

DPU Questions for 193/195 – Gadsby Tech Conference October 3, 2016

1. In tariff sheet 195.1 you state the term of the STEP Cost Adjustment shall be from January 1, 2017 until authorized cost have been collected. The Pilot Program period is five years. Why was this not used as the term in the tariff?
2. Will the Division be able to get a break-out of the line item charge on the Company's charge to customers' bill to recover the costs of the STEP Pilot Program? If so please provide what you think the break-out cost will be and how they will tie to the budget on page four of the application.
3. Please explain your understanding of Section 54-7-12.8(8). What Company customers does this apply to? How will the exemption be determined? How do you envision that this exemption will be tracked and how will the Division be able to audit this exemption for compliance?
4. Please review what the applicable charges or credits of Schedule 94 and 98 reference in the revised No. 195 tariff.
5. The filing on page 8 references a revision to Schedule 193. In your attachment 1 to the filing you have a red-line marked tariff sheet for 193.2. Are the red-line corrections shown the only revisions to 193.2?
6. Please come prepared to explain in layman's terms the red-line and starred adjustments outlined on the Second Revision of Sheet No. 195.2 explained at the bottom of each sheet in Attachment 1 to the filing.
7. Please provide T accounts with journal entries and explanations for the use of the regulatory liability account to depreciate thermal generation.
8. Will the STEP program be a part of a rate case filing or will it be adjusted out of ROO like DSM costs and revenues like they are currently?
9. How will you forecast unrecovered USIP costs included in the proposed rates in Schedule 195? You are now forecasting \$2.6 million. When and how will that change in the future? Will forecasted be trued –up to actual and how will the accounting for that be done? When do you think USIP costs will cease to be a part of Schedule 195? Please provide a detail of the unrecovered USIP costs. Why did the Company propose to allocated unrecovered USIP on an equal percentage basis – what does that mean?
10. Please explain from an accounting standpoint how you are going to combine 193 and 195 into the one line item for billing purposes.
11. Please explain how you are going to do the capital cost amortization. Will it be straight-line or will it be somehow computed to try and zero out the total each year or some other method?

12. Please explain and provide the accounting detail for the capitalization of the DSM annual costs, amortization of the DSM expenditures including the carrying charge, and the thermal plant regulatory liability fund (include T accounts, etc.).
13. Please provide a detailed explanation (accounting and/or otherwise) of the following: "The Company further requests authorization, in accordance with U.C.A. § 54-7-12.8(5)(a), for authorization to allocate the *difference between DSM tariff collections and the DSM amortization expense to a regulatory liability fund* that will be used for thermal plant depreciation subject to Commission authorization pursuant to U.C.A. § 54-7-12.8(5)(b)(i)." (Application pg. 7)
14. Provide the balancing account accounting detail to track the \$10 million annual collection through the line item charge for STEP Schedule 195 (include T accounts, allocation of direct and indirect costs, etc.).
15. DSM Steering Committee annually reviews Schedule 193 and makes recommendations on whether the collection rate should be adjusted. Will this remain part of the DSM Steering Committee's responsibilities? The DSM Steering Committee is limited by design. Will this be an issue?
16. Please explain how direct and indirect costs will be allocated.
17. Please provide example accounting for the Gadsby Emissions Curtailment program using T accounts with explanation of the entries into the accounts. Please include the NPC entries also.