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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst

Date: August 2, 2021

Re: **In the Matter of:** Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports – Docket No. 21-035-45

BACKGROUND

On July 1, 2021¹, Rocky Mountain Power (RMP) filed with the Public Service Commission (PSC) its Semi-Annual Demand Side Management (DSM) Forecast Report (Forecast Report). On July 2, 2021, the PSC issued a Notice of Filing and Comment Period wherein August 2, 2021 and August 17, 2021 were set as the dates by which interested parties may submit comments and reply comments, respectively. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

DISCUSSION

As specified in the stipulation in Docket No. 09-035-T08, approved by the PSC in its order dated August 25, 2009, RMP is required to provide to the PSC and the DSM Advisory Group on a semi-annual basis a Utah DSM tariff rider balancing account analysis. The analysis includes historical and projected monthly DSM expenditures by program, rate recovery and account balances, Schedule 193 revenue, and self-direction credits.

In Docket 16-035-36 (Sustainable Transportation and Energy Plan or STEP), the Phase 1 Report and Order released by the PSC on December 29, 2016 authorized a ten-year

¹ The PSC Order dated April 20, 2016 in Docket No. 09-035-T08 modified the filing date for the Semi-Annual Report from May 1 to July 1 each year. The November 1 due date was not modified.

amortization of DSM expenses and created a DSM regulatory asset and liability to track those funds. RMP states that this year's Forecast Report includes a new reporting format to better explain the operation of the regulatory liability account established as part of STEP as follows:

With the first plant accelerated depreciation payment occurring in December 2020 using funds from the STEP Regulatory Liability account, the DSM reporting format has been updated from the previously provided balancing account format to a more comprehensive outlook, reflecting information on DSM spend and collections, Regulatory Asset, Regulatory Liability, and potential future thermal plant accelerated depreciation balances.²

The accounting analysis in the updated format is provided in Exhibit A, which shows results through May 2021 and projects results through December 2030.³ RMP reports that under current assumptions, "the Schedule 193 surcharge rate is estimated to remain flat through 2025." Therefore, the Company does not intend to propose a mid-year rate adjustment to the schedule at this time.

The OCS makes note that in the analysis spreadsheet, there is a \$185 million coal plant buy down applied in 2021; with an additional \$45 million coal plant buy down forecasted for 2023. The OCS also notes that with the ten-year amortization period, less funds are available for actual DSM investment when the collection rate is kept constant. The OCS looks forward to additional discussions with RMP and the Steering Committee to evaluate the impacts of the amortization period on rates, DSM investments, and DSM savings.

RECOMMENDATION

The OCS recommends that the PSC acknowledge RMP's Semi-Annual DSM Forecast Report as meeting the PSC's requirements for the Report.

Copies to:

Rocky Mountain Power
Jana Saba, Regulatory Affairs Manager
Division of Public Utilities
Chris Parker, Director

² RMP's July 1, 2021 Semi-Annual Demand-Side Management (DSM) Forecast Reports, page 1. Docket No. 21-035-45.

³ The prior format of the report only provided a forecast for the next program year.