



State of Utah
Department of Commerce
Division of Public Utilities

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Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

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Governor

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Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: August 8, 2016

Re: **Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM)
Forecast Report pursuant to Commission order in Docket No. 09-035-T08**

Docket No. 16-035-30

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge the Utah DSM tariff rider balancing account analysis filed by Rocky Mountain Power (Company) as being in compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation.

ISSUE

In Compliance with the Commission Order of August 25, 2009 and April 20, 2016 in Docket No. 09-035-T08, on July 1, 2016 the Company filed the Utah DSM tariff rider balancing account analysis. On July 1, 2016 the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by August 1, 2016. On July 6, 2016 the Commission filed a Notice of Filing and Comment Period providing interested parties the opportunity to submit comments by August 8, 2016 with reply comments due August 22, 2016. This memorandum is in response to the Commission's Action Request.

DISCUSSION

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis of the balancing account similar to that provided by the Company in Advice No. 09-08. On April 15, 2016 in the above Docket, the Company made a request to move the report due date from May 1 to July 1 of each year. The November 1 semi-annual due date would remain unchanged. The Commission granted this request on April 20, 2016. In compliance with the above Orders, on July 1, 2016, the Company filed the Utah Semi-Annual DSM Forecast Report balancing account analysis including the 2016 and 2017¹ forecast years. The Division has reviewed the filing and concludes that the Company's Utah DSM tariff rider balancing account analysis complies with the Commission Order of August 25, 2009.

On December 23, 2015, the Commission approved the Company's request to increase the Schedule 193 DSM Surcharge from 3.62 percent to 4.0 percent effective January 1, 2016.² The request to increase the DSM Surcharge was based on \$13.5 million under-collected in the DSM balancing account at September 30, 2015. Also, on January 1, 2016, the Commission approved the Division's proposed change to the carrying charge rate in Docket No. 15-035-69. Effective March 1, 2016 the approved carrying charge rate is the average of the annual Aaa and Baa corporate bond interest rates for the previous year as published by the Federal Reserve Board of Governors. The Commission approved changes appear to be working to help reduce the under-collected balance. Based on projections of revenues and expenses, the Demand-Side tariff rider account balance will no longer have an under-collected balance as of September 2016 but will be over-collected by \$4.2 million in December 2016 and \$3.3 million by December 2017.

The expensed incurred in 2016 appear to be in line with the Company's November 1, 2015 forecast as provided in Docket No. 15-035-48. The 2017 projected expenses increase by approximately \$13.8 million from the 2016 forecast. The Division attributes the 2017 increase in

¹ 2017 Forecast used from a draft version, not yet finalized.

² Rocky Mountain Power's Proposed Revisions to Electric Service Schedule 193, Demand Side Management Cost Adjustment, Docket No. 15-035-T15.

projected expenses to the Company's reliance on energy efficiency and front office transactions needed to meet customer load as reported in its 2015 IRP³.

The Division will continue to monitor both the DSM account balance and projected expenses and provide input if an adjustment to the DSM surcharge is warranted.

CONCLUSION

Based on its review of the Company's filing, the Division concludes that the Company's Utah DSM tariff rider balancing account analysis complies with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation. The Division recommends acknowledgement of the filing.

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

³ PacifiCorp's 2015 Integrated Resource Plan – Docket No. 15-035-04