



State of Utah

Department of Commerce  
Division of Public Utilities

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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

**Date:** December 8, 2021

**Re:** **Docket No. 21-035-45, Compliance Filing** – with Docket No. 09-035-T08, Rocky Mountain Power's Demand-Side Management (DSM) program expenditures.

### Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (Company) compliance with the Phase I Stipulation Order issued on August 25, 2009, in Docket No. 09-035-T08. No further action by the Commission is necessary.

### Issue

In compliance with the above referenced Commission Orders, on November 15, 2021 the Company filed a letter with the Commission reporting that as of September 2021, year-to-date expenditures for the Home Energy Reports (HER) and Low Income Weatherization (LIW) Programs exceeded 90 percent of the forecasted level prior to December 1<sup>st</sup> of the current year.

## **Background**

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 that “In the event that expenditures for the Company’s Demand-Side Management (DSM) programs reach 90 percent of the forecasted level prior to December 1<sup>st</sup> of that year, Rocky Mountain Power shall notify the Office, Division, Commission, and DSM Advisory Group (Steering Committee)”<sup>1</sup> that the 90-percent threshold had been reached.

On November 15, 2021, the Commission issued an Action Request to the Division to review the letter and make recommendations on the Company’s filing by December 15, 2021. This memorandum is in response to the Commission’s Action Request.

## **Discussion**

The Company notes in the filing that actual expenditures as of September 2021 were \$1,313,252 for the HER Program and \$95,210 for the LIW Program. These actual year-to-date expenditures exceeded the 2021 forecast of \$1.2 million for HER and \$75 thousand for LIW filed with the Commission on November 2, 2020 in Docket No. 20-035-31 (2021 Forecast).

With respect to the HER Program, the Company has pre-paid the program administrator on a quarterly basis throughout 2021. As a result, the majority of 4<sup>th</sup> quarter costs were captured in the 3<sup>rd</sup> quarter, resulting in reaching the 90 percent threshold prior to December 1<sup>st</sup> of the current year. Also, the Company’s 2021 Forecast inadvertently did not account for internal labor costs. The Company included all costs in its 2022 forecast for the HER Program submitted November 1, 2021 in Docket No. 21-035-45 (2022 Forecast).<sup>2</sup>

For the LIW Program, the Company’s 2021 Forecast was estimated based on 2020 measure expenditures and administration costs. In 2019 and 2020, the LIW Program started to expand on insulation offerings with crisis measure funding and additional energy education funding. However, at the onset of COVID-19 in 2020, weatherization efforts were paused, which caused

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<sup>1</sup> Rocky Mountain Power DSM Expenditures Stipulation, Docket No. 09-035-T08, August 25, 2009, Page 2, Note 6.

<sup>2</sup> Rocky Mountain Power Compliance Filing, Docket No. 21-035-45, November 15, 2021.

2020 expenditures to be deceptively low. With the LIW Program ramping back up, and with the expanded offerings, expenditures for the LIW Program have increased. The Company's 2022 Forecast took the additional costs into account for the LIW Program to better reflect anticipated expenditures going forward.

### **Conclusion**

Based on its review of the Company's filing the Division concludes that although the Program expenditures for 2021 have exceeded the forecast, the Company's explanation for the overspending is reasonable and appears to be justifiable. The Division recommends acknowledgement of this filing.

Cc: Michael Snow, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List