



SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

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: November 23, 2022

Re: **Docket No. 22-035-37**, Rocky Mountain Power's Semi-Annual Demand-Side Management Deferred Account and Forecast Reports.

Recommendation (Acknowledge)

The Division of Public Utilities (DPU or Division) recommends that the Public Service Commission (PSC or Commission) acknowledge the Utah Demand-Side Management (DSM) Semi-Annual account analysis and forecast report filed by Rocky Mountain Power (RMP or Company) as in compliance with the Commission order of August 25, 2009, in Docket No. 09-035-T08,¹ and in Docket No. 10-035-57 issued December 21, 2011.²

Issue

On November 1, 2022, the Company filed the Utah DSM account analysis and forecast of expenditures for the upcoming year, to comply with the above referenced Commission Orders. The Company also provided an estimate of capacity and energy savings targets for the approved programs for the 2023 calendar year. The Commission issued an Action Request to the Division on November 1, 2022, to review the filing and make recommendations to the Commission by December 1, 2022. In addition, the Commission issued a Notice of Filing and Comment Period on November 4, 2022, requesting interested parties submit

¹ Utah PSC, Docket No. 09-035-T08, Order Granting Approval of Phase I Stipulation, August 25, 2009.

² Utah PSC, Docket No. 10-035-57, Commission Order RMP DSM Semi-Annual Forecast, December 21, 2011.

comments by December 1, 2022, with reply comments due by December 16, 2022. This memorandum is the Division's response to the Commission's Action Request and Notice of Filing and Comment Period.

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 the Company to file semi-annually with the Commission and the DSM Advisory Group, an analysis of the account and a forecast of the expenditures for the approved programs for the next calendar year. The Utah Semi-Annual DSM Forecast Report and account analysis includes the actual collections and expenditures through September 2022 and projected amounts through December 2030.

Discussion

Exhibit A of the filing shows the Forecast Report which includes an Accounting Analysis with actual results through September 2022, and projected expenditures and revenues through December 2030. As shown in the Analysis, the Schedule 193 surcharge rate is estimated to remain flat at 3.56% through 2024. Consequently, the Company does not currently intend to propose a rate adjustment. The Analysis shows a Net Regulatory Asset balance of \$204.9 million for End of Year 2022. This is an increase from the \$195.7 million balance in 2021. Of note is the regulatory liability shown on line 27 of the report as Coal Accelerated Depreciation Applications. In 2020, this item showed an amount of \$185.2 million applied for coal plant depreciation buydown. At the time, the Company estimated there would be another depreciation buydown of \$45 million in 2023 as mentioned in the comments section. However, a combination of underspending and increased collections caused a \$21 million surplus which was added to the depreciation buydown estimate for 2023. This is shown by the \$66.1 million amount on line 27 for year 2023. The comments section was inadvertently unchanged and still shows a \$45 million depreciation buydown for 2023.

The DSM Expenditure section of the Forecast Report shows actual results through September 2022 and projected expenditures through December 2023. The total program expenditures projected through End of Year 2022 are \$63.2 million. Projected program expenditures for 2023 are \$78.1 million.

The Forecast Report also includes an estimate of total program participation and peak load reduction for the Irrigation Load Control Program. The forecast for peak load reduction of irrigation is expected to occur between May 25 and August 12, 2023.

Conclusion

Based on its review of the Company's filing, the Division concludes that the Company's Semi-Annual DSM Account Analysis and Forecast Report complies with the Commission Order of August 25, 2009, in Docket No. 09-035-T08 approving the Phase I stipulation. The Division recommends the Commission acknowledge the filing.

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