

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Regulation Nos. 4 (Supply and Use of Service), 5 (Customer's Installation), 7 (Metering), 9 (Deposits), 10 (Termination of Service and Deferred Payment Agreement), 12 (Line Extensions), and Electric Service Schedule No. 300 (Regulation Charges)	<p style="text-align: center;"><u>DOCKET NO. 18-035-T04</u></p> <p style="text-align: center;"><u>ORDER</u></p>
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ISSUED: January 15, 2019

On September 17, 2018, PacifiCorp filed with the Public Service Commission of Utah ("PSC") Advice No. 18-04 proposing revisions to its Tariff P.S.C.U No. 50 ("Tariff") Electric Service Regulation Nos. 4 (Supply and Use of Service), 5 (Customer's Installation), 7 (Metering), 9 (Deposits), 10 (Termination of Service and Deferred Payment Agreement), and 12 (Line Extensions), Electric Service Schedule No. 300 (Regulation Charges), and Tariff Index Sheet No. D ("Initial Filing"). Specifically, PacifiCorp proposes revisions to Tariff Sheet Nos. 4R.1-2, 5R.2, 7R.4, 9R.1, 9R.3-4, 10R.9, 12R.1-16, 300.2-3, and Index Sheet No. D ("Revised Tariff Sheets"). PacifiCorp proposed an effective date of November 17, 2018 for these changes.

PacifiCorp states the proposed Tariff changes are a collection of various clarifications, housekeeping, updates, and policy changes it recommends based on its experience serving customers. PacifiCorp notes due to the volume of changes, it sent a copy of the proposed changes to the Division of Public Utilities ("DPU") and the Office of Consumer Services in advance of the filing and met with the parties to walk through and discuss the changes.

On September 25, 2018, the PSC issued a Scheduling Order and Order Suspending Tariff. On November 20, 2018, the DPU and the Utah Association of Energy Users ("UAE") filed comments, and on December 12, 2018, PacifiCorp filed reply comments. In its reply

comments, PacifiCorp: 1) adopted certain modifications to Tariff Sheet Nos. 9R.3, 12R.8 and 12R.12 proposed by the DPU and UAE; and 2) provided a set of updated Tariff Sheets reflecting these adopted modifications to be effective January 16, 2019 (“Updated Tariff Sheets”). On December 20, 2018, the PSC issued a Notice to Extend Comment Period allowing interested parties an opportunity to reply to PacifiCorp’s reply comments. On January 10, 2019, the DPU and UAE filed reply comments.

POSITIONS OF THE PARTIES

No party opposed PacifiCorp’s proposed revisions to its Tariff Regulation No. 5 (Customer’s Installation), Regulation No. 10 (Termination of Service and Deferred Payment Agreement), Schedule No. 300 (Regulation Charges) or the Tariff Index. With the exception of the specific issues discussed below, PacifiCorp’s filing was generally accepted by the DPU and UAE. UAE states it has no specific objections or comments on PacifiCorp’s proposed tariff changes intended to clarify vague or ambiguous language, to update references to rules or statutes, and otherwise modernize long-standing tariff language that has become out of date. UAE states its comments relate to amendments relating to substantive changes to the relationships and rights between PacifiCorp and its customers. UAE suggested a follow-up technical conference may be appropriate to allow interested parties to discuss the language changes proposed by UAE and others.

Contested revisions to PacifiCorp’s other Electric Service Regulations will be addressed sequentially below.

1. Regulation No. 4 (Supply and Use of Service)

Neither the DPU nor UAE oppose changes to Regulation 4 Sections 1(a) (Supply of Service, Individual Customer) and (b) (Supply of Service, Reactive Power) as proposed by PacifiCorp. UAE, however, proposes changes to Regulation 4 Section 3 (Service to Tenants), to permit a landlord, if the affected parties so choose, to specify and charge for the precise amount of electricity used by a tenant each month.

PacifiCorp recommends the PSC reject UAE's proposal because UAE's proposed modification to Regulation 4 Section 3 for the right to meter is actually a proposal for the right to sub-meter, which would be in conflict with other provisions of the tariff and Utah Admin. Code R746-210-5. The DPU shares PacifiCorp's objections to UAE's proposal.

