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Division of Public Utilities

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**ACTION REQUEST RESPONSE – REDACTED (PUBLIC)**

To: Utah Public Service Commission

From: Utah Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Artie Powel, Manager  
Abdinasir Abdulle, Utility Technical Consultant  
Bob Davis, Utility Analyst

Date: December 9, 2015

Re: **15-035-T16** – In the Matter of Rocky Mountain Power’s Request to Cancel Electric Service Schedule No. 71, Energy Exchange Program Rider.

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**RECOMMENDATION (Approval)**

The Division of Public Utilities (Division) recommends the Public Service Commission (Commission) approve the Company’s request to cancel Schedule 71, Energy Exchange Program Rider (Program) effective January 1, 2016. The Program has had very few participants since its inception in 2001 and no exchange events since 2010.

**ISSUE**

On November 24, 2015, Rocky Mountain Power (Company) filed with the Commission its request to cancel Electric Service Schedule No. 71, “Energy Exchange Program Rider.” The Company is requesting an effective date of January 1, 2016.

On November 24, 2015, the Commission issued an Action Request to the Division requesting the Division to investigate the Company’s filing and make recommendations. The Commission

asked the Division to report back by December 9, 2015. This memorandum represents the Division's response to the Commission's Action request.

## **BACKGROUND**

Electric Service Schedule No. 71, Program, was initially offered by the Company to its customers in 2001 during the energy crisis. This product was introduced to reduce energy usage as quickly as possible. This optional program allows customers to voluntarily reduce their electricity usage in exchange for a payment at times and prices determined by the Company.

To participate in this program a customer has to execute an energy exchange customer agreement with the Company, have a monthly demand exceeding 1,000 kilowatts at least once during the last twelve-month billing period, have a meter which is provided by the Company capable of recording usage intervals at no less than 15 minutes, and be willing to support any load monitoring and communication equipment needed for participation in the Program.

The Program, as approved, works by the Company notifying and encouraging customers to reduce energy usage when market prices are economical for the Company. Customers who chose to participate in an exchange event have to maintain their electricity usage below the customer's baseline service for the duration of the specified event.

## **DISCUSSION**

The Company currently offers an Energy Profiler Online (EPO) energy management product to their larger commercial and industrial customers to help them monitor and more efficiently utilize their energy usage. One piece of the EPO energy management product that the Company has purchased in the past is the load curtailment module. The load curtailment module was included so Schedule No. 71 could be offered in the event it was needed. The current EPO contract expires at the end of 2015. The Company has recently completed a request for proposal process (RFP) and selected Schneider Electric, who is the current EPO provider. In the new agreement with Schneider Electric, the Company proposes to not include a load curtailment module in order to reduce costs of the overall program and to benefit all customers.

According to the Company, participation in Schedule 71 has been sparse since its implementation in 2001 where four customers in Utah, two in Oregon and one each in Washington and Idaho participated in the program. There were no additional participants between 2001 and 2005. Between 2005 and 2008, only two customers participated. Since then, there have been no customers who have accepted an energy exchange curtailment offer, and since 2010 there have been no curtailment events offered. Due to low customer participation, the expiration of the current EPO contract, and an opportunity to reduce costs by approximately [REDACTED] through the elimination of the load curtailment module in the EPO, the Company is requesting authorization to cancel Schedule No. 71, Energy Exchange Program Rider.

Upon its completion in the investigation of this matter, the Division concludes that the Company's request complies with Rule R746-405-2(D). The Company states in its cover letter that the proposed tariff sheets do not constitute a violation of state law or Commission rule. Additionally, due to the lack of participation in the Program, the Division recommends that the Commission approve the Company's request to cancel Tariff No. 71, effective January 1, 2016.

CC: Jeffrey K. Larsen, RMP  
Bob Lively, RMP  
Michele Beck, OCS