



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

To: The Public Service Commission of Utah

From: The Committee of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Copies To: PacifiCorp
David Taylor, Manager, Regulation
The Division of Public Utilities
Phil Powlick, Director
Artie Powell, Energy Section Manager

Date: March 26, 2009

Subject: Schedule 111 – Home Energy Savings Incentive Program
Docket No. 09-035-T04

On March 23, 2009,¹ Rocky Mountain Power (Company) filed Advice Letter No. 09-04, accompanied by proposed tariff sheets, Second Revision of Sheet No. 111.3 and 111.4, with the Public Service Commission (Commission) requesting approval of proposed changes to the Company's Home Energy Savings Program, specifically the portion of the tariff dealing with existing home insulation. The proposed changes would: 1) create a distinction in the tariff between homes with and without electric heat; and 2) reduce the rebate amount paid to customers for insulation. The Company requests an effective date that aligns with an approval of changes to Questar Gas' tariff. Questar Gas has requested an effective date of April 1, 2009.

The Committee requires the opportunity to thoroughly review the filing including conducting discovery. Our current review is very preliminary. We note that only under extraordinary circumstances should regulators be required to respond to filings in three days.² As part of its justification for the expedited treatment, the Company indicated a desire "to minimize market confusion from varying effective dates between the respective insulation measures of Rocky Mountain Power and Questar."³ The Committee agrees that this is a laudable goal, but asserts that it should be accomplished via coordination between the utilities in making the filings not by requesting an undue burden on regulatory authorities. In the March 26, 2009 hearing on the related Questar Gas Company proposed changes, a representative of Questar Gas testified that he first became aware of potential changes to the Rocky Mountain Power rebate on February 18, 2009 at a meeting involving both utilities

¹ The Advice Letter was dated March 23, 2009. The Committee received an email copy from PacifiCorp after close of business on March 24 and from the Commission on March 25, 2009.

² The Commission's Action Request indicated a response due ASAP and an effective date of April 1, 2009.

³ See page 2 of Advice Letter dated March 23, 2009.

and others. This timeline would certainly have allowed for coordination if it had been a priority to the Company.

The requested approval date of April 1 simply does not provide adequate time for review and analysis. The Committee intends to provide supplemental comments when we have had an opportunity for a more thorough review of the filing.

While we have not made a determination as to the appropriateness of the requested tariff changes we do oppose the requested effective date of April 1. Customers deserve adequate notice of program changes. Some customers may currently have plans or even appointments with contractors, to utilize this Program beyond the April 1 date. In the March 26, 2009 hearing on Questar Gas' proposed changes to its insulation tariff, contractors stated they currently have a backlog of appointments. Customers who signed with a contractor for an appointment after April 1 could miss the opportunity for the higher rebate amount through no fault of their own. Sufficient notice of the change must be provided so that customers have time to modify their plans or find a different contractor if necessary. Currently the application for insulation rebates includes the following notification:

Incentive availability

Incentives are available on a first-come, first-served basis according to the postmark date on the application. **Please reference the program Web site at www.rockymountainpower.net/hes to determine the current status of incentive availability.** All equipment must be new and have been purchased and installed prior to submitting an incentive application. It is required that equipment be purchased and installed on or after January 1, 2009. Applications must include all information requested. Failure to provide this information may result in the delay or denial of the incentive (emphasis added).

The referenced web site contains information about the program as well as the rebate application. As of this morning it makes no mention of the fact that the Company has filed an application to modify the Program and reduce the rebates.

The Committee recommends that the Commission not approve any changes to the tariff effective on April 1, 2009 but allow parties more time to review and analyze the proposed changes before issuing a final order on the request. The Committee also recommends that the Commission should ensure that any proposed changes have been adequately noticed to consumers (through the website and information given by customer representatives) prior to implementation.⁴ The Committee will provide additional recommendations in its supplemental comments.

⁴ The Committee recommended in the Questar case that a notice of at least 30 days be given to consumers. We will continue to analyze the issues and make a more specific recommendation in this case when we file supplemental comments.