Manager  
Rocky Mountain Power  
315 West 27<sup>th</sup> Street  
Cheyenne, Wyoming 82001

If there are any informal question related to this application, please feel free to contact Stacy Splittstoesser, Wyoming Regulatory Affairs Manager at (307) 632-2677.

Sincerely,



Joelle R. Steward

Enclosures

Zachary Rogala  
Rocky Mountain Power  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
(801) 220-2233  
[zachary.rogala@pacificorp.com](mailto:zachary.rogala@pacificorp.com)

*Attorney for Rocky Mountain Power*

**BEFORE THE WYOMING PUBLIC SERVICE COMMISSION**

<b>IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO MAINTAIN TARIFF SCHEDULE 198 CARBON CAPTURE COMPLIANCE CHARGE AT 0.3 PERCENT PER MONTH</b>	Docket No. 20000-__-ET-23 (Record No. _____)  <b>Application</b>
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Rocky Mountain Power, a division of PacifiCorp (“Company” or “Rocky Mountain Power”), respectfully requests the Wyoming Public Service Commission (“Commission”) approve the Company’s application to maintain tariff Schedule 198, Carbon Capture Compliance Charge (“Schedule 198”) at 0.3 percent per month to continue recovering from customers costs incurred to comply with Wyoming’s reliable and dispatchable low-carbon energy standard pursuant to Wyo. Stat. §§ 37-18-101 and 37-18-102, and the Commission’s rules in Chapter 3, Section 38 Low-Carbon Energy Portfolio Standards (“Portfolio Standards”) (“Application”).

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 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. Formal correspondence and requests for additional information regarding this matter should be addressed to:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[stacy.splittstoesser@pacificorp.com](mailto:stacy.splittstoesser@pacificorp.com)  
[zachary.rogala@pacificorp.com](mailto:zachary.rogala@pacificorp.com)  
[katherine.smith@pacificorp.com](mailto:katherine.smith@pacificorp.com)

By regular mail:

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

With copies to:

Stacy Splittstoesser  
Wyoming Regulatory Affairs Manager  
Rocky Mountain Power  
315 West 27<sup>th</sup> Street  
Cheyenne, Wyoming 82001

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

## **BACKGROUND**

4. In 2020, Wyoming passed House Bill 200 (“HB 200”) which required the Commission to establish low-carbon electricity generation Portfolio Standards for public utilities, to maximize the use of carbon capture, utilization, and storage (“CCUS”) technology.<sup>1</sup> The Commission subsequently issued rules to implement HB 200, which became effective on

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<sup>1</sup> 2020 Wyo. Laws Ch. 144 (subsequently codified at Wyo. Stat. §§ 37-18-101 through -102).

January 3, 2022.<sup>2</sup> In this Application, Wyo. Stat. §§37-18-101 and -102 and the Commission rules relating to this statute are referred to generally as the “HB 200 Requirements.”

5. HB 200, among other requirements, authorizes the Commission to allow for and grant reasonable rate recovery to public utilities for the costs of any CCUS technology used to achieve the Portfolio Standards.<sup>3</sup> HB 200 also states that the Commission shall authorize a public utility to implement a rate recovery mechanism for prudently incurred incremental costs to comply with the reliable and dispatchable low-carbon standard.<sup>4</sup> The rate recovery mechanism may be established before the utility has incurred incremental costs related to compliance with HB 200.

6. On September 28, 2021, the Company filed an application with the Commission requesting authorization to record and defer for future recovery the incremental costs to comply with HB 200.<sup>5</sup> The Commission approved the Company’s request for an accounting order, and did not make any determination regarding the rate making treatment of any specific Portfolio Standard costs or expenses, nor further define HB 200 incremental costs.<sup>6</sup> The Company began recording deferred costs related to HB 200 to Federal Energy Regulatory Commission (“FERC”) account, 182.3 (Other Regulatory Assets) with a carrying charge of 8.772 percent, consistent with the Company’s pre-tax weighted average cost of capital (“WACC”) from the most recent Commission-approved rate case.<sup>7</sup>

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<sup>2</sup> *In re Commission CCUS Rulemaking*, Docket No. 90000-156-XO-20 (Record No. 15614).

