



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

Lane Mecham, Utility Analyst

Date: August 1, 2018

Re: **In the Matter of Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports**

Docket No. 18-035-27

## RECOMMENDATION (ACKNOWLEDGE)

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 2, 2018 the Company filed the Utah DSM tariff rider balancing account analysis. On July 2, 2018, the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by August 1, 2018. On July 3, 2018, the Commission issued a Notice of Filing and Comment Period providing interested

parties the opportunity to submit comments by August 1, 2018 with reply comments due August 16, 2018. 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. The Company filed the Utah Semi-Annual DSM Forecast Report on July 2, 2018<sup>1</sup> in compliance with the Commission's order in Docket 16-035-30 moving the filing of the semi-annual report date to July 1 of each year. The Utah Semi-Annual DSM Forecast Report balancing account analysis includes the 2018 and 2019 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 12, 2017, the Commission approved the Company's request to reinstate the Schedule 193 DSM Surcharge, which was suspended due to over-collections at that time, to 3.66 percent effective January 1, 2018.<sup>2</sup> At that time, the Company estimated that collections would be approximately \$67.9 million in 2018 representing a decrease of approximately \$371,000 or 0.5 percent from the previously effective rate.

According to the Semi-Annual DSM Report filed in Docket 18-035-27, the balancing account was under-collected by \$4.4 million on December 31, 2017. At May 31, 2018, the account is under-collected by \$478 thousand. The forecast shows an expected over-collection in the amount of \$6.8 million by December 31, 2018 and \$11.5 million by December 31, 2019. Because the balance is relatively close to balancing in May and is expected to begin reversing in June, the Company is not requesting a rate change at this time. At this time the Division concurs with the Company's decision but will monitor and review the Company's projected balances with its fall filing to determine if course corrections are in the public interest.

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<sup>1</sup> July 1, 2018 was a Sunday.

<sup>2</sup> Rocky Mountain Power's Proposed Revisions to Electric Service Schedule 193, Demand Side Management Cost Adjustment, Docket No. 17-035-T13.

The Division would also clarify that this filing is a balancing account review and satisfies the Commission requirements in Docket 09-035-T08. This analysis does not provide sufficient information to examine the STEP regulatory asset and liability accounting treatment created by these transactions. Therefore, the Division does not have an opinion on the accounting treatment. The Division will review the liability/asset accounting as part of the annual STEP filing.

## **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 Michael Snow, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List