

July 30, 2021

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 20-035-20 – Rocky Mountain Power’s Low Income Lifeline Program Reports 2020

Rocky Mountain Power’s Comments on the Division of Public Utilities’ Calendar Year 2020 Report of the Home Electric Lifeline Program

In accordance with the Notice of Filing and Comment Period issued by the Public Service Commission of Utah (“Commission”) on July 1, 2021 (“Notice”), Rocky Mountain Power (“the Company”) hereby submits its comments on the Division of Public Utilities’ (“Division”) June 30, 2021 calendar year 2020 report of the Home Electric Lifeline Program (“Audit Report”).

The Company appreciates the Division’s diligent monitoring and ongoing reporting of the Company’s Home Electric Lifeline Program (“HELP”). In its Audit Report, the Division notes that the ending account balance of HELP has been reported as a surplus of \$(1,578,414), \$(1,510,555), \$(1,557,248), and \$(1,779,586) for 2017, 2018, 2019, and 2020, respectively. To reduce the account balance, the Division recommends the Company set the surcharge collection rate on Electric Service Schedule No. 91 (“Schedule 91”) at zero for a temporary period of six months. The Division states that six months of collections under Schedule 91 are roughly equal to the ending balance and that the expired credits from Electric Service Schedule No. 135 (“Schedule 135”) could provide a buffer for the account. The Division also requests the Company monitor the account balance during the six-month moratorium of the Schedule 91 surcharge to request an earlier restart to the Schedule 91 surcharge if needed.

Summary of Rocky Mountain Power’s Proposal

The Company agrees that the HELP account has a surplus balance of approximately \$1.7 million (“Surplus Balance”) and that implementing measures to reduce this balance are reasonable. However, the Company offers a slightly different approach for reducing the Surplus Balance as follows:

1. The maximum monthly low income life line credit under Electric Service Schedule No. 3, Low Income Lifeline Program - Residential Service Optional for Qualifying Customers (“Schedule 3”) should be permanently increased by \$0.48 to resolve two items:
 - a. \$0.29 to provide incremental benefits to Schedule 3 customers from Schedule 135 Excess Credits related to the prior periods ending March 31, 2020 and March 31, 2021
 - b. \$0.19 to provide incremental benefits to Schedule 3 customers from Schedule 135 Excess Credits related to the ongoing levels expected
2. The Schedule 91 surcharge be set to zero for a period of five months to refund the remaining portion of the Surplus Balance that was not funded with Schedule 135 Excess Credits.

Background

The revenues collected under Schedule 91 provide assistance in the form of a bill credit to qualifying Schedule 3 customers, which are the main funding source for the bill credits. However, the Company also deposits the avoided cost value of unused excess generation credits (“Excess Credits”) accumulated under Schedule 135 to the HELP balancing account.

On October 10, 2018, the Commission initiated Docket No. 18-035-39, to investigate the use of the Schedule 135 Excess Credits and consider alternatives to having them deposited into the HELP balancing account. In its January 11, 2019 Order (“Excess Credit Order”), the Commission continued the practice of Schedule 135 Excess Credits being deposited into the HELP balancing account, but determined it to be “in the public interest to ensure incremental value is being provided to low-income customers.”¹

In Docket No. 19-035-29, the Commission approved the Company’s request to permanently increase the bill credit provided by HELP to Schedule 3 customers from \$12.60 to \$13.14 to pass through the Schedule 135 Excess Credits to Schedule 3 customers. The \$0.54 increase was derived from the level of Schedule 135 Excess Credits at the time, which was calculated as \$153,206 in Excess Credits divided by 23,643 Schedule 3 customers, divided by 12 to get the monthly credit amount.

In the cover letter that accompanied Rocky Mountain Power’s 2019 Net Metering Report in Docket No. 19-035-29, the Company stated:

The value of excess generation credits from Schedule 135 in the Report is close to the amount reported in Docket No. 18-035-28, which was \$159,840. Since Schedule 135 is now closed to new service, the Company believes that the value of excess generation credits is likely to remain at this level in the future. The level can be examined each year in conjunction with the annual net metering reports, and if the value of excess generation credits from Schedule 135 diverges significantly from current levels, the Company could request a change in the additional increase to the HELP credit.

¹ Docket No. 18-035-39, January 11, 2019 Public Service Commission of Utah Order, p. 9

Since that time, the Schedule 135 Expired Credits have been higher than the level used to set the incremental HELP credit of \$0.54. Therefore, any proposal to reduce the Surplus Balance should consider and account for Schedule 135 Excess Credit amounts and ensure the funds from this source provide incremental value to low income customers.