<sup>3</sup> Wyo. Stat. § 37-18-102(c)(i).

<sup>4</sup> Wyo. Stat. § 37-18-102(c)(iii).

<sup>5</sup> Commission Rules Ch. 1, § 3(a)(xxix) (defining “incremental cost” for the Portfolio Standards as “the net difference between a utility’s cost to comply with the reliable and dispatchable low-carbon energy standard and the reasonable and prudent costs that the utility would have incurred but for the reliable and dispatchable low-carbon energy standard, as determined prior, but close in time to the investment decision.”).

<sup>6</sup> *In re RMP’s Application for a CCUS Portfolio Standard Accounting Order*, Docket No. 20000-605-EA-21 (Record No. 15944), Order (Oct. 10, 2022).

<sup>7</sup> *In re RMP’s 2020 Electric Rate Case*, Docket No. 20000-578-ER-20 (Record No. 15464), Memorandum Opinion, Findings and Order (July 15, 2021).

7. Thereafter the Company filed, and the Commission approved, two CCUS applications: one to establish an intermediate CCUS Portfolio Standard,<sup>8</sup> and a second to establish a rate recovery mechanism to recover incremental costs incurred to comply with the HB 200 Requirements.<sup>9</sup> Relevant here, the Commission approved the Company's Schedule 198 tariff, resulting in an additional 0.3 percent charge on all customer billing statements to recover costs to comply with HB 200.<sup>10</sup> The Commission made no decision regarding the recovery of specific expenses at that time; however the Commission noted it will review the Company's CCUS-related expenses to determine if they are prudent in the Company's annual Schedule 198 filings.<sup>11</sup>

### APPLICATION

8. The costs to comply with HB 200 Requirements and the revenues collected through Schedule 198 are currently accounted for in a balancing account mechanism that tracks actual incremental costs incurred against rate surcharge revenues collected.

9. The Company's 0.3 percent surcharge is expected to collect approximately \$2.1 million annually in revenue from Wyoming customers as shown in Exhibit 1.1. The Company has collected approximately \$834,000 from customers since the tariff went into effect on February 1, 2023, through July 31, 2023, as shown in Exhibit 1.2.

10. The Company has incurred approximately \$700,000 of costs from January 2022 through July 2023 to comply with HB 200 Requirements. These costs include consultant fees and internal costs for developing and submitting the initial plan, for conducting the request for proposal ("RFP") process, and review of the RFP results.

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<sup>8</sup> *In re RMP's Application to Establish Intermediate CCUS Portfolio Standard*, Memorandum Opinion, Findings and Order, Docket No. 20000-616-EA-22 (Record No. 17032) (Sept. 6, 2023).

<sup>9</sup> *In re RMP's Application to Establish Schedule 198*, Docket No. 20000-616-EA-22 (Record No. 17029).

<sup>10</sup> *Id.* Memorandum Opinion, Findings and Order (Jan. 30, 2023).

<sup>11</sup> *Id.* ¶ 47.

11. Exhibit 1.2 includes the Company's expenses and revenue collected for the balancing account mechanism. Symmetrical interest charges are accruing in the account as outlined in tariff Schedule 198.

12. The Company is currently conducting additional analyses to develop the final plan to comply with HB 200 Requirements, and it is on track to be filed by March 31, 2024. The final plan will include a proposed compliance plan and a Portfolio Standard (if CCUS is determined to be economically and technologically feasible), that the Company will seek approval of from the Commission.

13. Until a final plan is approved by the Commission, the Company proposes to maintain the current Schedule 198 surcharge of 0.3 percent, and is not requesting a prudence review of any incremental costs as outlined in the Commission's rules Chapter 1, Section 3(a)(xxix) at this time. Instead, the Company requests the Commission defer decisions on these issues for a future Schedule 198 application until after the Commission has issued a decision on the Company's final plan.

14. Granting the Company's request to retain the current Schedule 198 surcharge and defer resolution of the prudence of any incremental costs is in the public interest for two reasons. First, it avoids establishing a surcharge in this proceeding for the upcoming year that would be based on anticipated compliance costs that could be significantly different, either because the Company's final 2024 plan differs from the Company's current best-guess estimates on what future costs could entail, or because the Commission's decision on the Company's final plan differs from the Company's proposed final plan. The Company represents that it is reasonable to maintain the current surcharge to avoid these potentially significant differences.

15. Second, there is no harm to customers from maintaining the current surcharge. The Company's balancing account mechanism ensures appropriate cost recovery. If incremental costs outpace revenues the Company can adjust the surcharge on a gradual basis. Alternatively, if the revenues outpace the incremental costs incurred, they can be refunded back to customers plus the interest that accrues. This ensures that when the Commission reaches a decision on the prudence of any incremental costs to comply with HB 200 Requirements, that customers will be made whole.

**REQUEST FOR RELIEF**

16. Rocky Mountain Power respectfully requests the Commission allow the Company to maintain the Schedule 198 tariff at its current rate of 0.3 percent, and defer all decisions regarding the prudence of incremental costs to comply with HB 200 Requirements to a future application, after the Commission has made a decision on the Company's final plan to comply with HB 200 Requirements. The Company respectfully represents that this request to maintain the Schedule 198 tariff at 0.3 percent per month is a fair and balanced approach for both customers and the Company.

DATED this 27<sup>th</sup> day of September 2023.

Respectfully submitted,

ROCKY MOUNTAIN POWER

/s/ Zachary Rogala

Zachary Rogala

*Attorney for Rocky Mountain Power*



## **Exhibit 1.1**

### **Estimated Effect of Schedule 198 on Customers**

Schedule 198 Annual Revenue (\$000) Effects															
Service	Schedule	Average Customers	Annual Megawatt Hours	\$000										Total \$000	
				Base	Schedule 95		Schedule 93		Schedule 191			Schedule 197	Schedule 198		
					Base	Deferred	Base	Deferred	Schedule 2,19	Schedule 25, 28,29,40,210	Schedule 46, 48T,33		Percent		\$000
A	B	C	D	E	F	G	H	I	J	K =SUM(A:I) *J/100	L =SUM(A:I) +K				
Residential	2,19	116,741	925,243	85,355	20,374	8,002	(434)	(81)	736			(5,246)	0.30	326	109,031
General - Small	25	24,103	299,094	24,170	6,427	2,522	(131)	(24)		551		(1,522)	0.30	96	32,089
General	28,29	4,004	1,291,038	79,150	27,600	10,837	(553)	(103)		1,953		(5,255)	0.30	341	113,970
General - Large	46	73	1,856,958	82,860	38,174	14,984	(726)	(122)			1,230	(5,478)	0.30	393	131,315
General - Large Transmission	48T	27	3,759,171	140,005	73,268	28,750	(1,319)	(261)			2,188	(9,360)	0.30	700	233,971
General - Large Partial Requirements	33	11	977,078	55,325	18,126	8,597	(331)	(60)			743	(2,794)	0.30	239	79,845
Agricultural Pumping - East	40	769	20,210	1,372	435	170	(8)	(2)		33		(95)	0.30	6	1,911
Agricultural Pumping - West	210	101	4,609	305	96	38	(2)	(0)		7		(20)	0.30	1	425
Street Lighting - Company Owned	51	464	10,472	1,597	191	75	(2)	(0)		31		(72)	0.30	5	1,826
Street Lighting - Customer Owned	58	51	1,215	32	22	9	(0)	(0)		1		(2)	0.30	0	63
Outdoor Area Lighting	15	2,783	3,810	318	68	26	(1)	(0)		7		(15)	0.30	1	405
Metered Outdoor Lighting	54	88	1,261	37	23	9	(0)	(0)		1		(2)	0.30	0	67
Annual Guarantee Adjustments	Various			5,256											5,256
All		149,215	9,150,160	475,783	184,803	74,020	(3,507)	(653)	736	2,584	4,161	(29,862)		2,108	710,173

