

Joseph Dallas
Katherine Smith
Rocky Mountain Power
825 NE Multnomah, Suite 2000
Portland, Oregon 97232
Telephone No. (503) 813-5161
joseph.dallas@pacificorp.com
katherine.smith@pacificorp.com

Attorneys 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 \$84.3 MILLION TO
RECOVER DEFERRED NET POWER COSTS
UNDER TARIFF SCHEDULE 95 ENERGY
COST ADJUSTMENT MECHANISM AND TO
INCREASE CURRENT RATES BY \$2.1
MILLION UNDER TARIFF SCHEDULE 93,
REC AND SO2 REVENUE ADJUSTMENT
MECHANISM

Docket No. 20000-__-EM-24
(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 (“Schedule 95”), requesting approval to collect approximately \$139.4 million in deferred net power costs (“NPC”); and (2) its REC and SO₂ revenue adjustment mechanism (“RRA”) Tariff Schedule 93 (“Schedule 93”), requesting approval to credit approximately \$2.0 million to customers to reflect the sale of renewable energy credits (“RECs”) and sulfur dioxide (“SO₂”) emission allowances.

Under Schedule 95, the Company proposes to collect the deferral balance of \$139.4 million over a 12-month period, from July 1, 2024, through June 30, 2025, for a total increase from current

rates of approximately \$84.3 million or 12.0 percent.

Under Schedule 93, the Company is proposing to credit customers approximately \$2.0 million to account for calendar year 2023 balancing account adjustments and 2024 forecast sales revenues for REC and SO₂ products in the market. From the currently-approved approximately \$4 million sur-credit, this results in a rate increase of approximately \$2.1 million, or 0.3 percent, as described later in the Application.

The proposed ECAM and RRA rate adjustments and percentage impacts vary by rate schedule in Schedules 95 and 93. The specific details are outlined later in the Application. Rocky Mountain Power respectfully requests that this overall increase in Wyoming rates become effective on an interim basis July 1, 2024, 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

Joseph Dallas
Senior Attorney
Rocky Mountain Power
825 NE Multnomah, Suite 2000
Portland, Oregon 97232
E-mail: joseph.dallas@pacificorp.com

Katherine Smith
Associate Attorney
Rocky Mountain Power
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
E-mail: katherine.smith@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
stacy.splittstoesser@pacificorp.com
joseph.dallas@pacificorp.com
katherine.smith@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 (801) 534-5018.

ECAM Deferred Net Power Costs

4. 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 the 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. Schedule 95 requires the Company to file an application for deferred NPC adjustment annually on or before April 15. Under Schedule 95, interim rates become effective annually on July 1.

5. 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. The deferred NPC rate allows the Company to recover 80 percent of the difference between base and actual NPC. This rate also includes a true-up for fuel, purchased power, wheeling expenses, sales-for-resale for natural gas and electricity, chemical costs and start-up fuel costs, a qualifying facility ("QF") adjustment,¹ and production tax credits ("PTCs").² Due to the sharing band, the Company either refunds or does not recover 20 percent of the variance between actual ECAM costs and base ECAM costs. However, the QF adjustment and PTCs are not subject to the sharing band.

6. The Company has also included Western Energy Imbalance Market Body of State Regulator ("WEIM BOSR") costs as allowed by the settlement agreement from the 2022 ECAM application³ and has proposed to credit customers for wind availability liquidated damages the Company has received for certain wind projects, without application of the sharing band. The Company included WEIM BOSR costs in the most recent general rate case in Docket No. 20000-633-ER-23, which the Commission approved for rates effective January 1, 2024.

¹ The QF Adjustment began January 1, 2021, as a result of the most recent Commission-approved cost allocation methodology (the "2020 Protocol").

² 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").

³ The Commission approved an all-party stipulation that allows the Company to include fees relating to participation in the WEIM BOSR in future ECAM applications, subject to normal prudence review, until the Commission reviews those fees in the next general rate case (Memorandum Opinion, Findings, and Order Approving Stipulation issued Feb. 15, 2023, in Docket No. 20000-617-EM-22.).

