



State of Utah
Department of Commerce
Division of Public Utilities

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Lieutenant Governor

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 8, 2015

Re: **RMP Advice No. 15-14, Proposed changes to Schedule 193 – Demand Side Management (DSM) Cost Adjustment**

Docket No. 15-035-T15

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (Company) proposed change to the Schedule 193 surcharge collection rate from 3.62% to 4.0% for the 2016 program year.

ISSUE

On November 23, 2015, the Company filed proposed tariff changes to Utah Tariff Schedule 193 Demand Side Management (DSM) Cost Adjustment with a requested effective date of January 1, 2016. On November 23, 2015, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 193 and report its findings and recommendation to the Commission by December 8, 2015. At the scheduling conference on November 30, 2015, the

Commission set December 17, 2015 as the hearing date for this docket. The Division provides these comments in response to the Commission's Action Request.

DISCUSSION

This filing is the second step in a process that will help bring the DSM balancing account to near zero within a two year period. On March 3, 2015, the Commission approved the Company's requested DSM surcharge Step 1 increase to 3.62% with an effective date of February 1, 2015. The Company is now requesting the second step increase moving the surcharge to 4.0%.

Exhibit B to the Company's filing provides the forecast for the DSM balancing account at the current collection rate. The Company projects that the account balance will be under collected by \$12.5 million at December 31, 2015 and also under collected by \$8.2 million at December 31, 2016. The Company's Exhibit C incorporates the second step increase to 4.0% for 2016 and forecasts an account balance at December 31, 2016 of \$0.5 million. The average residential customer using approximately 8,376 kWh a year would see a \$3.36 annual increase, or 0.4 percent on their monthly bill beginning January 1, 2016.

The Division notes that the small business lighting program was suspended on July 1, 2015 due to unexpected participation in the program. The Company's forecast includes cost of approximately \$3.0 million re-implementing the program in 2016. Also, as of November 18, 2015, Jaco Environmental the vendor for Rocky Mountain Power's "See ya later refrigerator" program was put into receivership in the state of Washington. The 2016 DSM budget includes \$1.6 million of allocated costs to this program. The Company filed on December 4, 2015 in Docket No. 15-035-T17 to suspend the "See ya later refrigerator" tariff Schedule No. 117.

The DSM Steering Committee met on October 23, 2015 to discuss the balancing account and agreed that a change to the collection rate is warranted. The Division will continue to monitor the DSM balancing account and will provide recommendations to the Company and the DSM Steering Committee if warranted.

CONCLUSION

The Division has reviewed the Company's filing and recommends that the Commission approve the Schedule 193 rate change to 4.0% for the 2016 year with an effective date of January 1, 2016.

CC Bill Comeau, Rocky Mountain Power
Bob Lively, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List