



State of Utah
Department of Commerce
Division of Public Utilities

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REPLY COMMENTS

To: Utah Public Service Commission

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

Date: January 10, 2019

Re: **Reply Comments, Docket No. 18-035-T04** – Rocky Mountain Power’s Proposed Tariff Revisions to Electric Service Regulation Nos. 4 (Supply and Use of Service), 5 (Customer’s Installation), 7 (Metering), 9 (Deposits), 10 (Termination of Service and Deferred Payment Agreement), 12 (Line Extensions), and Electric Service Schedule No. 300 (Regulation Charges).

RECOMMENDATION (Approve Tariff Sheets with Recommendations)

The Division of Public Utilities (“Division”) reviewed RMP’s reply comments to the Division’s original recommendations and concludes RMP’s responses and revisions address the Division’s concerns. Therefore, the Division recommends the Public Service Commission (“Commission”) approve the revised versions of Rocky Mountain Power’s (“RMP”) proposed changes to Electric Service Regulation Nos. 4 (Supply and Use of Service), 5 (Customer’s Installation), 7 (Metering), 9 (Deposits), 10 (Termination of Service and Deferred Payment Agreement), 12 (Line Extensions), and Electric Service Schedule No. 300 (Regulation Charges), effective January 16, 2019. Specifically, the Division recommends the Commission direct RMP to clarify the language in Regulation No. 9 and schedule a meeting with the Division and other parties to discuss the back bill language in Regulation No. 8.8. The Division determined that RMP’s filing complies with Rule R746-405-2(D) and is consistent with the public interest. The Division recommends the Commission reject Utah Association of Energy Users (“UAE”) proposed changes to Regulation No. 4(3).

ISSUE

On December 12, 2018, RMP filed its reply comments with the Commission. On December 20, 2018, the Commission issued its Notice to Extend Comment Period. The Commission extended the comment period to no later than January 10, 2019 to give the Division and UAE or any other interested party time to review RMP's reply comments and make further recommendations. The requested tariff effective date of January 16, 2019 has not changed. This memorandum represents the Division's reply comments to RMP's reply comments filed on December 12, 2018.

BACKGROUND

RMP adopted the modifications proposed by the Division in its reply comments filed on December 12, 2018. In its original comments to this docket, the Division did not propose any changes to Regulation No. 4 (Supply and Use of Service), Regulation No. 5 (Customer's Installation), Regulation No. 10 (Termination of Service and Deferred Payment Agreement), and Sheet No. 300 (Regulation Charges). The Division recommended approval, with recommendations, to Regulation No. 7 (Metering), Regulation No. 9 (Deposits), and Regulation No. 12 (Line Extensions). UAE filed comments on November 20, 2018 recommending changes to Regulation No. 4 and Regulation No. 12, specifically sections 12(3)(d), 12(3)(e), and 12(5)(b).

DISCUSSION

After review of RMP's reply comments, the Division has not changed its recommendation for Regulation Nos. 4, 5, 10, and Sheet No. 300. The Division is satisfied with RMP's responses to address the Division's concerns regarding Regulation No. 7, Regulation No. 9, and Regulation No. 12.

Regulation 7 – Metering

The Division appreciates RMP's willingness to meet to discuss the language in Regulation No. 8. The Division recommends the Commission direct RMP to schedule a meeting at its earliest convenience to discuss the Division's question regarding the fairness of billing for 24 months for some metering failures and three or six months for other metering failures.

Regulation 9 - Deposits

The Division is satisfied with RMP's revisions to Regulation No. 9 concerning the removal of the reference to "*Utah Code Title 54 Public Utilities Statutes and Public Service Commission Rules, Title 9 Community and Culture Development 9-12-201*" in the language that does not seem to exist.

Regulation 12 – Line Extensions

The Division's review of RMP's revisions to Regulation 12 revealed two areas of concern. The first concern regards the allocation of costs to succeeding customers after the initial customer pays for network upgrades. Additionally, how does the allocation work in the context of the Line Extension Program under the STEP Program? The second concern surrounds the threshold at which a customer must pay for network upgrades to connect.

Regarding the Division's first concern about customers gaming the system by waiting to connect after ten-years, RMP further states in its reply comments that customers would have a hard time knowing when the current network updates were installed and customers would likely not want to wait to connect anyway. The Division is persuaded that the actual occurrence of such abuse is unlikely.

Second, the Division was initially concerned with RMP's proposed revisions to Regulation 12, Section 2 (e), Residential Extension Transformation Facilities. The Division concludes that the 22kVA threshold will reduce costs by reducing over-sized infrastructure and is in the public interest.

UAE Proposed Changes

The Division offers no opinion on the proposed changes to Regulation No. 12 recommended by UAE. UAE's proposals and RMP's responses seem reasonable and in the public interest. However, the Division has concerns with the proposed changes recommended by UAE to Regulation No. 4(3) allowing sub-metering and billing by a property owner.

UAE changes to Regulation No. 4

The Division shares RMP's objection to change Regulation No. 4(3), which would allow a property owner, under a master meter, to sub-meter and bill tenants based on that sub-meter.

Under that scenario, the property owner could be acting as the utility violating Regulation No. 7 and Commission Rule R746-210-5 as stated in RMP's reply comments.¹

UAE explains the purpose of its proposed change to Regulation No. 4(3) is in support of PURPA goals to encourage conservation. Under the current language, UAE explains the property owner has no way of encouraging tenants to conserve electricity because the tenants electricity usage is buried in the monthly rent bill, *"This prohibition may prevent the tenant from receiving proper feedback or economic incentives regarding conservation of electric usage."*²

The Division supports energy conservation, through rate design, outreach programs, and other methods, to educate and provide economic feedback to all of RMP's customers. However, if the Commission were to approve UAE's proposal, the Division is concerned about the rise of other problems, including disputes over the correctness or fairness of the owner's metering or administration. The change is not in the public interest.

CONCLUSION

In reviewing RMP's reply comments for this matter, the Division considered 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 filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The revised tariff sheets do not appear to violate statute or rule.

The Division recommends the Commission approve RMP's proposed changes to Electric Service Regulation Nos. 4 (Supply and Use of Service), 5 (Customer's Installation), 7 (Metering), 9 (Deposits), 10 (Termination of Service and Deferred Payment Agreement), 12 (Line Extensions), and Electric Service Schedule No. 300 (Regulation Charges), effective January 16, 2019, with the recommendations explained herein. The Division recommends the Commission direct RMP to clarify the language in Regulation 9 (Deposits) relating to non-existent statutes, which RMP agreed to in its meeting with the interested parties on October 5,

¹ RMP Reply Comments, Docket No. 18-035-T04, December 12, 2018, at pg. 5.

² UAE Comments, Docket No. 18-035-T04, November 20, 2018, at pg. 8.

2018. The Division recommends the Commission direct RMP to schedule a meeting with the Division and other interested parties to discuss the language contained in Regulation No. 8. Finally, the Division recommends that the Commission reject UAE's proposal to change the language in Regulation No. 4(3).

cc: Jana Saba, RMP
Michele Beck, OCS
Service List