



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Brenda Salter, Technical Consultant

Date: February 20, 2013

Re: Docket No. 13-035-T01, RMP Advice No. 13-01, Schedule 194 Demand-side Management Cost Adjustment Credit. The Division recommends the approval of Rocky Mountain Power's proposed changes.

RECOMMENDATION (Approval)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (Company) proposed changes to the tariff sheets for Schedule 194, the Demand Side Management (DSM) Cost Adjustment Credit.

ISSUE

On January 29, 2013, the Company filed its revised Utah Tariff Schedule 194 DSM Cost Adjustment Credit. The Company proposes increasing the DSM Schedule 194 sur-credit from 0.40% to 0.73% effective March 1, 2013 through December 2013. On January 29, 2013, the Commission issued an Action Request for the Division to review the tariff change for compliance and report its findings and recommendation to the Commission by February 20, 2013. This memorandum represents the Division's response to the Commission's Action Request.

DISCUSSION

As ordered in Docket 09-035-T08, the Company is required to file a forecast of DSM program expenditures on an annual basis. The Company filed the revised 2013 forecast on November 27, 2012. Attachment B of the filing showed that the DSM deferral account would grow to an over collected balance of approximately \$17.7 million by the end of 2013. The DSM Steering Group met on December 4, 2012 to discuss options on handling the over collection. The DSM Steering Group agreed to adjust the Schedule 194 sur-credit to achieve a targeted balance of \$6 million by the end of 2013. The proposed increase of Schedule 194 from 0.40% to 0.73% was presented to the DSM Steering Group on January 2, 2013 with no objections. It was agreed by the DSM Steering Group to revisit the Utah balancing account mid-2013. The Division will continue to monitor the DSM account and provide recommendations if warranted

On February 5, 2013 the DSM Steering Group discussed the Division's requested change of the DSM carrying charge rate. The Company is currently using the AFUDC rate for carrying charges on the Utah DSM program. The Division proposes using the debt rate as there appears to be little risk in the recovery of this account. This action would also help mitigate the current over collection. The Company has taken the proposal under consideration. The Division will follow up with the Company as soon as practicable.

CONCLUSION

The Division recommends approval of the Company's request to increase the Schedule 194 sur-credit for the period of March 1, 2013 through December 2013.

CC: Carol Hunter, RMP
Michele Beck, OCS
Service List