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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: April 12, 2017

Subject: Office of Consumer Services Response to Rocky Mountain Power's
Proposed Changes to Schedule 73, Subscriber Solar Program. Docket No.
17-035-T06

Background

On March 28, 2017, Rocky Mountain Power (Company) filed with the Utah Public Service Commission (Commission) Proposed Tariff Revisions to Schedule 73, Subscriber Solar Program.

On that same date, March 28, the Commission issued a notice of filing and comment period establishing April 12, 2017 and April 19, 2017 as the dates by which any party may submit comments and reply comments, respectively.

The Company proposes to revise Special Conditions 7 and 8 of the tariff.

Special Condition 7 requires subscribers to pay a cancellation fee if they cancel within three years of subscribing. The cancellation fee is \$50 per block. After three years there is no cancellation fee. Additional conditions are placed on subscription amounts equal to or greater than 2,000 kW.

Special Condition 8 states that the Company will not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected for non-payment within the last 12 months.

Discussion

Special Condition 7

The Company proposes to revise Special Condition 7 to remove the requirement for subscribers to pay a cancellation fee if they cancel within three years of subscribing. The proposal would change the language from Subscribers **will** pay a cancellation fee, to customers **may** pay a cancellation fee. A further modification is to insert a qualifier before the required payment amount. The cancellation fee will equal “**up to**” \$50 per block.

The Company reasons that “it is appropriate to have a way to negotiate a reduced fee on a case by case basis with customers if the cost to replace them is minimal on the program. A mechanism should also exist to waive or reduce cancellation fees if a customer’s cancellation is due to extenuating circumstances, such as military service or medical reasons, consistent with other programs the Company offers.”

The Office acknowledges the Company’s reasoning and explanation but disagrees with the language changes. First, the concept that the Company should negotiate with subscribers over the cancellation fee is inappropriate in this context. The Office asserts that the cancellation fee should not be subject to “negotiation”. Although perhaps “negotiation” was meant to be more descriptive than literal in the Company’s request letter.

The Office contends that the requirement for a cancellation fee should remain and the Company should maintain the current language – Subscribers **will** pay.... However, the Office supports the premise that in some cases there may be a waiting list of potential subscribers ready and willing to take the place of a subscriber wishing to relinquish his or her subscription. In those cases, providing the full relinquished subscription amount can be filled from the waiting list, the Office is not opposed to a reduced cancellation fee. The Office recommends that the appropriate way to accommodate this event is to leave the will pay requirement but include a caveat or Note, as in many other tariffs, that describes the circumstance when the \$50 per block cancellation fee may be reduced. Thus, the Office recommends that the Commission require the Company to refile for proposed tariff revisions with language that indicates that subscribers **will** pay a cancellation fee unless the full relinquished subscription amount can be immediately filled from the waiting list or the customer is facing the circumstances of severe medical issues or active military duty.

Special Condition 8

For Special Condition 8 the Company also proposes to change the language from a prohibition to accepting enrollment for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected for non-payment within the last 12 months, to a **may not accept**, giving the Company complete discretion in this regard.

The Company states that this provision is in alignment with the language for special conditions in Schedule 70 and Schedule 72. The Office asserts that the language of Schedules 70 and 72 have no bearing on this tariff. Although participation in Schedules 70 and 72 as well as this Schedule 73 is voluntary non-participants bear no risk associated with Schedules 70 and 72, whereas non-participant ratepayers are at risk for costs not recovered from participants in Schedule 73.

The Office suspects, but has no verifiable information, that the circumstance where customers meeting the exclusions of the tariff would request to subscribe would be minimal. If the language change is granted the Company has complete discretion as to who among these potential subscribers would be permitted to subscribe. The Office does not view as onerous the 12-month limitation on potential subscribers under these conditions. Once they have met the 12-month requirement, except perhaps in the case of time-payment plans that may be longer than 12 months, the opportunity to subscribe will be open to them. Therefore, the Office asserts that the Company has not supported its case for a change to Special Condition 8 and opposes any change at this time.

Recommendation

The Office recommends that the Commission:

- 1) Deny the Company's request to modify the language of Schedule 73 as proposed.
- 2) Allow the Company to make a new proposal for language modifications to Special Condition 7 that defines the circumstances under which a reduced cancellation fee may be required as described in these comment. When such a proposal is filed, the Office further requests that the Commission schedule a comment period before ruling on the revised proposal.

CC: Chris Parker, Division of Public Utilities
Michael Snow, Rocky Mountain Power