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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: Public Service Commission of Utah

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: December 12, 2017

Subject: In the Matter of the Investigation of the Costs and Benefits of PacifiCorp's Net Metering Program - Docket No. 14-035-114. Compliance Filing Additional Comments

On October 24, 2017, Rocky Mountain Power (Company) filed with the Public Service Commission of Utah (Commission) tariff sheets in compliance with the Commission's September 29, 2017 Order approving the Settlement Stipulation in this docket. On October 27, 2017 the Commission issued a notice of filing and comment period allowing interested parties to submit comments regarding the Company's Compliance Filing on or before Wednesday, November 8, 2017.

On November 8, 2017 the Commission received comments on the Company's compliance filing from the Office of Consumer Services (Office), the Division of Public Utilities (Division), Utah Clean Energy (UCE), Vivant Solar (Vivint), Utah Solar Energy Association, (USEA) and Utah Citizens Advocating Renewable Energy (UCARE).

Also on November 8, 2017 the Commission issued a notice of Reply Comment Period providing that any interested party may submit reply comments on or before noon on Monday, November 13, 2017. With the exception of UCE, reply comments were provided by all previous commenters and the Company.

On November 14, 2017 the Commission issued an Order Approving Proposed Tariff Sheets and Allowing Additional Comment Period on Limited Issues (Order). The Commission expressed interest in receiving additional comments with respect to two issues raised by the Office:

“(1) The OCS's recommendation to ‘[a]dd [a] description of the expectation of future termination of net metering’ and RMP's objection that such language is unnecessary; and
(2) The OCS's recommendation to more specifically define the term ‘Annualized Billing Period’ as it is used in the Tariff Sheets.”

The Commission set December 12, 2017 and December 27, 2017 as the dates by which interested parties may file additional comments and reply comments, respectively.

Office's Comments

In its initial comments submitted on November 8, 2017, the Office recommended that the Commission approve the Company's tariffs with an effective date of November 15, 2017, conditioned on the Company making the Office's suggested modifications to the tariff sheets. Two of those modifications are the items identified above for which the Commission is interested in receiving additional comments, which the Office now provides.

Expectation of Future Termination of Net Metering

The Office recommended that the Commission require the Company to "Add language specifying the expected TERM of Schedule 135 (December 31, 2035)" to tariff sheet 135.1.

The Office stated that it "recognizes that legislation will be required to remove net metering from law but we believe that it is important that customers on this schedule be aware of the *anticipated* end date for the net metering program".

Net metering has been and is expected to continue to be a contentious issue. One argument that is heard from many quarters is that the rules have been changed and the purchase of solar panels was made under one set of rules and the changes totally disrupt the purchaser's payback period. Some liken this to a bait and switch program.

While the Office does not hold this view, we do understand those concerns. The Office asserts that providing ratepayers with as much information within the tariff as can be reasonably offered will benefit all concerned. It is our belief that over time some customers have been provided incorrect information; while we make no claim as to whether the disinformation was deliberate or a case of misunderstanding by the provider we believe that one way to help alleviate this problem is for the Company and regulators to provide as much correct, relevant information as possible within the tariff.

The Company argues against including the TERM language at this time because the legislature has prerogative over the term and the tariff references the Stipulation which identifies the expected TERM. As stated above the Office acknowledges the necessity of the legislature's role in ending Net Metering however, parties to the Stipulation agreed that customers enrolling by a date certain would receive the specified treatment for a definite TERM. Including language identifying the "expected TERM" for the program in the Tariff only adds clarity as to what participants should expect. If it makes the Commission and parties more comfortable, the expected TERM language could reference that future legislation will be necessary to enact this term agreed to in the stipulation.

By accepting the Company's argument that the TERM language is unnecessary because it is contained in the Stipulation and the tariff references the Stipulation the Commission requires

that a customer take additional steps to locate the Stipulation to ascertain the expected TERM of the program.

Although the Commission has asked for additional comment on the subject, the Office notes that in reply comments filed November 13, 2017 in this docket, parties wrote in favor of including that language. In fact, only one party, the Company, voiced opposition.

