



State of Utah  
Department of Commerce  
Division of Public Utilities

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## 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: July 25, 2017

Re: **RMP Advice No. 17-11, Proposed suspension of Schedule 193 – Demand Side Management (DSM) Cost Adjustment**

Docket No. 17-035-T10

## RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (RMP or Company) proposed suspension of Schedule 193 – Demand Side Management Cost Adjustment.

## ISSUE

On July 14, 2017, the Company filed modified tariff pages to Utah Tariff Schedule 193 – Demand side Management Cost Adjustment requesting to suspend the surcharge beginning August 1, 2017 and assuming a reinstatement date of December 1, 2017. On July 14, 2017, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 193 and report its findings and recommendation to the Commission by July 25, 2017. On July 20, 2017, the Commission issued a Notice of Filing and Comment Period allowing

interested parties to submit comments on or before Thursday, July 27, 2017. This memorandum represents the Division's response to the Commission's Action Request.

## **DISCUSSION**

The Company is proposing to suspend the Schedule 193 collection rate based on the current over collected balance of \$11.9 million as of May 2017 and the forecasted program balance of \$17.0 million and \$28.9 million as of end of 2017 and 2018 respectively. The Company will review the account balance prior to the November 1, 2017 Annual DSM Deferred Account and Forecast Report to determine an appropriate collection rate to reinstate. The Company is projecting that a 3.58 percent reinstated collection rate beginning December 1, 2017 will result in the DSM balancing account being under-collected by \$59,000 by the end of December 2018.

The Sustainable Transportation and Energy Plan (STEP)<sup>1</sup> signed into law March 29, 2016, combined the DSM surcharge with the STEP surcharge (Tariff Schedule 196) on customer bills. Customers may notice a decrease in their bill for the months of August through November but because of the combined program surcharges, the line item titled "Efficiency & STEP Programs" will remain on the bill for the STEP surcharge.

On July 7, 2017, the Company provided a draft filing of the proposed suspension to the DSM Steering Committee. The Division participated in the review of the draft filing.

## **CONCLUSION**

The Division concludes that the proposed suspension of Schedule 193 is needed in order to better align DSM revenues with DSM expenses for the 2017 and 2018 program years. Therefore, the Division recommends that the Commission approve the Company's proposed Electric Service Schedule 193 suspension.

CC Bill Comeau, Rocky Mountain Power  
Michael Snow, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List

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<sup>1</sup> Utah Code Annotated 54-20-101