



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

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

Date: October 6, 2017

Subject: Office of Consumer Services Comments. Docket No. 16-035-36, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act.

Introduction

On September 1, 2017 Rocky Mountain Power (Company) filed with the Utah Public Service Commission (Commission) a “monitoring, evaluation, and reporting plan (Report) for projects authorized under the Sustainable Transportation and Energy Plan Act (STEP) and approved by the Commission”. Included with the filing is a proposed Template for reporting on STEP projects. The Company indicates the Plan is submitted pursuant to the May 24, 2017 order of the Commission.

On September 6, 2017 the Commission issued an action request for the Division of Public Utilities (Division) to review the Company’s filing for compliance and make recommendations by October 6, 2017. The Office of Consumer Services (Office) takes this opportunity to comment on the Company’s filing.

Introduction

Concurrent with the Company’s year-end Results of Operations Report, filed annually in April, the Company proposes to submit a separate Report including the Template attached to the filing to present data and information related to each STEP project.

The Company further proposes that technical conferences be scheduled as necessary at the time of each annual STEP project report filing. The Company states it anticipates that parties will provide comments to the Commission regarding the progress and operation of each project and whether the project is meeting its intended purpose. The Company anticipates that subsequent Reports may be revised based on parties’ comments.

Office Review of Filing

In separate orders the Commission has approved projects for three phases of the Company's STEP program. The order for each phase has identified reporting requirements related to the projects contained therein.

The Office has reviewed the Company's proposed Reporting Template and reporting plan in light of those Commission orders and generally believes the information to be provided will comply with Commission requirements. We did however, identify two issues for which we requested clarification from the Company. Following are the Office's Data Request No. 20 questions and the Company's responses.

OCS Data Request 20.1

Under **project accounting** the Company intends to report "External OMAG Expenses". The Commission's orders require "PacifiCorp to track and report the OMAG expenses associated with STEP projects." "...we order PacifiCorp to book all STEP-related expenses to the STEP budget and to maintain records that will allow STEP and non-STEP OMAG costs to be properly accounted for during the next general rate case. Please explain what specifically is meant by "External" in this context. Please further explain how the Company's plan to report "External OMAG Expenses" is in keeping with the Commission's requirement.

Response to OCS Data Request 20.1

The term "External" is meant to represent the incremental third party/contractor OMAG, capital, materials and other related expenses; as opposed to internal Company labor. *The Company also intends to track internal labor associated with STEP projects.* This level of detail will allow the Company to comply with the Commission's orders in this proceeding with regards to project reporting and will maintain records that will allow STEP and non-STEP OMAG costs to be properly accounted for during the next general rate case. [emphasis added]

OCS Data Request 20.2

Regarding the "Commercial Line Extension Program" at page 13 of the Commission's May 24, 2017 order the Commission approved the specific reporting requirements outlined by the DPU and the OCS for, among other things, Commercial Line Extension Program.

The Office recommended that reporting for the commercial line extension program include:

- 1) Cost comparison methodology
- 2) Cost savings, if they exist
- 3) Cumulative cost savings
- 4) Explanations and/or observations for the cost savings results

5) Percentage of projects with EV infrastructure development.

These elements are not identified in the Template. Does the Company intend to include this information in its reports? If so, where will that information be located?

Response to OCS Data Request 20.2

The Company will comply with the Commission's orders in this proceeding with regards to specific project reporting. The cost information referenced above for the Commercial Line Extension program will be provided as part of the program reporting.

The Office notes that the Company's filing indicates that "The Company will comply with the reporting requirements outlined in the Phase III Stipulation and Partial Settlement Agreement pertaining to the EV program as contained in Exhibit D to the Stipulation. However, no reference was made to the reporting requirements for the Commercial Line Extension Program from the Phase II order. Thus, the Office appreciates the assurances provided in the Company's response to OCS Data Request 20.2.

The Office supports the Company's proposal regarding technical conferences to be held following the filing of the annual STEP project Reports. We also anticipate that after review parties will want to submit comments on the various projects and Reports and perhaps make suggestions as to areas of the Reports that should be revised for more clarity, additional information or modified formats to make the Reports more useful to parties. Also, the ability to follow the accounting for each project will need to be carefully evaluated based on the actual Report content and layout.

Based on our review of the Template and Report outline provided with the Company's filing and the assurances made in the responses to OCS Data Request 20.1 and 20.2, the Office makes no recommendations regarding modifications at this time.

Office Recommendation

The Office recommends that following the Company's filing of Reports, the Commission provide an opportunity for parties to submit comments regarding the specific programs as well as suggested modifications to the Reports.

CC: Parties to the Docket