UAE replies its proposed changes are intended to apply to situations in which PacifiCorp customers currently do, or may in the future, provide electric services secured from PacifiCorp to tenants located on their properties and involved in the same business enterprise and associated activities, as UAE claims is expressly authorized in Regulation 4 Section 3. UAE also asserts this proposed change will encourage conservation.

2. Regulation No. 7 (Metering)

PacifiCorp proposes modifications to Section 4(b) (Bill Adjustments for Meter Error and Failure to Register). According to the DPU, this proposed change clarifies the distinction between a meter that fails to register correctly and a meter that completely fails to register any usage. The DPU references Utah Admin. Code R746-310-8(C) and Utah Admin. Code R746-310-8(D) as the bases for Electric Service Regulations 8.8(c) and 8.8(d), respectively, and concludes the rules lack language specific to back-billing time frames for a meter that fails to

register correctly. The DPU questions whether it is equitable to bill the customer whose meter failed to register the full use, because of a subset of specific reasons (i.e., failure of wiring, current transformers, or other electromechanical reasons), for twenty-four months of prior estimated use while only billing for three months (i.e., for a non-registering meter) or six months (i.e., for a fast or slow meter). The DPU recommends the PSC consider revisions to metering and back-billing rules and requests the PSC direct PacifiCorp to schedule a meeting at its earliest convenience to discuss the fairness of billing for twenty-four months for some metering failures and three or six months for other metering failures.

In its reply comments, PacifiCorp supports the DPU's recommendation for a review of Utah Admin. Code R746-310-8(C) and Utah Admin. Code R746-310-8(D), after adoption of its proposed changes.

3. Regulation No. 9 (Deposits)

The DPU does not oppose PacifiCorp's proposed changes to Regulation 9, however, it identified an incorrect reference to Title 54 in Regulation 9, Section 1(b)(3) which should be deleted. PacifiCorp agrees that "Title 54 Public Utilities Statutes and Public Service Commission Rules, and" should be deleted from Section 1(b)(3) and has reflected the change in the Tariff Sheet 9R.3 in its Updated Tariff Sheets.

4. Regulation No. 12 (Line Extensions)

A. 1(k). CONDITIONS AND DEFINITIONS, Refunds

While not proposing modification to PacifiCorp's proposed revisions to Section 1(k), the DPU is concerned about the timing of payment of upgrade costs to initial upgrade customers by successive upgrade customers. After discussions with PacifiCorp, the DPU concluded the

occurrence of this potential abuse was unlikely. The DPU also voiced its concern with the possibility of double refunds relating to the Line Extension Program under the Sustainable Transportation and Energy Plan (“STEP”). In its reply comments, PacifiCorp points out that the STEP-associated portion of a line extension is not subject to refunds with subsequent customer connections and that Regulation No. 13 expressly limits the STEP funds to backbone line extensions “within the development.”

B. 2(e). RESIDENTIAL EXTENSIONS, Transformation Facilities

The DPU expressed concerns that PacifiCorp’s proposed 22 kVA threshold might limit a single-family residential home to services below 200 amps and 240 volts. After discussions with PacifiCorp, the DPU concluded PacifiCorp’s proposal was acceptable and in the public interest because the 22 kVA threshold will reduce costs by reducing over-sized infrastructure.

C. 3(d). NON-RESIDENTIAL EXTENSIONS, Change in Line Voltage

In its Initial Filing, PacifiCorp proposed that when it changed the voltage of a distribution or transmission line, customers taking service at the line voltage would be responsible for the cost of taking service at the new distribution or transmission line voltage.

According to UAE, the proposed Tariff language would require a customer receiving high voltage service to incur the expense of upgrading substations and other infrastructure when PacifiCorp makes the decision to change the voltage of a transmission line. UAE contends this language fails to identify the types of equipment for which the customer may be responsible and places no limits on PacifiCorp’s discretion to change the voltage of a line before imposing the burden. UAE recommended the PSC decline to approve PacifiCorp’s proposed changes to 3(d) and offered UAE-proposed alternate Tariff language to address this issue.

In response, although PacifiCorp does not oppose the process proposed by UAE, it agrees that changes should be made to add parameters to help further define the new language, clarify how it is applied, and who bears the cost. To address this, PacifiCorp proposes the following language in its Updated Tariff Sheets differentiating between primary delivery and transmission delivery customers and specifying the level of assistance to be provided, if any:

(d) Change in Line Voltage

When the Company changes the voltage of a distribution line, a Customer taking service at the distribution line voltage (Primary Delivery Customer) is responsible for the cost of taking service at the new distribution line voltage in order to continue to receive their primary voltage discount.

