

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR)
AUTHORITY TO INCREASE ITS RETAIL)
ELECTRIC SERVICE RATES BY)
APPROXIMATELY \$7.1 MILLION PER YEAR)
OR 1.1 PERCENT, TO REVISE THE ENERGY)
COST ADJUSTMENT MECHANISM, AND TO)
DISCONTINUE OPERATIONS AT CHOLLA)
UNIT 4)

DOCKET NO. 20000-578-ER-20
(RECORD NO. 15464)

NOTICE OF AMENDED APPLICATION*

(Issued September 28, 2020)

***On September 22, 2020, the Wyoming Public Service Commission (Commission) considered whether Rocky Mountain Power’s (RMP or the Company) filed rebuttal testimony constituted a material and substantial amendment to the originally filed application. Of significance, RMP’s rebuttal testimony included a new request for a cumulative increase in base rates of \$9.1 million annually; a \$2.0 million increase, or approximately 28.2 percent, over the \$7.1 million requested in the original filing. The Commission determined that the original application was materially and substantially altered by the rebuttal testimony and ordered that the matter be re-noticed with a new original filing date of September 11, 2020, and vacated the hearing set to commence on October 12, 2020.**

Pursuant to the Wyoming Administrative Procedure Act and the Commission’s Procedural Rules and Special Regulations, notice is hereby given of the Amended Application of RMP requesting authority to increase its retail electric service base rates by approximately \$9.1 million per year, to revise the Energy Cost Adjustment Mechanism (ECAM), discontinue operations at Cholla Power Plant, Unit 4, and revised its proposed treatment of Tax Cut and Jobs Act (TCJA) customer refunds as more fully described below:

1. RMP is a public utility, as defined in Wyo. Stat. §37-1-101(a)(vi)(C), providing retail electric public utility service under Certificates of Public Convenience and Necessity issued by the Commission. RMP is subject to the Commission’s jurisdiction pursuant to Wyo. Stat. § 37-2-112 and 37-3-106.

2. On March 4, 2020, RMP submitted its original Application requesting the Commission approve the Company’s proposal to implement: [i] an increase in its retail electric utility service rates in Wyoming of \$7.1 million per annum or an average overall increase per rate class of 1.1 percent, with rates effective on and after January 1, 2021, including approval of the proposed treatment of TCJA funds; [ii] changes to the ECAM to include recovery of \$219.9 million through Schedule 95; [iii] eliminate the 70/30 sharing band; [iv] a return on equity of 10.2 percent, [v] a discontinuation of operations at Unit 4 of the Cholla Power Plant in Arizona using

TCJA funds to buy down 100 percent of the Cholla Unit 4 undepreciated plant balances, [vi] using TCJA funds to buy down 100 percent of Naughton Units 1 and 2 undepreciated plant balances, and [vii] approve proposed associated regulatory accounting treatment.

3. On September 11, 2020, RMP submitted rebuttal testimony which materially and substantially amended its original Application (Amended Application). Specifically, in its Amended Application, RMP now proposes [i] an increase in its retail electric utility service base rates in Wyoming of \$9.1 million (\$2.0 million more, or 28.2 percent, than the Company sought in its original Application) per annum or an average overall increase of 28.2 percent, with \$3.5 million of the rate increase phased in on January 1, 2021, and \$5.6 million phased in on July 1, 2021, or 30 days after the last wind project fully goes into service; including approval of a proposal to offset the annual base rate increase for three years by using \$26.4 million of the \$90 million balance of deferred TCJA tax benefits owed to RMP customers; [ii] changes to the ECAM to include recovery of \$221.9 million through Schedule 95; [iii] eliminate the 70/30 sharing band; [iv] a return on equity of 9.8 percent, [v] a discontinuation of operations at Unit 4 of the Cholla Power Plant in Arizona using TCJA funds to buy down 100 percent of the Cholla Unit 4 undepreciated plant balances, [vi] using TCJA funds to buy down 50 percent of Naughton Units 1 and 2 undepreciated plant balances, and [vii] approval of the proposed associated regulatory accounting treatment.

4. This is not a complete description of RMP's Amended Application. Interested persons may inspect the entire Amended Application at RMP's Wyoming offices and at the Commission's offices in Cheyenne, Wyoming, during regular business hours. The Amended Application may also be reviewed on line at <http://www.pacificorp.com>. or on the Commission's Docket Management System at: <https://dms.wyo.gov/external/publicusers.aspx>.

5. Anyone desiring to file a public comment, statement, protest, intervention petition or request for a public hearing in this matter must file with the Commission in writing on or before October 19, 2020. Any intervention request filed with the Commission shall set forth the grounds of the proposed intervention or request for hearing as well as the position and the interest of the petitioner in this proceeding.

6. If you wish to intervene in this matter or request a public hearing that you will attend, or you wish to file a public comment, statement, or protest, and you require reasonable accommodation for a disability, please contact the Commission at (307) 777-7427, or write to the Commission at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002, to make arrangements. Communications impaired persons may also contact the Commission by accessing Wyoming Relay at 711. Please mention Docket No. 20000-578-ER-20 (Record No. 15464) in your communications.

7. Published notice in this matter shall consist of paragraphs 1 through 6 hereof.

8. This *Notice of Amended Application* is effective immediately.

MADE AND ENTERED at Cheyenne, Wyoming on September 28, 2020.

BY ORDER OF THE COMMISSION



JOHN S. BURBRIDGE, Assistant Secretary
Wyoming Public Service Commission
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