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November 9, 2016

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

**Re: Advice No. 16-13
Revisions to Schedule 135, Net Metering Service
Proposal for new Schedule 135A, Net Metering - Transition Service**

Enclosed for filing are originals and five copies of proposed tariff sheets associated with Tariff P.S.C.U No. 50 of PacifiCorp, d.b.a. Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405-1(D), Rocky Mountain Power (the “Company”) states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing and the accompanying workpapers to psc@utah.gov. The Company respectfully requests an effective date of December 10, 2016 for the proposed tariff changes, as explained in more detail below.

Fifth Revision of Sheet No. B.1	Index	Electric Service Schedules
1st Revision Sheet No. 135.1	Schedule 135	Net Metering Service
Original Sheet No. 135A.1E	Schedule 135A	Net Metering - Transition Service
Original Sheet No. 135A.2E	Schedule 135A	Net Metering - Transition Service
Original Sheet No. 135A.3E	Schedule 135A	Net Metering - Transition Service
Original Sheet No. 135A.4E	Schedule 135A	Net Metering - Transition Service
Original Sheet No. 135A.5E	Schedule 135A	Net Metering - Transition Service

Through this filing the Company is requesting modifications to Schedule 135, Net Metering Service, to close it to new service. In its place, the Company seeks approval of Electric Service Schedule No. 135A, Net Metering - Transition Service, which mirrors the current Schedule 135 with the exception of the following language which is added to the Availability Section:

Customers will be subject to all changes to net metering service including changes to credits, charges or rate structures offered herein and in related

tariffs resulting from the final determination under Utah Code Ann. § 54-15-105.1 which may include, without limitation, a transfer from this tariff to all new applicable service schedules approved by the Commission.

Residential customers who apply for net metering service after December 9, 2016, will take service pursuant to Schedule 135A until the Commission rules on the Company's proposals set forth in its Compliance Filing and Request to Complete All Analyses Required Under the Net Metering Statute for the Evaluation of the Net Metering Program ("Compliance Filing"), filed concurrently with this tariff advice filing. Proposed Schedule 135A does not "increase rates, charges or conditions, change classifications which result in increases in rates and charges or make changes which result in lesser service or more restrictive conditions at the same rate or charge." Therefore, Commission Rule R746-405-2(E) provides the Commission authority to implement Schedule 135A 30 days from the date of this filing.

Background

The Commission has been actively reviewing and evaluating the Company's residential net metering service in Utah since late 2013. For example, the Company proposed a fixed net metering facilities charge on net metering customers to cover distribution and certain customer service costs when it filed its 2014 general rate case, Docket No. 13-035-184 (the "2014 GRC"). In a notice issued April 16, 2014, following the enactment of Utah Code Ann. § 54-15-105.1 ("Net Metering Statute"),¹ the Commission stated its intent to address the implementation of the statute in the 2014 GRC.

All other issues in the 2014 GRC were ultimately settled later that year, so the final hearings held in that docket only concerned the proposed fixed net metering facilities charge and implementation of the Net Metering Statute. Following hearings, the Commission issued its order, declining to approve the proposed net metering charge and declining to determine the costs and benefits of the net metering program. Rather, "recognizing the importance of the issues raised by parties in the rate case," the Commission established a separate, on-going docket to examine the costs and

¹ 54-15-105.1. Determination of costs and benefits - Determination of just and reasonable charge, credit or ratemaking structure.

The governing authority shall:

- (1) determine, after appropriate notice and opportunity for public comment, whether costs that the electrical corporation or other customers will incur from a net metering program will exceed the benefits of the net metering program, or whether the benefits of the net metering program will exceed the costs; and
- (2) determine a just and reasonable charge, credit, or ratemaking structure, including new or existing tariffs, in light of the costs and benefits.

Utah Code Ann. § 54-15-105.1(1) shall be referred to as "Subsection One," and § 54-15-105.1(2) shall be referred to as "Subsection Two."

benefits of the Company's net metering program.² The Commission also decided that it would perform the examination in steps: first it would establish an appropriate analytical framework to implement the Net Metering Statute, then it would "examine the costs and benefits that result from applying the data to the approved analytical framework" and determine whether any proposed change in rate is just and reasonable. The analytical framework to be established to implement Subsection One was to "include the types of analyses that must be performed, the components of costs and benefits to be included in the analyses, and the sources and time period of data inputs."³ The Commission indicated it would examine the costs and benefits that result from applying the approved analytical framework to the data, and ultimately make the Subsection Two determination, "in a further phase of this docket, a general rate case or other appropriate proceeding."⁴ The Company has filed its Compliance Filing to provide the Commission with all of the information needed to complete the referenced Subsection One and Two determinations.

