

Joseph Dallas  
Rocky Mountain Power  
825 NE Multnomah St., Suite 2000  
Portland, Oregon 97232  
Telephone No. (503) 813-5161  
[joseph.dallas@pacificorp.com](mailto:joseph.dallas@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 \$ 50.3 MILLION TO  
RECOVER DEFERRED NET POWER COSTS  
UNDER TARIFF SCHEDULE 95 ENERGY  
COST ADJUSTMENT MECHANISM AND TO  
DECREASE CURRENT RATES BY \$1.5  
MILLION UNDER TARIFF SCHEDULE 93,  
REC AND SO2 REVENUE ADJUSTMENT  
MECHANISM

Docket No. 20000-\_\_-EM-23  
(Record No. \_\_\_\_\_)

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**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 \$74.0 million in deferred net power costs (“NPC”); and (2) its REC and SO<sub>2</sub> revenue adjustment mechanism (“RRA”) Tariff Schedule 93, requesting approval to credit approximately \$4.3 million to customers to reflect the sale of renewable energy credits (“RECs”) and sulfur dioxide (“SO<sub>2</sub>”) emission allowances.

Under tariff Schedule 95, the Company proposes to collect the deferral balance of \$74.0 million over a 12-month period, from July 1, 2023, through June 30, 2024, for a total increase of approximately \$50.3 million or 7.6 percent.

Under tariff Schedule 93, the Company is proposing to credit customers approximately \$4.3 million to account for calendar year 2022 balancing account adjustments and 2023 forecast sales revenues for REC and SO<sub>2</sub> products in the market. From the currently approved approximately \$2.7 million sur-credit, this results in a rate decrease of approximately \$1.5 million, or 0.2 percent, as described later in the Application.

The proposed ECAM and RRA rate adjustments and percentage impacts vary by rate schedule in tariff 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, 2023, 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. 27<sup>th</sup> St.  
Cheyenne, Wyoming 82001  
E-mail: [stacy.splittstoesser@pacificorp.com](mailto:stacy.splittstoesser@pacificorp.com)

Joseph Dallas  
Assistant General Counsel  
Rocky Mountain Power  
825 NE Multnomah St., Suite 2000  
Portland, Oregon 97232  
E-mail: [joseph.dallas@pacificorp.com](mailto:joseph.dallas@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](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah St., 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 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. Tariff Schedule 95 requires the Company to file an application for deferred NPC adjustment 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. 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 (including NPC financial hedges),

wheeling expenses, sales-for-resale for natural gas and electricity, chemical costs and start-up fuel costs, a qualifying facility (“QF”) adjustment,<sup>1</sup> and production tax credits (“PTCs”).<sup>2</sup> 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 application<sup>3</sup> 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.

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, 2022 through December 31, 2022. For this period, the base ECAM originated from the 2020 GRC.<sup>4</sup> The calculation of the deferred ECAM prices in this Application includes the use of forecast billing units for the July 1, 2023 through June 30, 2024 period.

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<sup>1</sup> The QF Adjustment began January 1, 2021 as a result of the most recent Commission-approved cost allocation methodology (the “2020 Protocol”).

<sup>2</sup> 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”).

<sup>3</sup> 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.).

<sup>4</sup> The Commission approved the level of base NPC in the Company’s most recent general rate case in Docket No. 20000-578-ER-20 (“2020 GRC”).

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, which were partially offset by a reduction in coal fuel expense, an increase in wholesale sales revenue, and crediting customers with liquidated damages from certain wind projects.

9. Under tariff 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: Jack Painter, Net Power Cost Specialist, who explains the deferred ECAM, and Andre T. Lipinski, Senior Pricing and Cost of Service Analyst, who explains the rate spread and rate design aspects of this Application.

11. **RMP 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 RMP Exhibit 2.2**. Under Tariff Schedule 95, the monthly 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.

13. **Confidential RMP Exhibit 2.3** provides the details supporting the residual balance from the 2021 ECAM and 2022 ECAM dockets.

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 **RMP Exhibit 2.4** and **Confidential RMP Exhibit 2.5** through **Confidential RMP 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.
- 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).

16. A new MFR is being included as proposed by the Company in its rebuttal testimony from the 2022 ECAM application that provides a written explanation for each NPC adjustment along with supporting workpapers.<sup>5</sup>

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 2023 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. **RMP Exhibit 5.1** shows the deferred NPC price change across rate schedules. It also includes billing units for rate design purposes for the twelve

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<sup>5</sup> See, Rebuttal Testimony of Jack Painter in Docket No. 20000-617-EM-22.

months ending June 2024 period, and presents proposed rates for each rate schedule. The resulting ECAM rate change in this Application represents an overall proposed rate increase of approximately \$50.3 million, or approximately 7.6 percent, from current rates as discussed in Mr. Lipinski's testimony.

