



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: December 3, 2014

Re: Rocky Mountain Power's Annual Demand-Side Management Deferred Account and Forecast Report for 2015.

Docket No. 14-035-142

RECOMMENDATION (ACKNOWLEDGEMENT)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (RMP) Annual Demand-Side Management Deferred Account and Forecast Report for 2015 as being in compliance with the Commission Orders in Docket Nos. 09-035-T08, 10-035-57 and 13-035-136.

ISSUE

In compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on November 3, 2014¹, the Company filed its Annual Demand-Side Management Deferred Account and Forecast Report, which contains an analysis of the DSM balancing account and the forecast for the 2015 year. On November 3, 2014, the Commission issued an Action Request to the Division directing the Division to review the filing for compliance and make recommendations

¹ November 1st was a Saturday

by December 3, 2014. On November 6, 2014 the Commission issued a Notice of Filing and Comment Period for interested parties to submit comments on or before December 3, 2014 with reply comments due December 12, 2014. This memorandum is in response to the Commission's Action Request.

DISCUSSION

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis and forecast of the balancing account similar to that provided by the Company in Advice No. 09-08.

In compliance with the above Orders, on November 3, 2014, the Company filed its 2015 Demand-Side Management Deferred Account and Forecast Report. The report shows that, based on the Company's projections of the revenues and expenses of the Demand-Side tariff rider, the account balance will be under-collected by approximately \$14.0 million by the end of December 2014. In addition, the forecasted deferred account reflects an under-collection of approximately \$13.8 million by December 2015.

The higher than expected costs in the program were the result of the Cool Keeper equipment purchase carry-over from 2013, increased volume of lighting incentives in the Home Energy Savings Program, increased activity with Trade Allies for the small business customers, and the expansion of the Home Energy Report Program.

The balancing account shows expected 2015 program expenditures of approximately \$61.0 million with the rate recovery of approximately \$61.6 million. As proposed, it appears the current Schedule 193 collection rate is sufficient to cover the 2015 program costs although not enough to recover the \$14.0 million under-collection from 2014. The Company has given notice that it intends to file a request with the Commission in November 2014 for recovery of the approximate \$14.0 million. Despite this intent, as of the date of this memo the Company has not filed for recovery of the under-collected \$14.0 million.

The Division will continue to monitor Schedule 193 and present additional recommendations if the actual expenses and revenues do not follow the Company's projections.

CONCLUSION

Based on its review of the Company's filing, the Division concludes that Company's 2014 Semi-Annual Forecast complies with the Commission Orders.

CC: Michele Beck, Office of Consumer Services
Kathryn Hymus, Rocky Mountain Power
Dave Taylor, Rocky Mountain Power