

54-7-13.4 Alternative cost recovery for major plant addition -- Procedure.

(1) As used in this section:

(a)

(i) "Complete filing" means an application filed by a gas corporation or electrical corporation that substantially complies with minimum filing requirements established by the commission, by rule, for cost recovery of a major plant addition.

(ii) The commission shall within 180 days after March 25, 2009 create and finalize rules concerning the minimum requirements to be met for an application to be considered a complete filing.

(b) "In-service date" means the first day that a gas corporation or an electrical corporation is no longer allowed to accrue an allowance for funds used during construction for a major plant addition.

(c) "Major plant addition" means any single capital investment project of a gas corporation or an electrical corporation that in total exceeds 1% of the gas corporation's or electrical corporation's rate base, based on the gas corporation's or electrical corporation's most recent general rate case determination, that is:

(i) used to serve Utah customers; and

(ii) assigned or allocated to Utah.

(2) A gas corporation or an electrical corporation may file with the commission a complete filing for cost recovery of a major plant addition if the commission has, in accordance with Section 54-7-12, entered a final order in a general rate case proceeding of the gas corporation or electrical corporation within 18 months of the projected in-service date of a major plant addition.

(3)

(a) A gas corporation or an electrical corporation may not file for cost recovery of a major plant addition more than 150 days before the projected in-service date of the major plant addition.

(b) If the commission determines that the gas corporation or electrical corporation has not submitted a complete filing for cost recovery of a major plant addition, the commission shall determine:

(i) what information the electrical corporation or gas corporation needs to provide to the commission; and

(ii) the materiality of an application deficiency.

(c) With respect to the applicable 90 or 150-day time period under Subsection (4) for the commission to enter an order as described in Subsection (4)(a)(iii), the commission may:

(i) if the deficiencies are not material:

(A) continue without delay; or

(B) suspend the applicable 90 or 150-day time period and resume when the electrical corporation or gas corporation has filed the required information; or

(ii) if the deficiencies are material, start the applicable 90 or 150-day time period over when the electrical corporation or gas corporation has filed the required information.

(4)

(a) The commission shall:

(i) review the application for cost recovery of a major plant addition;

(ii) after a hearing, approve, approve with conditions, or deny cost recovery of the major plant addition; and

(iii) enter an order on cost recovery of a major plant addition within:

(A) 90 days after the day on which a complete filing is made with respect to a significant energy resource approved by the commission under Section 54-17-302 or resource decision under Section 54-17-402; or

- (B) 150 days after the day on which a complete filing is made for any other major plant addition.
- (b)
 - (i) If the commission approves cost recovery of a major plant addition, the commission shall determine the state's share of projected net revenue requirement impacts of the major plant addition, including prudently-incurred capital costs and other reasonably projected costs, savings, and benefits.
 - (ii) The gas corporation or electrical corporation shall have the burden to prove a major plant addition's impacts as described in Subsection (4)(b)(i).
- (c) If the commission has previously issued an order and approved the major plant addition as a significant energy resource under Section 54-17-302 or resource decision under Section 54-17-402, the commission shall presume the prudence of the utility's capital costs up to the projected costs specified in the commission's previous significant energy resource order or resource decision order.
- (5) If the commission approves or approves with conditions cost recovery of a major plant addition, the commission shall do one or all of the following:
 - (a) subject to Subsection (6)(c), authorize the gas corporation or electrical corporation to defer the state's share of the net revenue requirement impacts of the major plant addition for recovery in general rate cases; or
 - (b) adjust rates or otherwise establish a collection method for the state's share of the net revenue requirement impacts that will apply to the appropriate billing components.
- (6)
 - (a) Deferral or collection of the state's share of the net revenue requirement impacts of a major plant addition under this section shall commence upon the later of:
 - (i) the day on which a commission order is issued approving the deferral or collection amount;
or
 - (ii) the in-service date of the major plant addition.
 - (b) The deferral described in this section shall terminate upon a final commission order that provides for recovery in rates of all or any part of the net revenue requirement impacts of the major plant addition.
 - (c) If the commission authorizes deferral under Subsection (5)(a), the amount deferred shall accrue a carrying charge on the net revenue requirement impacts as determined by the commission.

Enacted by Chapter 319, 2009 General Session