“Utah Solar Energy Association supports the Office of Consumer Services (OCS) comments regarding the inclusion of December 31, 2035 as the expected end date for grandfathering of existing customers in Schedule 135”. [USEA Reply Comments, November 13, 2017, page 2]

“OCS recommends that December 31, 2035 be included as the expected end date for grandfathering of existing customers in Schedule 135. Vivint Solar supports this recommendation. It would be in the public interest for that date to be known and easily reviewable by the grandfathered customers.” [Vivint Solar, Inc.’s Reply Comments, November 13, 2017, page 2]

“Vote Solar also supports the Office’s proposed modifications of Schedule 135 and 136”. [Vote Solar’s Reply Comments, November 13, 2017, page 2]

“In short, the Commission should approve the Company’s tariff filing with the modest changes recommended by the OCS.” [Division of Public Utilities’ Reply Comments, November 13, 2017, page 3].

Annualized Billing Period

In prior comments the Office stated:

“Annualized Billing Period is a defined term. Currently Schedule 135 does not specify the definition of the Annualized Billing Period for Irrigation customers, which is different than for all other customers. The Office asserts that including the Irrigation Annualized Billing Period in the definitions section is appropriate. We also note that the new Schedule 136 includes both Annualized Billing Period descriptions. The Schedule 135 language should be modified to read:

Annualized Billing Period for all customers except Customers taking service under Electric Service Schedule 10 means the period commencing after the regularly scheduled meter reading for the month of March or in the case of new Schedule 135 service customers, the date that the customer first takes service on Schedule 135 and ending on the regularly scheduled meter reading for the month of March. The Annualized Billing Period for Schedule 10 Customers shall commence after the regularly scheduled meter reading for the month of October, or for new Schedule 10 Customers beginning service on Schedule 135, the date that the customer first takes service on Schedule 135 and ending on the regularly scheduled meter reading for the month of October.”

54-15-102. Definitions reads in part:

As used in this chapter:

(1) “Annualized billing period” means:

- (a) a 12-month billing cycle beginning on April 1 of one year and ending on March 31 of the following year; or
- (b) an additional 12-month billing cycle as defined by an electrical corporation's *net metering tariff or rate schedule*. [emphasis added]

Schedule 135 provides the following definition for the Annualized Billing Period:

“Annualized Billing Period means the period commencing after the regularly scheduled meter reading for the month of March or in the case of new Schedule 135 service the date that the customer first takes service from Schedule 135 and ending on the regularly scheduled meter reading for the month of March”. [First Revision of Sheet No. 135.1]

This definition complies with 54-15-102 (1)(a). However, an additional Annualized Billing Period for Schedule 10 customers was approved by the Commission on April 25, 2013 with an effective date of May 14, 2013.¹ This additional Annualized Billing Period is not defined in the tariff or rate schedule.

Schedule 135.4 (3) reads:

“All unused credits accumulated by the customer-generator, except Customers taking service under Electric Service Schedule No. 10, shall expire with the regularly scheduled meter reading for the month of March of each year. For Customers taking service under Electric Service Schedule No. 10, all unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading for the month of October of each year.”

Although this section of Schedule 135 identifies a difference in the treatment of Schedule 10 customers regarding unused credits compared to other customer classes no reference is made to Annualized Billing Period. The Office still contends that this additional Annualized Billing Period should be defined and included in the definition of Annualized Billing Period in Schedule 135. Otherwise, Schedule 10 customers are at a disadvantage and may not have a clear path to find the complete set of terms relative to their service.

Final Comments

Section 54-3-2 of the Utah Code imposes an obligation on every public utility to “file with the commission...and print and keep open to public inspection, schedules showing all rules, tolls, ...charges, and classifications collected or enforced, or to be collected or enforced, together with all rules, regulations, contracts, privileges, and facilities which in any manner affect or relate to rates, tolls...charges, classifications, or service.

Subsection (3) of Section 54-3-2 clearly states that the “commission shall have power, in its discretion, to determine and prescribe, by order, changes in the form of the schedules referred to in this section as it may find expedient, and to modify the requirements of any of its orders or rules or regulations in respect to any matters described in this section.”

¹ Docket No. 13-035-T07.

There is no credible reason as to why the Company should object to the suggested language. Nor is there any reason why the Commission should be hesitant to order such an inclusion. The addition of the augmented “Annualized Billing Period” language does not modify current rules or practice it only provides clarity in the tariff for the benefit of the public concerning current requirements.

As stated in prior comments the Office asserts that the language of the tariff needs to be understandable and complete. Tariffs are created to provide information on Company programs and our collective regulatory obligation should be to provide precision and clarity regarding the terms of service set forth in the Company’s tariff.

Summary of Office Recommendations

The Office continues to recommend that the Commission require the Company to add tariff language identifying the anticipated TERM of the net metering program, Schedule 135. The Office also recommends that the Commission require the Company to correct the definition of Annualized Billing Period in Schedule 135.