When the Company has scheduled to increase the voltage of a transmission line the Company shall give Customers taking transmission delivery service from that transmission line (Transmission delivery Customers) at least twelve months advance written notice of the change.

Transmission Delivery Customers whose substations began taking service after January 16, 2019, or, who request an increase in capacity that requires a change in the transmission voltage, or, when the substation was initially connected to the transmission system the service contract so provided will, at their own expense, make the necessary changes to their equipment to receive service at the increased voltage.

For all other Transmission Delivery Customers, the Company will select and retain an independent engineering firm, acceptable to Customer, to determine the cost of upgrading the substation equipment, less salvage. Company will pay to the Customer fifty (50) percent of the estimated costs to upgrade the substation for the voltage changes.

The Transmission Delivery Customer will make the necessary changes to their equipment to receive service at the increased voltage.

PacifiCorp believes the additional language strikes a reasonable balance.

In reply comments, UAE contends PacifiCorp's proposal to impose 100% cost responsibility on new customers and certain other customers based on contract language should be rejected in favor of the presumptive 50/50 sharing arrangement for all customers other than

those whose load growth necessitated the transmission upgrade. UAE proposed modifications to PacifiCorp's updated Tariff language reflecting its proposal.

D. 3(e). NON-RESIDENTIAL EXTENSIONS, Reduction in Contract Capacity or Demand

In Section 3(e), PacifiCorp proposes new Tariff language clarifying that PacifiCorp is not obligated to reserve capacity at its substations or on its lines, or maintain service facilities in place in excess of the maximum customer demand billed in the most recent 36 months, unless a contract provides otherwise. According to UAE, the intent of PacifiCorp's proposed new Tariff language is to prevent unused reserved capacity from causing the building of unnecessary infrastructure. UAE contends this proposed modification would negatively impact a high-voltage customer that plans to expand its load over time. UAE proposes alternate language that would provide for a 48-month review period, require PacifiCorp to provide the affected customer a 30-day notice, provide an opportunity for the customer to demonstrate its demand is expected to increase within the foreseeable future, and identify the dispute resolution process if PacifiCorp and the customer are not able to agree.

In response, PacifiCorp states it selected the 36-month time frame because it corresponds to its contract term of 36 months. In addition, it added a 30-day notification process, provided a time frame by which the customer could dispute the contract minimum demand change, and discussed the informal and/or formal complaint process with the PSC should resolution not be achieved.

In its reply comments, UAE recommends the PSC adopt PacifiCorp's proposed language addressing the notification period and customer demonstration of future demand. UAE, however,

continues to maintain a 48-month review period and inclusion of dispute resolution language in the Tariff are appropriate. Regarding dispute resolution, UAE requests that, at a minimum, the PSC's order acknowledges that the dispute resolution processes are available to a customer should a dispute with PacifiCorp arise on this matter.

E. 5(b). EXTENSION EXCEPTIONS, Deduct Service

In its Initial Tariff Sheets, PacifiCorp proposes a new section 5(b) addressing Deduct Service. According to UAE, Deduct Service relates to service provided to a new PacifiCorp customer that, instead of extending a line to serve that new customer, utilizes electrical facilities owned and maintained by an existing customer. UAE notes the use of "new customer" in PacifiCorp's proposed language and maintains PacifiCorp intends that this new section is to apply only to "new" Deduct Service and not to existing deduct arrangements. UAE proposes language reflecting this understanding to be included at the end of the first paragraph in this section.

In response, PacifiCorp agrees the language should be clarified to exclude existing deduct service arrangements prior to January 16, 2019, and provided additional language to address the issue in its Updated Tariff Sheets.

UAE replies that it appreciates PacifiCorp's acknowledgement that the new section does not apply to existing deduct service arrangements, but is concerned that the proposed term "new Deduct Service installations" may be unclear and could be interpreted to include situations in which existing deduct service arrangements undergo upgrades or modifications, or where existing deduct service arrangements should logically extend to additional future services. To

avoid ambiguity or unreasonable outcomes, UAE continues to recommend the PSC adopt the language it provided in its initial comments.