7. The deferred ECAM 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 in this Application is the 12-month period beginning January 1, 2023, through December 31, 2023. For this period, the base ECAM originated from the 2020 GRC.⁴ The calculation of the deferred ECAM prices in this Application includes the use of forecast billing units for the July 1, 2024, through June 30, 2025 period.

8. The deferred NPC adjustment in this Application is the result of several factors including, but not limited to, an increase in purchased power expense (higher market prices), an increase in natural gas fuel expense, an increase in wheeling and other expenses, a decrease in wholesale sales revenue, and environmental regulation compliance costs, which were partially offset by a reduction in coal fuel expense, and crediting customers with liquidated damages from certain wind projects.

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

10. In support of this Application, the Company has provided the testimony and exhibits of two witnesses: Mr. Jack Painter, Net Power Cost Specialist, who explains the deferred ECAM, and Mr. André T. Lipinski, Pricing and Cost of Service Specialist, who explains the rate spread and rate design aspects of this Application.

11. **Exhibit 2.1** shows the detailed calculation of the deferred ECAM by month, including detailed entries for the changes described above.

12. Total-Company and Wyoming-allocated actual NPC, chemical costs, start-up fuel costs, and PTCs were developed in **Confidential Exhibit 2.2**. Under Schedule 95, the monthly

⁴ The Commission approved the level of base NPC in the Company's general rate case in Docket No. 20000-578-ER-20 ("2020 GRC").

total-Company actual NPC was adjusted to include regulatory adjustments, and 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, with the exception of energy imbalance market (“EIM”) settlements. EIM settlements are allocated based on the Commission’s decision from the 2020 general rate case in Docket No. 20000-578-ER-20 where the Commission directed the Company to utilize a different allocation factor as shown in Mr. Painter’s direct testimony and exhibits.

13. **Exhibit 2.3** provides the details supporting the residual balance from the 2022 and 2023 ECAM dockets.⁵

14. The Company has also provided several additional exhibits sponsored by Mr. Painter which are intended to improve the transparency of NPC issues and reduce discovery requests as part of **Exhibit 2.4** and **Confidential Exhibit 2.5** through **Confidential Exhibit 2.7** including the following:

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

15. 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). MFR 13 also includes the actual wind performance for each wind facility on a megawatt-hour basis for each

⁵ The 2022 ECAM revenue true-up was included in the rebuttal testimony and ultimately the Commission-approved stipulation in the 2023 ECAM proceeding (Docket No. 20000-642-EM-23 (Record No. 17279)).

Company-owned wind asset for the deferral year and the preceding five years as required by the Commission-approved stipulation in the 2023 ECAM case (Docket No. 20000-642-EM-23).

16. A new MFR 17 was introduced in the 2023 ECAM case (Docket No. 20000-642-EM-23) and will continue to be provided in future ECAM cases that provides a written explanation for each NPC adjustment along with supporting workpapers.⁶

17. 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 MFRs are voluminous (thousands of pages) and therefore, **Attachment 1** is provided in electronic format.

18. Table A below summarizes the proposed price changes by tariff rate schedule applicable to the 2024 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 5.1** shows the deferred NPC price change by class and rate schedule. It also includes billing units for rate design purposes for the twelve months ending June 2025 period and presents proposed prices for each rate schedule. The rate spread for Schedule 95 is allocating the ECAM revenue across the customer classes based on the same proportions as the allocation of base NPC that that was approved by the Commission in the Company's most recent rate case. As discussed in Mr. Lipinski's testimony, the resulting ECAM rate change in this Application represents an overall proposed rate increase of approximately \$84.3 million, or approximately 12.0 percent, to current rates.

⁶ See, Rebuttal Testimony of Jack Painter in Docket No. 20000-617-EM-22.

Table A

	Proposed Percentage Change to Schedule 95 (%)
Residential	
Schedules 2, 19	9.5
General Service	
Schedule 25	9.4
Schedules 28, 29	11.9
Large General Service	
Schedule 33	9.3
Schedule 46	12.6
Schedule 48T	15.0
Irrigation	
Schedule 40	10.3
Lighting Schedules	
Schedule 15	7.7
Schedule 51	4.8
Schedule 54	14.9
Schedule 58	16.7
Overall	12.0

REC and SO₂ Revenue Adjustment Mechanism

19. Schedule 93 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. 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.

20. In support of this Application, the Company has provided the testimony and exhibits of Marcelina R. Hundis, Environmental Commodity Trader; Aaron J. Rose, Assistant

Revenue Requirement Manager; and André T. Lipinski, Pricing and Cost of Service Specialist. Ms. Hundis' testimony addresses the historical and forecast sale of RECs and SO₂ allowances. Mr. Rose's testimony addresses the allocation of total-Company sales to Wyoming and the calculation of the deferral component to true-up calendar year 2023 REC and SO₂ sales. Mr. Lipinski's testimony addresses the rate spread and rate design implementation of Schedule 93.

21. **Confidential Exhibits 3.1 through 3.3, Exhibit 3.4, and Confidential Exhibits 3.5 through 3.10** 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.

22. **Exhibit 4.1** is a summary of the RRA which shows the Wyoming-allocated REC and SO₂ sales deferred revenue balance from calendar year 2023, the REC and SO₂ revenue forecast for calendar year 2024, and the existing RRA sur-credit in rates of which results in a rate increase of approximately \$2.1 million over a 12-month period from July 1, 2024, through June 30, 2025.⁷

23. **Exhibit 4.2** shows the detailed calculation of forecast REC and SO₂ revenues for the 12-months ending December 31, 2024, including applicable renewable portfolio standards and the allocation of RECs to Wyoming.

24. **Exhibit 4.3** 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.

25. **Table B** below summarizes the proposed price changes by tariff rate schedule applicable to the 2024 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 5.1** shows the RRA price change across rate schedules.

⁷ The rate increase is caused by a reduction in the existing credit being returned to customers.

It also includes billing units for rate design purposes for the twelve months ending June 2025 period, and both present and proposed prices for each rate schedule. The rate spread for Schedule 93 is allocating the RRA revenue across the customer classes based on the cost of service factor 10 that was approved by the Commission in the Company's most recent rate case. As discussed in Mr. Lipinski's testimony, the resulting RRA rate change in this Application represents an overall proposed rate increase of approximately \$2.1 million, or 0.3 percent.

Table B

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

26. Mr. Lipinski has provided testimony and exhibits in this Application which explain how the deferred ECAM rate increase and the RRA rate increase are spread to the Company's rate schedules. **Exhibit 5.1** shows the combined revenue impacts related to the ECAM and RRA price changes, and provides revenue estimates, bill comparisons, and proposed prices for each of the

rate schedules.

27. Table C below summarizes the proposed price changes by tariff rate schedule applicable to the combined 2024 RRA and 2024 ECAM adjustments. 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 represents an overall proposed rate increase of approximately \$86.4 million or approximately 12.3 percent.

Table C

	Combined Proposed Percentage Change (%)
Residential	
Schedules 2, 19	9.7
General Service	
Schedule 25	9.7
Schedules 28, 29	12.1
Large General Service	
Schedule 33	9.5
Schedule 46	13.1
Schedule 48T	15.3
Irrigation	
Schedule 40	10.7
Lighting Schedules	
Schedule 15	7.7
Schedule 51	4.9
Schedule 54	15.1
Schedule 58	16.8
Overall	12.3

27. **Exhibit 5.2** contains proposed revised Schedule 93, Schedule 95, and Price Summary tariff sheets in both legislative and final formats with RRA and ECAM rates that reflect the calculations and analysis set forth in the exhibits to this Application.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a Notice of Application for the 2024 RRA and the 2024 ECAM as soon as practicable. Rocky Mountain Power further requests that the Commission approve interim rates as provided in this application for Schedule 95 to collect approximately \$139.4 million in ECAM deferred NPC and approve interim rates as provided in Schedule 93 to credit customers approximately \$2.0 million 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, 2024.

DATED this 15th day of April, 2024.

Respectfully submitted,

ROCKY MOUNTAIN POWER



Joseph Dallas
Katherine Smith

Attorneys for Rocky Mountain Power