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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

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

Date: November 25, 2014

Subject: In the Matter of Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 91, Surcharge to Fund Low Income Residential Lifeline Program; Proposed Electric Service Schedule No. 92, Low Income Residential Lifeline Program; Proposed Electric Service Schedule No. 92, Low Income Residential Lifeline Program Surcharge Refund Credit

1 Background

On November 10, 2014 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) proposed tariff sheets requesting approval to: 1) revise Schedule 91, Surcharge to Fund Low Income Residential Lifeline Program; and 2) implement a new tariff Schedule 92, Low Income Residential Lifeline Program Surcharge Refund Credit.

The Commission issued a scheduling order November 12, 2014 allowing for interested parties to submit comments and reply comments on or before November 25, 2014 and December 2, 2014, respectively. In accordance with that schedule the Office of Consumer Services (Office) submits the following comments.

2 Schedule 91

Currently a \$12.60 monthly Low Income Lifeline Credit is provided for qualifying residential customers under Schedule 3. An additional \$10.00 monthly credit is

available as a Life Support Assistance Credit for qualifying customers. Funds for this program are collected through Schedule 91. Although the Company continues to work with Utah Housing and Community Development to promote the program the Company states that program participation in Schedule 3 has declined from an average of 32,804 participants in 2011 to a projected average participation of 25,370 in 2015. As a result of the decline in participation, the current collections under the Schedule 91 surcharge exceed the credits applied. In order to remedy the over collection the Company requests a decrease in the surcharge. The proposed decrease would bring the Schedule 91 surcharge to approximately 0.27 percent of revenues for those schedules that are not at the \$50.00 per month cap¹ and represents a decrease of approximately \$820,000 from current collections. For residential customers the Schedule 91 surcharge would decrease from \$0.26 to \$0.20 per month.

The Company also notes that in compliance with the Commission's October 30, 2014 order in Docket No. 14-035-116 it will credit \$10,619.88, the avoided cost value of net metering credits that expired in 2014, to the Schedule 91 account.

Office Response: As of September 1, 2014 the monthly credit to qualifying customers under Schedule 3 was increased from \$11.00 to \$12.60. Based on projected program participation numbers even with the increase in the credit amount Schedule 91 collections exceed and will continue to exceed the credits offered under Schedule 3. Therefore, the Office supports the Company's recommendation to decrease the monthly surcharge collected from customers under Schedule 91.

3 Schedule 92

Due to the current balance in the Schedule 91 account the Company also requests that the Commission approved a new Schedule 92, Low Income Residential Lifeline Program Surcharge Refund Credit. The purpose of Schedule 92 is to provide a one-time credit on customers' February 2015 bills to reduce the current balance by \$1.24 million. The Company further requests approval to terminate Schedule 92 once the one-time credits have been provided to customers.

Office Response: The Office agrees that it is appropriate to provide a one-time credit to customers in an effort to reduce the size of the Schedule 91 balance. We also support the Company's request to terminate Schedule 92 once the credits have been provided to customers. However, we recommend that prior to termination of Schedule 92 the Company provide notice to the Commission, the Office and the Division of

¹ Schedule 91 collections from Schedules 8, 9, 9A and 31 are capped at \$50.00 per month.

Public Utilities that the refunds have been completed and identify the total amount refunded.

4. Recommendations

The Office recommends that the Commission approve the Company's request to reduce the Schedule 91 surcharge and to establish Schedule 92 for the purpose of a one-time credit to customers.

Copies To: Rocky Mountain Power
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Dave Taylor, Regulatory Manager

Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager