



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

Doug Wheelwright, Utility Technical Consultant Supervisor

Bob Davis, Utility Technical Consultant

Vana Venjimuri, Utility Analyst

Date: February 17, 2022

Re: **Docket No. 22-035-T04, Tariff Filing**, – Rocky Mountain Power’s Proposed Tariff Changes to Electric Service Schedule No. 300, Regulation Charges and Electric Service Regulation No. 5 — Customer Installation.

Recommendation (Approval)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve Rocky Mountain Power’s (RMP) proposed changes to tariff Schedule No. 300 — 5R.1 Customer Owned Equipment Room, below grade vault inspection and maintenance charge, and Regulation No. 5 — 1(b) Customer Owned Equipment Room for Company’s Equipment, with an effective date of March 1, 2022.

Issue

On February 2, 2022, RMP filed its proposed revisions to Schedule No. 300.1 and Electric Service Regulation No.5, Customer Owned Equipment Room for Company’s Equipment. RMP requested an effective date of March 1, 2022. On February 2, 2022, the Commission issued an action request to the Division requesting that it investigate RMP’s filing. The Commission asked the Division to report back by February 16, 2022. On February 3, 2022, the Commission issued

its Notice of Filing and Comment Period. The Commission asked that any person interested in filing comments and reply comments should do so by February 17, 2022, and February 24, 2022, respectively.

Background

RMP defines underground stations as below-grade electric facilities including equipment rooms that contain the primary cable, secondary cable, switchgear, transformers, and other electrical power equipment required to serve a customer's facility. Underground stations differ from above-ground pad mounted solutions in complexity, ease of access, working clearance and civil requirements such as heating/cooling/ventilation and additional drainage requirements.¹

Underground stations are becoming more common and Regulation 5 does not currently address customers' routine inspections and maintenance responsibilities related to this equipment. RMP seeks to add language to Regulation 5 advising customers of their responsibilities and the associated proposed monthly maintenance fee under Schedule 300.

Discussion

The inspection requirements of underground stations are more complex than inspections of typical above-ground, pad mounted equipment to ensure that the ventilation, drainage, structural integrity, and other safety components are operating properly. These underground station inspections occur twice a year versus every ten to twenty years for above-ground pad mounted equipment.²

Due to the increase of annual inspections and costs of underground stations, RMP proposes a new \$300 per month fee under Schedule No. 300 for these services to new customers. RMP's average cost to conduct a visual inspection of standard above-ground equipment is \$12.78. By

¹ See Rocky Mountain Power's Advice No. 22-02, Docket No. 22-035-T04, February 2, 2022, Changes to Regulation 5, page 1, <https://pscdocs.utah.gov/electric/22docs/22035T04/322180Tariff2-2-2022.pdf>.

² Rocky Mountain Power's response to Division data request DPU DR 1.3, *the Company is required to inspect distribution facilities per the National Electric Safety Code (NESC), specifically rule NESC 313.A.2 which states "Accessible lines and equipment shall be inspected by the responsible party at such intervals as experience has shown to be necessary."*

comparison, RMP claims the average cost for inspection of an underground station is \$1,819 or \$3,639 annually.³

The Company proposes to apply this new charge to new underground station customers only. Existing customers with underground station equipment would not be subject to the fee at this time. For purposes of delineating which customers are subject to the fee, the Company defines new customers as those who execute their line extension electric service agreement or other contract, as applicable, after March 31, 2022. RMP claims that requiring the fee for new customers would allow the affected customer to consider other options and make an informed decision prior to installing an underground station.⁴ In response to the Division's data requests DPU DR 1.4 and 1.5, RMP claims it currently performs all underground vault inspections and makes any needed repairs at no cost to the customer. The Division is unclear what options a customer might have that RMP is referring to if the only option is an underground vault for its service. Clearly, the customer does not have an option to have a third party install, inspect, and repair the underground vault equipment.

RMP reviewed its existing accounts with underground stations to estimate the impact of the proposed \$300 per-month fee. RMP notes that customers of this type typically have an average monthly bill of \$35k (for reference, the range of the average bill for existing customers with underground stations is \$8k to \$137k per month). RMP claims the proposed \$300 monthly fee to new customers is reasonable since it aligns with cost causation principles, would have a relatively minor impact to customers' bills, and would only be imposed on prospective customers who can make an informed decision prior to installing an underground station.⁵ Depending on the customer, \$300 may or may not be a relatively minor impact in today's economy.

The Division asked RMP to respond to several data requests in support of its Regulation 5 and Schedule No 300 proposals. The Division concludes that RMP's \$300 per month fee for underground vault inspections is supported by actual costs and occurrences over the past five

³ *Supra* n1, Changes to Schedule 300, page 2.

⁴ *Id.*

⁵ *Id.*

years. The data illustrates that the average cost per vault inspection in downtown Salt Lake is \$1,819.55 for each inspection or \$3,639.10 annually per the NESC requirement.⁶

The Division understands RMP's proposal for the monthly fee for new underground vault services due to the growth in downtown Salt Lake and other regions. The Division may ask for further supporting documentation in the next general rate case or prior to the next general rate case and reassess the fee at that time.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code R746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. The filing does not appear to violate statute or rule.

Conclusion

The Division concludes that RMP's proposed changes to Regulation 5 and Schedule No. 300 are just and reasonable and in the public interest. The Division recommends the Commission approve RMP's filing with an effective date of March 1, 2022.

cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS

⁶ Rocky Mountain Power's responds to Division data request DPU DR 1.2.