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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: Utah Public Service Commission

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

Date: August 15, 2019

Subject: Office of Consumer Services Reply Comments Regarding Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 196, Sustainable Transportation and Energy Plan (STEP) Cost Adjustment Pilot Program. Docket No. 19-035-T12

## Introduction and Background

On July 23, 2019, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) its application for authority to refund revenues associated with the Solar Incentive Program (Application). On that same day, the Commission issued a Notice of Filing and Comment Period setting August 9, and August 16, 2019 as the dates by which parties may file comments and reply comments, respectively. Herein, the Office of Consumer Services (Office) responds to the August 8, 2019 comments of Utah Clean Energy (UCE).

## Discussion

Through this Application the Company is requesting Commission authorization to refund a surplus balance of approximately \$3.06 million to customers over 12 months beginning November 1, 2019. The refund would occur through a reduction in the Sustainable Transportation and Energy Plan (STEP) surcharge portion of Electric Service Schedule No. 196.

### *Parties' Initial Comments*

On August 8, 2019, Utah Clean Energy (UCE) submitted comments recommending that surplus Utah Solar Incentive Program (USIP) revenue "be credited to the STEP program and used for future STEP programs to improve integration of renewable and distributed

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energy technologies”<sup>1</sup>. UCE points out that the “surplus revenue from the USIP program has already been collected from ratepayers...”<sup>2</sup>

On August 9, 2019, the Office and the Division of Public Utilities (Division) submitted comments recommending that the Commission approve the Company’s Application to refund surplus revenues associated with the USIP through a reduction in the STEP surcharge<sup>3</sup>.

### *Office’s Response to UCE*

In our August 9, 2019 comments, the Office stated our support for the Company’s proposal to refund the Surplus Program Balance rather than funding additional STEP programs. The Office appreciates that the funds in question have “already been collected from ratepayers”; we assert that it is appropriate that the USIP surplus revenue now be returned to ratepayers.

The Office notes that ratepayers have been paying and continue to pay for STEP projects, a number of which may have on-going costs. Payment responsibility for on-going costs has yet to be determined. The Office asserts that rather than adding additional STEP projects, it is reasonable and fair to return to ratepayers funds collected from them for the USIP program that were above those necessary to fulfill USIP obligations

Therefore, the Office continues to recommend that the Commission approve the Company’s Application to refund USIP surplus revenue to customers and deny UCE’s request to credit USIP surplus funds to the STEP program.

### **Recommendation**

The Office reiterates its recommendation that the Commission approve the Company’s Application to refund revenues associated with the Solar Incentive Program. The Office further recommends that the Commission deny UCE’s request that those funds be credited to the STEP program.

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<sup>1</sup> UCE August 8, 2019 comments, page 1.

<sup>2</sup> UCE August 8, 2019 comments, page 3.

<sup>3</sup> The Division additionally recommended that the Commission direct the Company to “add information in its Annual STEP Status Report and Annual USIP Report that explains the variable Program costs”.