

**EBA Sharing Mechanism History**

Utah PSC Docket #	Date Filed	70/30 Sharing Mechanism in Place	Actual Utah EBA Costs Claimed by RMP	70% of Difference Between Actual EBA Cost and Base EBA Cost	RMP's 30% Share of Costs/Savings
12-035-67	3/15/2012	Yes	\$12,862,824	\$9,003,977	\$3,858,847
13-035-32	3/15/2013	Yes	\$24,300,000	\$17,394,963	\$6,905,037
14-035-31	3/17/2014	Yes	\$39,400,000	\$28,339,533	\$11,060,467
15-035-03	3/16/2015	Yes	\$41,500,000	\$29,000,000	\$12,500,000
16-035-01	3/15/2016	Yes for costs incurred before June 1, 2016, no for later costs	\$16,200,000	\$11,300,000	\$4,900,000
17-035-01	1/9/2017	No	(\$11,300,000)	NA	(\$3,390,000)
18-035-01	1/2/2018	No	\$2,800,000	NA	\$0
<b>Total Customer Savings*</b>					<b>\$35,834,351</b>

\* Savings reflect the excess energy costs that RMP could have asked for WITHOUT the sharing mechanism in place and what it was allowed to request WITH the sharing mechanism in place. They do not reflect the final allowed revenue requirement, as the allowed revenue requirement also includes the impact of other adjustments and issues in EBA filings.

**EBA History:**

**Implementation:**

The March 2011 PSC issued an order approving a *pilot* EBA for Rocky Mountain Power that implemented a 70% customer/30% RMP risk-sharing mechanism for the difference between actual net power costs and the energy-cost forecast approved by the PSC in the most recent general rate case. RMP was allowed to recover from ratepayers 70% of net power costs in excess of the approved forecast, and was required to refund to ratepayers 70% of actual net power costs that are lower than the approved forecast. The PSC stated that the risk-sharing mechanism “preserves [Rocky Mountain Power’s] financial incentive to minimize net power cost both in the short-run and the long-run.”

**Suspension:**

During the 2016 General Session of the Utah Legislature, S.B. 115, the Sustainable Transportation and Energy Plan Act (STEP), mandated a number of policy-based utility programs to be paid for through electric rates. In addition, STEP enacted Utah Code Section 54-7-13.5(2)(d) to suspend the 70/30 risk-sharing mechanism approved by the PSC, as follows: “Beginning June 1, 2016, for an electrical corporation with an energy balancing account established before January 1, 2016, the [Public Service] commission shall allow an electrical corporation to recover 100% of the electrical corporation’s prudently-incurred costs as determined and approved by the commission under this section.” STEP calls for the repeal of this Subsection (2)(b) on December 31, 2019, **reinstating the 70/30 sharing mechanism.**