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Division of Public Utilities

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## ACTION REQUEST RESPONSE

**To:** Public Service Commission of Utah

Ted Boyer, Chair  
Ric Campbell, Commissioner  
Ron Allen, Commissioner

**From:** Utah Division of Public Utilities

Phil Powlick, Director  
Artie Powell, Energy Section manager

**Date:** June 18, 2009

**Subject:** Docket No. 09-035-T03 Net Metering Compliance Filing – FERC Form No. 1 Method for Net Excess Generation for Large Non-Residential Customers; Cross Reference Docket No. 08-035-78

### ISSUE

On or about June 5, 2009, Rocky Mountain Power (“RMP” or “Company”) filed an application with the Utah Public Service Commission (“Commission”) proposing net metering rates using the FERC Form No. 1 method for large non-residential net metering customers. On June 8, 2009, the Commission served an Action Request on the Utah Division of Public Utilities (“Division”) requesting a review for compliance and investigation. The Division submits this memo in response to that Action Request.

### RECOMMENDATION

The Division has reviewed the Company’s application and proposed net metering rates for large non-residential net metering customers and finds the tariff and rates in compliance with the

Commission's order in Docket No. 08-035-78. Therefore, the Division recommends approval of the tariff and rates as filed.

Assuming the Commission approves the proposed tariff changes and rates, the Division also recommends that the Commission direct the Company to update Schedule 37 within fourteen calendar days of a Commission Order in this docket.

## **DISCUSSION**

On June 5, 2009, the Company filed with the Commission proposed changes to Electric Schedule No. 135. Part of these changes specified rates developed using the FERC Form No. 1 method option for large non-residential net metering customers – Schedules 6, 6A, 6B, 8 and 10 – to be paid the customer for any net excess generation. The other available payment options in Schedule 135 for excess net generation are a formulaic weighting of the on- and off-peak non-levelized average energy price, either seasonally differentiated or not, as specified by Schedule 37.<sup>1</sup> The Company's application was in response to the Commission's order in Docket No. 08-035-78.

The Commission's order in that docket states, “[W]e direct a technical conference [to be held], led by the Commission, . . . to discuss details associated with the FERC Form No. 1 method such that initial rates based on this method will be approved and available by July 1<sup>st</sup> of this year and updated in subsequent years.”<sup>2</sup> The technical conference was held on April 29, 2009. The Company represents in its application, and the Division concurs, that no substantive concerns with the Company's method or calculations were raised at the technical conference.

The Division has reviewed the Company's application and verified the proposed rates and finds them consistent with the discussion at the technical conference and with the Company's FERC Form No. 1 report for the end of the fourth quarter of 2008, dated March 31, 2009. Therefore, the Division recommends approval of the proposed tariff language and rates.

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<sup>1</sup> See Schedule 135, paragraphs 2.B.i and ii for details.

<sup>2</sup> “Report and Order Directing Tariff Modifications,” Before the Public Service Commission of Utah, *In the Matter of Consideration of Changes to Rocky Mountain Power's Schedule No, 135 – Net Metering Service*, Docket No. 08-035-78, p. 24.

The Commission's order also directed the Company "to update the avoided cost pricing in Schedule 37 annually, concurrent with the approval and establishment of" the FERC Form No. 1 method rates. The Division is not aware that the Company has updated Schedule 37 rates. Therefore, the Division recommends that the Commission direct the Company to do so within fourteen calendar days of a Commission order in this docket.

CC Service List, Docket No. 08-035-78