**Table A**

	<b>Proposed Percentage Change to Schedule 95</b>
<b>Residential</b>	
Schedules 2, 19	5.1
<b>General Service</b>	
Schedule 25	5.6
Schedules 28, 29	6.9
<b>Large General Service</b>	
Schedule 33	8.0
Schedule 46	8.4
Schedule 48T	9.2
<b>Irrigation</b>	
Schedule 40	6.5
Schedule 210	6.4
<b>Lighting Schedules</b>	
Schedule 15	4.7
Schedule 51	2.9
Schedule 54	9.7
Schedule 58	11.5
<b>Overall</b>	7.6

**REC and SO<sub>2</sub> Revenue Adjustment Mechanism**

19. Tariff Schedule 93, "REC and SO<sub>2</sub> 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 SO<sub>2</sub> emission allowances.

20. The RRA contains two main components. First, it imputes a forecast REC and SO<sub>2</sub> 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 SO<sub>2</sub> revenue.

21. In support of this Application, the Company has provided the testimony and exhibits of Marcelina R. Hundis, Environmental Commodity Trader, Shelley E. McCoy, Director of Revenue Requirement, and Andre T. Lipinski, Senior Pricing and Cost of Service Analyst. Ms. Hundis’ testimony addresses the historical and forecast sale of RECs and SO<sub>2</sub> allowances. Ms. McCoy’s testimony addresses the allocation of total-Company sales to Wyoming and the calculation of the deferral component to true up calendar year 2022 REC and SO<sub>2</sub> sales. Mr. Lipinski’s testimony addresses the rate spread and rate design implementation of tariff Schedule 93.

22. **Confidential RMP Exhibits 3.1 through 3.10** illustrate the total-Company REC and SO<sub>2</sub> revenue forecast as well as the confidential actual total-Company REC sales by entity, price, resource and vintage.

23. **RMP Exhibit 4.1** is a summary of the RRA which shows the Wyoming-allocated REC and SO<sub>2</sub> sales deferred revenue balance from calendar year 2022, the REC and SO<sub>2</sub> revenue forecast for calendar year 2023, the existing RRA sur-credit in rates of which results in a rate



decrease of approximately \$1.5 million over a 12-month period from July 1, 2023, through June 30, 2024.

24. **RMP Exhibit 4.2** shows the detailed calculation of forecast REC and SO<sub>2</sub> revenues for the 12-months ending December 31, 2023, including applicable renewable portfolio standards and the allocation of RECs to Wyoming.

25. **RMP Exhibit 4.3** shows the detailed calculation of the REC and SO<sub>2</sub> deferred balance, which includes an adjustment for the time value of money as specified in the tariff.

26. Table B below summarizes the proposed price changes by tariff rate schedule applicable to the 2023 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. **RMP Exhibit 5.1** shows the RRA price change across rate schedules. It also includes billing units for rate design purposes for the twelve months ending June 2024 period, and both present and proposed rates 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. The resulting RRA rate change in this Application represents an overall proposed rate decrease of approximately \$1.5 million, or 0.2 percent.

**Table B**

	<b>Proposed Percentage Change to Schedule 93</b>
<b>Residential</b>	
Schedules 2, 19	-0.2
<b>General Service</b>	
Schedule 25	-0.2
Schedules 28, 29	-0.2
<b>Large General Service</b>	
Schedule 33	-0.2
Schedule 46	-0.3
Schedule 48T	-0.3
<b>Irrigation</b>	
Schedule 40	-0.2
Schedule 210	-0.2
<b>Lighting Schedules</b>	
Schedule 15	-0.1
Schedule 51	-0.0
Schedule 54	-0.2
Schedule 58	-0.2
<b>Overall</b>	-0.2

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

28. Table C below summarizes the proposed price changes by tariff rate schedule applicable to the combined 2023 RRA and 2023 ECAM adjustments combined. 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

2023 RRA and ECAM in this Application represents an overall proposed rate increase of approximately \$48.8 million or approximately 7.4 percent.

**Table C**

	<b>Combined Proposed Percentage Change</b>
<b>Residential</b>	
Schedules 2, 19	4.9
<b>General Service</b>	
Schedule 25	5.4
Schedules 28, 29	6.7
<b>Large General Service</b>	
Schedule 33	7.8
Schedule 46	8.1
Schedule 48T	8.9
<b>Irrigation</b>	
Schedule 40	6.3
Schedule 210	6.2
<b>Lighting Schedules</b>	
Schedule 15	4.6
Schedule 51	2.9
Schedule 54	9.5
Schedule 58	11.3
<b>Overall</b>	7.4

27. **RMP Exhibit 5.2** 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.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a Notice of Application for the 2023 RRA and the 2023 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 \$74.0 million in ECAM deferred NPC and approve interim rates as provided in tariff Schedule 93 to credit customers approximately \$4.3 million as a sur-credit to reflect RRA forecast and true-up of REC and SO<sub>2</sub> revenues as identified in this Application, both with an interim effective date of July 1, 2023.

DATED this 17<sup>th</sup> day of April, 2023.

Respectfully submitted,

ROCKY MOUNTAIN POWER

A handwritten signature in blue ink, appearing to read "Joe Dallas", is written over a horizontal line.

Joseph Dallas

*Attorney for Rocky Mountain Power*