Average Customers, Annual Megawatt-Hours, Base \$000, Schedule 95 Base \$000, and Schedule 197 \$000 per Docket 20000-578-ER-20  
Schedule 95 Deferred \$000 and Schedule 93 \$000 per Docket 20000-642-EM-23  
Schedule 191 \$000 per Schedule 191 Percents per Docket 20000-580-ET-20

Schedule 198 Residential Billing Effects				
Kilowatt Hours	\$ Per Month, assuming Schedule 198 is		Effect of Schedule 198	
	Excluded	Included	\$	Percent
-	20.13	20.19	0.06	0.30
100	26.91	26.99	0.08	0.30
200	33.69	33.79	0.10	0.30
300	40.47	40.59	0.12	0.30
400	47.25	47.39	0.14	0.30
500	54.03	54.19	0.16	0.30
600	65.05	65.25	0.20	0.30
660	71.66	71.88	0.21	0.30
700	76.07	76.30	0.23	0.30
800	87.10	87.36	0.26	0.30
900	98.12	98.41	0.29	0.30
1,000	109.14	109.47	0.33	0.30
1,100	120.16	120.52	0.36	0.30
1,200	131.19	131.58	0.39	0.30
1,300	142.21	142.64	0.43	0.30
1,400	153.23	153.69	0.46	0.30
1,500	164.26	164.75	0.49	0.30
2,000	219.37	220.03	0.66	0.30
3,000	329.60	330.59	0.99	0.30
5,000	550.06	551.71	1.65	0.30

Reflects pricing per Schedules 2, 93, 95, 191, and 197 as of July 1, 2023.  
The average residential customer uses 660 kWh per month.

## **Exhibit 1.2**

### **Schedule 198 Balancing Account**

**Account 187308 / Company 1000**  
**RegA - WY Low-Carbon Energy Standards**

Deferral of costs incurred to comply with WY HB 200 requirements:

CY 2022	Beginning Balance	Deferral	Revenue	Carrying Charge	Ending Balance
Jan-22	-	515.00	-	-	515.00
Feb-22	515.00	213,910.69	-	-	214,425.69
Mar-22	214,425.69	60,985.18	-	2,113.53	277,524.40
Apr-22	277,524.40	24,128.31	-	1,735.60	303,388.31
May-22	303,388.31	7,425.00	-	1,840.56	312,653.87
Jun-22	312,653.87	13,162.00	-	1,913.28	327,729.15
Jul-22	327,729.15	21,735.94	-	2,029.33	351,494.42
Aug-22	351,494.42	55,319.50	-	2,272.40	409,086.32
Sep-22	409,086.32	16,138.38	-	2,500.15	427,724.85
Oct-22	427,724.85	60,191.30	-	6,607.25	494,523.40
Nov-22	494,523.40	36,980.97	-	3,750.13	535,254.50
Dec-22	535,254.50	42,284.82	-	4,067.26	581,606.58
<b>Total 2022</b>		<b>552,777.09</b>	<b>-</b>	<b>28,829.49</b>	

CY 2023	Beginning Balance	Deferral	Revenue	Carrying Charge	Ending Balance
Jan-23	581,606.58	41,193.52	(202.89)	4,402.03	626,999.24
Feb-23	626,999.24	24,259.00	(73,504.03)	(388.80)	577,365.41
Mar-23	577,365.41	54,258.00	(150,793.29)	1,713.92	482,544.04
Apr-23	482,544.04	16,723.00	(156,491.92)	1,378.05	344,153.17
May-23	344,153.17	9,669.78	(146,586.66)	899.22	208,135.51
Jun-23	208,135.51	1,575.00	(138,276.55)	462.45	71,896.41
Jul-23	71,896.41	3,207.00	(167,928.72)	(25.00)	(92,850.31)
Aug-23					
Sep-23					
Oct-23					
Nov-23					
Dec-23					
<b>Total 2023</b>		<b>150,885.30</b>	<b>(833,784.06)</b>	<b>8,441.87</b>	
<b>TOTAL</b>		<b>703,662.39</b>	<b>(833,784.06)</b>	<b>37,271.36</b>	