DISCUSSION, FINDINGS, AND CONCLUSIONS

We first address parties' comments as presented above.

Regulation No. 4 Section 3, Service to Tenants: UAE's requested modification to Regulation 4 was not responsive to any recommendation in PacifiCorp's Advice Letter. In addition, in its January 10, 2019 comments, UAE stated that PacifiCorp did not understand the intent of its proposal. We find UAE's proposal is neither clear nor appropriately filed, and conclude that it might conflict with other provisions of PacifiCorp's Tariff and Utah Admin. Code R746-210-5. Therefore we decline to accept UAE's proposed modification of Regulation 4.

Regulation No. 7 Section 4(b): Utah Admin. Code R746-310, Uniform Rules Governing Electricity Service by Electric Utilities, does not address the language change PacifiCorp seeks to implement for a meter which fails to measure correctly. We conclude that we should not adopt PacifiCorp's proposal before rules addressing this issue are proposed by a party and ultimately adopted by the PSC. In addition, we conclude this issue could be applicable to other electric utilities. Therefore we decline to adopt PacifiCorp's proposed modification to Regulation 7.

Regulation No. 9, Deposits: We find the DPU's concerns on this issue have been resolved.

Regulation No. 12, Line Extensions: With respect to Sections 1(k) and 2(e) we conclude the DPU's concerns have been resolved.

Pertaining to Section 3(d) Non-Residential Extensions, Change in Line Voltage, we find the language PacifiCorp proposed in its reply comments is reasonable in that it clarifies the new requirements while respecting existing contractual language. UAE's proposal on the other hand for a presumptive 50/50 sharing arrangement unreasonably reassigns contractual cost responsibility. Based on the record in this docket, we decline to make conclusions regarding the sophistication of a customer or the enforceability of existing contracts.

Regarding Section 3(e) Non-Residential Extensions, Reduction in Contract Capacity or Demand, we approve PacifiCorp's proposed tariff revisions presented in its Updated Tariff Sheets. We find a 36-month review period reasonable given customers will have the opportunity to demonstrate the need for the continued reservation of capacity. As requested by UAE, we acknowledge that the dispute resolution processes are available to a customer should a dispute with PacifiCorp arise on this matter.

Regarding Section 5(b) Deduct Service, we find PacifiCorp's proposed revision to this section provided in its Updated Tariff Sheets generally provides the clarification requested by UAE and therefore approve it. Even with this change, we find UAE's concerns regarding the need for increased clarification regarding the application of this section to be valid. We conclude that UAE's proposed clarifying language is a reasonable housekeeping change. Therefore we adopt and approve UAE's proposed addition¹ to Section 5(b) Deduct Service as provided in its

¹ "This Electric Service Regulation No. 12(5)(b) applies only to Customers or situations in which no existing end-use entity is receiving Deduct Service or similar services from a Customer as of January 16, 2019, and does not modify any existing agreements, arrangements or relationships for Deduct Service or similar services offered by existing Customers."

initial comments, however, we modify UAE's January 1, 2019 effective date to be January 16, 2019.

Based on our review of PacifiCorp's filings, and on PacifiCorp's, the DPU's, and UAE's comments, reply comments, and recommendations, we approve PacifiCorp's Initial Tariff Sheets, as modified by the language in its Updated Tariff Sheets and our decisions in this order, effective January 16, 2019.

ORDER

1. We decline to adopt PacifiCorp's proposed modification to Regulation 7 Section 4(b).
2. We adopt and approve UAE's proposed addition to Regulation 12 Section 5(b) as proposed in its initial comments and reaffirmed in its reply comments.
3. We accept and approve PacifiCorp's modifications made in its Updated Tariff Sheets to Regulation 9 Section 1(b)(3), Regulation 12 Section 3(d), and Regulation 12 Section 3(e).
4. We approve PacifiCorp's Initial Tariff Sheets, as modified by the language in its Updated Tariff Sheets and our decisions in this order, effective January 16, 2019.
5. We direct PacifiCorp to file, within 15 days, revised tariff sheets reflecting the decisions in this order, effective January 16, 2019.

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DATED at Salt Lake City, Utah, January 15, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#306265

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on January 15, 2019, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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