Details of Rocky Mountain Power’s Proposal

The Company believes it is reasonable to assume that a portion of the Surplus Balance was funded from Schedule 135 Excess Credits as follows:

TABLE 1:
History of Sch. 135 Expired Credits
and Sch. 3 Customers

Period Ending	A	B	C	D = B*C	E = A - D
	Schedule 135 Expired Credits**	Schedule 3 Avg Customers	Annual Credit*	Estimated Incremental Credit Provided	Excess Credits Remaining in HELP Account
3/31/2020	\$ 286,237	21,025	\$ 6.48	\$ 136,242	\$ 149,995
3/31/2021	\$ 206,000	21,084	\$ 6.48	\$ 136,624	\$ 69,376
					\$ 226,723

*\$0.54 x 12 months (set based on \$153k in Schedule 135 Expired Credits - Docket No. 19-035-29)

**The 3/31/2021 Schedule 135 Expired Credits is an estimate. The final amount will be provided on August 6, 2021 in Docket No. 21-035-46.

As shown in Table 1, the Company estimates that approximately \$227 thousand of the \$1.7 million Surplus Balance was funded from Schedule 135 Expired Credits. The Division’s proposal would result in all customers who pay Schedule 91 receiving the full benefit of the Surplus Balance. To reduce the Surplus Balance while ensuring that approximately \$227 thousand of the \$1.7 million Surplus Balance provides incremental benefit to low income customers, the Company proposes the monthly HELP credit provided under Schedule 3 be increased by \$0.29. This would pass back the \$227 thousand balance to Schedule 3 customers on a monthly basis over three years. The Company will monitor the level of credits, and make adjustments to the credit as needed at the end of the three-year period.

To dispose of the remaining Surplus Balance, the Company proposes that the Schedule 91 surcharge be set to zero for a period of five months, instead of six months, which would effectively return approximately \$1.3 million of the Surplus Balance to all customers who pay Schedule 91. If the HELP credit is increased by \$0.29 and the Schedule 91 surcharge is set to zero for five months, the Company projects the Surplus Balance will be approximately \$250 thousand, which the Company recommends be left in the account as a buffer.

TABLE 2: Proposed Use of Surplus Balance

	<u>Balance</u>
Surplus Balance	\$ 1,779,586
Less: Sch 3 Incremental Credits	\$ (226,723)
Less: Sch 91 surcharge (5 months)	\$ (1,305,000)
Remaining Balance (Buffer)	\$ 247,863

The Company will monitor the balance during the five-month surcharge moratorium and file for changes if necessary.

In addition to the \$227 thousand that the Company recommends crediting to Schedule 3 customers, the Company proposes that the monthly HELP credit be further increased on an ongoing basis to account for the fact that the \$0.54 incremental credit set in Docket No. 19-035-29 was calculated based on Schedule 135 Excess Credits of approximately \$153 thousand. As shown in Table 1 above, the value of the Schedule 135 Excess Credits was \$286 thousand in the 12 months ended March 31, 2020 and is expected to be approximately \$206 thousand for the 12 months ended March 31, 2021. The HELP credit should be further increased on a permanent basis to address the fact that the annual Schedule 135 Excess Credit level is expected to be around \$200 thousand going forward. Therefore, the Company proposes to increase the HELP credit by an additional \$0.19. The two modifications result in a new, ongoing Schedule 3 bill credit of \$13.95 per month (an increase of \$0.48).

TABLE 3: Proposed Monthly Credit for Schedule 3

	<u>Sch. 3 Credit</u>
Current Monthly Sch. 3 Credit	\$ 13.47
Increase for Prior Period Balance	\$ 0.29
Increase for Ongoing Sch. 135 Excess Credits	\$ 0.19
Proposed New Monthly Sch. 3 Credit	\$ 13.95

The Company agrees with the Division that the month-to-month balance should be monitored to ensure the account balance remains adequate to fund the program with a buffer. The Company and the Division along with other parties who may be interested can monitor the HELP account balance through the Company's semi-annual HELP reporting as well as the Company's July 1 interconnection report filings, which reports on the annual Schedule 135 Expired Credits.

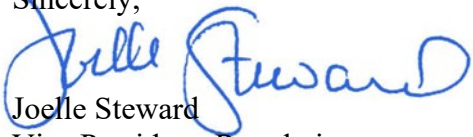
Recommendation

The Company recommends the Commission order the following:

1. The maximum bill credit under Schedule 3 should be increased to \$13.95 per month to provide incremental value to low income customers that is funded by Schedule 135 Excess Credits.
2. The surcharge collected under Schedule 91 should be set to zero for a period of five months.
3. The Commission should require the Company to make a tariff compliance filing to implement these changes.

Please direct questions regarding this report to me at (801) 220-2823.

Sincerely,

A handwritten signature in blue ink that reads "Joelle Steward". The signature is written in a cursive style with a large, looping initial "J".

Joelle Steward
Vice President, Regulation

CERTIFICATE OF SERVICE

Docket No. 20-035-20

I hereby certify that on July 30, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

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