



GARY HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst

Date: February 7, 2019

Re: Approval of Tariff Schedule No. 3, Docket No. 18-035-39 – Investigation Re:
Expiring Excess Generation Credits under Schedule 135.

Recommendation (Approval)

The Division of Public Utilities (“Division”) recommends the Utah Public Service Commission (“Commission”) approve Rocky Mountain Power’s (“RMP”) proposed revisions to Electric Service Schedule No. 3, (Low Income Lifeline Program-Residential Service Optional for Qualifying Customers), effective April 1, 2019. The Division’s review determined that RMP’s filing complies with the Commission’s January 11, 2019 Order, and Rule R746-405-2(D). The Division concludes RMP’s \$6.80 one-time disbursement to each customer on Schedule No. 3 during the April 2019 billing cycle is reasonable. The Division’s recommendation is conditioned upon RMP filing its report of actual numbers with the Commission thirty days after the close of the April 2019 billing cycle.

Issue

On January 11, 2019, the Commission issued its Order in Docket No. 18-035-39 (“Order”) directing RMP to file any necessary tariff changes to effectuate its Order. On February 1, 2019, RMP filed its Electric Service Schedule No. 3 tariff revisions with the Commission. On the same

day, the Commission issued an action request to the Division asking it to review RMP's filing for compliance and make recommendations by February 15, 2019. This memorandum represents the Division's response to the Commission's request.

Background

On August 30, 2018, the Commission's Secretary issued a letter saying that it declined to modify the current treatment of expiring credits from Schedule No. 135 excess generation ("Credits") resulting from its conclusions in Docket No. 18-035-28, Customer Owned Generation and Net Metering Report.¹ On October 10, 2018, the Commission opened Docket No. 18-035-39 to consider alternative uses of the Credits.²

The Division, RMP, Office of Consumer Services ("OCS"), and Utah Clean Energy ("UCE"), each filed comments and reply comments in Docket No. 18-035-28 pertaining to disposition of the Credits.³ The Division, RMP, OCS, UCE, Western Resource Advocates ("WRA"), and AARP, filed comments and/or reply comments in Docket No. 18-035-39 on or around November 8, 2018 and November 27, 2018, respectively, with each party substantially maintaining their positions or supporting other parties' positions.⁴

On January 11, 2019, the Commission issued its Order directing RMP to: (1) make a one-time disbursement during the April 2019 billing cycle to low-income customers on Schedule No. 3; (2) make changes to its Schedule No. 3 tariff to effectuate the Commission's Order; and (3) report back thirty days after the April 2019 billing cycle with the actual number of customers and amount of the one-time disbursement.⁵

Discussion

In its Order, the Commission declined to adopt RMP's proposal to distribute the funds to the Lend-A-Hand Program based on the possible preferential treatment to a sole organization when

¹ Utah Public Service Commission, Correspondence to Rocky Mountain Power, Gary L. Widerburg, August 30, 2018, <https://pscdocs.utah.gov/electric/18docs/1803528/304191CorresWiderburg8-30-2018.pdf>.

² Utah Public Service Commission, Notice of Docket and Comment Period, Docket No. 18-035-39, October 10, 2018. <https://pscdocs.utah.gov/electric/18docs/1803539/3048991803539nodacp10-10-2018.pdf>.

³ See Docket No. 18-035-28, <https://psc.utah.gov/2018/07/03/docket-no-18-035-28/>.

⁴ See Docket No. 18-035-39, <https://psc.utah.gov/2018/10/10/docket-no-18-035-39/>.

⁵ Utah Public Service Commission, Order, Docket No. 18-035-39, January 11, 2019, pg. 10.

other organizations might also be available to distribute the funds. The Commission also declined to adopt the OCS and UCE's proposal to give the funds to the Weather Assistance Program ("WAP") based on uncertainties of how the funds might be distributed. The Division did not offer any proposals. Instead, the Commission concluded that the best use of the funds would be to make a one-time disbursement to all Schedule No. 3 low-income customers on the HELP program at the time of the April 2019 billing cycle.⁶

The Commission's Order directed RMP to equally divide the \$159,840 Excess Credit balance based on the number of customers receiving service on Electric Service Schedule No. 3 during the April 2019 billing cycle. RMP concludes that each customer receiving HELP funds should get a \$6.80 adjustment to their April 2019 bill by forecasting an average 2019 April customer total based on a seasonal adjustment using a ratio of April 2018 customers to December 2017 customers times December 2018 customers. The \$159,840 Excess Credit is divided by the forecasted April 2019 customers to arrive at the \$6.80 disbursement.⁷

$$(24,695/21,429) * 20,399 = 23,508$$

$$\$159,840/23,508 = \$6.80$$

The Division concludes that there are other methods available to determine seasonality and other factors to forecast the customer count for April 2019. However, the Division's analysis did not significantly vary from RMP's. Therefore, the Division concludes that RMP's \$6.80 disbursement estimate per customer for the April 2019 billing cycle is reasonable.

The Commission also directs RMP to file any necessary tariff changes to effectuate its Order. The Division reviewed RMP's Service Schedule No. 3 sheets and concludes the tariff revisions comply with the Commission's Order.

In reviewing RMP's advice letter for this matter, the Division reviewed Utah Administrative Code Rule 746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the

⁶ Id., pg. 9.

⁷ RMP Workpaper – Schedule No. 3 Credit Calculation 2-1-2019.

filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The filing does not appear to violate statute or rule.

Conclusion

The Division reviewed RMP's filing and concludes that it complies with the Commission's Order. The Division concludes RMP's one-time disbursement of \$6.80 to low-income Schedule 3 HELP customers for the April 2019 billing cycle is reasonable. Therefore, the Division recommends the Commission approve RMP's revised Electric Service Schedule No. 3, effective April 1, 2019 conditioned on RMP's report of actual numbers thirty days following the close of the April 2019 billing cycle.

Cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS