



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 1, 2017

Re: Rocky Mountain Power's Annual Demand-Side Management Deferred Account and Forecast Report for 2018.

Docket No. 17-035-41

RECOMMENDATION (ACKNOWLEDGEMENT)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (Company) Annual Demand-Side Management Deferred Account and Forecast Report for 2018 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 1, 2017, 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 2018 year. On November 1, 2017, the Commission issued a Notice of Filing and

Comment Period for interested parties to submit comments on the filing on or before December 1, 2017 with reply comments due December 15, 2017. On November 3, 2017 the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by December 1, 2017. This memorandum responds 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 1, 2017, the Company filed its 2018 Demand-Side Management Deferred Account and Forecast Report. The Division has reviewed the report and it appears to be in compliance with Commission Orders.

Included in the report is the 2018 forecast savings compared to the 2017 Integrated Resource Plan (IRP) targets. According to the report, the Company's 2018 DSM forecast savings is expected to meet or exceed the IRP target.

In order to address an estimated over-collected balance of \$17.0 million by the end of 2017 and \$28.9 million by the end of 2018, on July 17, 2017, the Company filed to suspend the DSM surcharge for a period of four months.¹ On November 15, 2017, in Docket No. 17-035-T13, the Company filed to reinstate the surcharge by January 1, 2018 at a slightly lower rate.

The Company's Attachment 2 provides the balancing account analysis including the DSM Surcharge suspension for the period ending December 31, 2018. Attachment 2 projects 2018 program expenditures of approximately \$60.1 million with the rate recovery of approximately \$68.3 million. The forecast shows that the balancing account at the current rate of recovery of 3.68 percent will under-collect by approximately \$8.1 million at the end of December 2017 and over-collect by approximately \$232,678 by December 31, 2018.

¹ Docket No. 17-035-T10, Schedule 193 Rate Adjustment

Based on past performance and expected participation, the Company's 2018 forecast is reasonable. 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 2018 Annual Forecast complies with Commission Orders.

CC: Michael Snow, Rocky Mountain Power
Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services