In the meantime, the net metering program has experienced exponential growth since the Company's initial request for a fixed net metering facilities charge in the 2014 GRC. For example, by the end of 2013, 2,200 customers were participating in the program. By the end of calendar year 2015, that number had climbed to approximately 6,700 customers, a growth rate of 200 percent in just two years. As of October 7, 2016, 7,000 more customers enrolled, with over 3,500 more expected to enroll by the end of this year, bringing the total number of net-metering customers to over 17,000 by the end of 2016, a 160 percent growth in just one year.

Tariff Advice Letter Requests

Consistent with the determinations the Company seeks in its Compliance Filing, in this tariff advice letter, the Company requests that Schedule 135, Net Metering Service, be closed to new customers after December 9, 2016, and that customers requesting residential net metering service after December 9, 2016 be served under proposed Schedule 135A until the Commission makes a final determination under the Net Metering Statute.

Proposed Schedule 135A facilitates a transition to a future program that includes an updated rate design for residential customer generators. It leaves the same service, conditions and rates in place for new residential net metering applicants that are available under the existing tariff, but provides clear notice that transition tariff, Schedule 135A, is subject to change once the Commission has fulfilled its duties under the Net Metering Statute. As part of the Compliance Filing, the Company requests approval of proposed Schedules 5 and 136 for net metering service. Proposed Schedule 5 reflects the elements of the Company's proposed rate structure. Not only will this change facilitate transition to a new rate structure, it will provide important data to help further refine rates and rate structures for net metering customers in the future.

² Docket No. 14-035-114, Notices of Comment Period and Scheduling Conference, 2014 WL 6713287 at *1 (Utah P.S.C. November 21, 2014).

³ *Id.*

⁴ *Id.* at *2.

The Company supports keeping the current net metering customers on the existing net metering program and their current rate schedule. We acknowledge that current customers made investments based on the current structure and respect the customers' need for reasonable certainty for recovery of their investments. The Company expects this issue to be considered in a future proceeding. However, current customers may voluntarily opt in to the new Schedule 5.

In addition, current net metering customers generally do not have meters that are capable of billing the on-peak demand charge that is included in the proposed rate structure in the Compliance Filing. Transitioning these customers to the new schedule would be operationally and administratively challenging.

The Commission has approved closing service to existing customers under similar circumstances. *See, e.g., In the Matter of Bear Lake Comm'n, Inc.*, 2013 WL 4399208 (Utah P.S.C. August 8, 2013) (grandfathering emergency line service to existing customers); *In re U.S. West Comm'n*, 1999 WL 35639170 (Utah P.S.C. November 26, 1999) (grandfathering Centrex Plus service to existing customers); *In Re U.S. West Paging, Inc.*, 93-2026-01, 1993 WL 501443 (July 2, 1993) (grandfathering mobile telephone service to existing customers).

In addition to seeking approval of transition tariff, Schedule 135A, the Company is also seeking approval of minor, necessary modifications to the currently effective residential and commercial interconnection agreements which set forth the interconnection requirements for net metering customers. The modifications clarify that new customers will be subject to any changes made to net metering service, consistent with the Commission's ruling in the Company's concurrent Compliance Filing. The specific changes are reflected in a form redlined interconnection agreement, attached to this tariff filing as Exhibit A.

Change to Schedule 135

Like current Schedule 135, Schedule 135A includes the terms and conditions under which the Company offers net metering service. All of the terms and conditions are the same as those in current Schedule 135, with the exception of the addition of the highlighted second sentence in the following section:

AVAILABILITY: At any point on the Company's interconnected system. **Customers will be subject to all changes to net metering service including changes to credits, charges or rate structures offered herein and in related tariffs resulting from the final determination under Utah Code Ann. § 54-15-105.1 which may include, without limitation, a transfer from this tariff to all new applicable service schedules approved by the Commission.**

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
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By regular mail: Data Request Response Center
 PacifiCorp
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 Portland, OR 97232

Informal inquiries may be directed to Bob Lively at (801) 220-4052.

Sincerely,



Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
 Office of Consumer Services

Enclosures