



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: July 15, 2015

Re: **Rocky Mountain Power's request to revise the Evaluation Schedule for the Home Energy Reports Legacy and Expansion**

Docket No. 12-035-77

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (Company) proposed evaluation schedule revision to the Home Energy Reports Program (HER).

ISSUE

On June 30, 2015, the Company filed a request to revise the evaluation schedule for the Home Energy Reports Program with a July 31, 2015 effective date. On June 30, 2015, the Commission issued a Notice of Filing and Comment Period for interested parties to submit comments by July 15, 2015 with reply comments due on July 22, 2015. The Division provides its comments in response to the Commission's Notice of Filing and Comment Period.

DISCUSSION

On May 15, 2012 the Commission approved the initial HER Pilot program beginning June 2012 and ending December 2015 (Legacy) with evaluations conducted after the 18th month and the 36th month. The first evaluation was completed on June 18, 2014. On September 2, 2014, the Company filed to expand the HER Pilot program to an additional 200,000 customers (Expansion) with an extension to the HER program through December 2017. The Commission approved the Expansion on September 12, 2014 along with the Expansion evaluations to be performed in 2015 and 2017.

The HER Legacy evaluation completed on June 18, 2014 showed the program to be cost effective over the first 18 months passing four of the five cost effective tests with the Utility Cost Test (UCT) of 2.40, the Total Resource Cost Test (TRC) of 2.40, the PacifiCorp Total Resource Cost test (PTRC) of 2.64 and the Rate Impact Test (RIM) of 0.53. The HER program is a no cost program to the participant (Participant Cost Test (PCT)). Total verified net program savings during the first 18 months of the program were 45,158 MWh. The evaluation showed the HER Legacy program was performing better than anticipated therefore the Company made a request to expand the HER program.

The Company is requesting to revise the evaluation schedule for both the Legacy program and the Expansion program so that they coincide with each other. The Company is proposing that the next Legacy program evaluation be conducted after 41 months making the evaluation period February 1, 2014 – December 31, 2015 (23 months) and the first Expansion program evaluation be conducted after the 15th month making the evaluation period October 1, 2014 – December 31, 2015 (15 months). Thereafter, both the Legacy and Expansion programs would be evaluated on a two-year rotation beginning with January 1, 2016 – December 31, 2017.

The HER Legacy program performance exceeded expectations as shown in the evaluation completed on June 18, 2014. Based on past performance, the Division does not have an issue with the revised evaluation schedule.

CONCLUSION

The Division has reviewed the proposed revised evaluation schedule for both the HER Legacy and HER Expansion programs and recommends that the Commission approve the proposed change to the Home Energy Report evaluation schedule.

CC Bill Comeau, Rocky Mountain Power
Bob Lively, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List