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State of Utah
Department of Commerce
Division of Public Utilities

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To: Public Service Commission of Utah

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Charles Peterson, Technical Consultant

Date: May 10, 2017

Re: 15-035-69 – In the Matter of a Request for Agency Action to Review The
Carrying Charges Applied to Various Rocky Mountain Power Account Balances.

RECOMMENDATION (Amend Tariff and Regulation)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) direct Rocky Mountain Power (Company) to file amendments to Electric Service Schedule No. 300 and Electric Service Regulation No. 8 in order to comply with Public Service Commission Rule R746-310-9(B)(1), hereinafter the Rule.

ISSUE

On April 11, 2017, the Commission issued an Action Request to the Division asking it to review the Rule in conjunction with the Commission orders in Docket No. 15-035-69 with particular reference to customer overpayments. The Commission asked the Division to report back with recommendations by May 11, 2017. This memorandum is the Division's response to this action request.

DISCUSSION

In Docket No. 15-035-69 the Division asked the Commission to change the calculation of carrying charges on several categories of balances maintained by the Company including “customer security deposits” and “customer overpayments.” Generally the Commission accepted the Division’s recommendation.¹ The Division did not ask the Commission to change the customer late payment charge, because at the time the Division saw this as a separable item and considered it in the public interest to maintain the relatively higher charge on late payments.² The Division was unaware of the potential conflict with the Rule until it received the Commission’s Action Request on April 11, 2017.

Public Service Commission Rule R746-310-9(B)(1) states as follows:

A utility shall provide interest on customer payments for overbilling. The interest rate shall be the greater of the interest rate paid by a utility on customer deposits, or the interest rate charged by a utility for late payments.

Given this statement, the Company’s Electric Service Schedule No. 300, Section 9R.4 is inconsistent with the Rule and needs revision to make it consistent with the Rule. Furthermore, Electric Service Regulation No. 8, Section 9(b)(1) is similarly inconsistent with the Rule and requires amendment.

CONCLUSION AND RECOMMENDATION

The Division concludes that the Company’s tariff and electric service regulation is inconsistent with the Commission’s rule. The Division recommends that the Commission direct the Company to file amendments to Schedule No. 300 and Regulation No. 8 as described above.

CC: Bob Lively, RMP
Michele Beck, OCS

¹ The Commission declined to change the carrying charge with respect to the Company’s Energy Balancing Account.

² Briefly, the Division considered that, beyond the issue of the time value of money, which is related to carrying charges generally, is the concern that the Company incurs additional cost to bill and collect late and delinquent accounts, costs that the Division does not believe should be borne by customers who are timely in their payments.