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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

Date: October 6, 2022

Re: **Docket No. 22-035-T12**, Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 196, Sustainable Transportation and Energy Plan (STEP) Cost Adjustment Pilot Program and Electric Service Regulation No. 13, Sustainable Transportation and Energy Program Commercial Line Extension Pilot Program

Recommendation (Approval With Conditions)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) approve Rocky Mountain Power's (RMP) proposed revisions to Schedule No. 196 (with clarification to tariff Sheet No. 196.1 as reported below) and cancellation of Regulation No. 13, effective January 1, 2023.

Issue

On September 22, 2022, RMP filed its proposed revisions to Electric Service Schedule No. 196, Sustainable Transportation and Energy Plan (STEP) Cost Adjustment Pilot Program, and Regulation No. 13, Sustainable Transportation and Energy Program Commercial Line Extension Pilot Program.¹ On September 22, 2022, the Commission issued an action request to the Division requesting it investigate RMP's filing, make recommendations, and report back by October 6, 2022. On September 23, 2022, the Commission issued its Notice of Filing and Comment Period asking any interested person to submit comments by October

¹ See RMP filing, Docket No. 22-035-T12, September 22, 2022, <https://pscdocs.utah.gov/electric/22docs/22035T12/325590Tariff9-22-2022.pdf>.

7, 2022 and reply comments by October 14, 2022. RMP requests an effective date of January 1, 2023 for the proposed changes.

Background

On April 29, 2022, RMP filed its fifth and final annual STEP report in Docket No. 22-035-13. As part of that filing, RMP planned to schedule a meeting with stakeholders to discuss the final close-out process for the STEP and Utah Solar Incentive Program (USIP) programs. The five-year STEP pilot program ended on December 31, 2021. The USIP program was discontinued to new customers as of December 31, 2016, but has continued to fund incentive payouts for previously approved applications under the program which continue through December 31, 2023.

On September 8, 2022, RMP hosted a meeting with representatives from the Division of Public Utilities, the Office of Consumer Services, Utah Association of Energy Users, and Western Resource Advocates (Representatives).²

Discussion

RMP presented its calculations for the final surplus balances for the STEP and USIP programs, including carrying charges. RMP calculated the surplus balances to be \$11,564,819 and \$823,612 for STEP and USIP, respectively, through the refund period. RMP proposes the surplus balances for both programs be refunded to customers through Schedule 196 over a period of twelve months beginning January 1, 2023. Spending for the various projects under the STEP pilot program is complete and RMP represents that it does not anticipate any material ongoing expenses for the STEP projects.³

RMP's revised tariff Sheet No. 196.2 illustrates the bill credits customers will receive over the refund period ranging from -0.63 percent to -0.85 percent with the credit for residential customers at -0.72 percent. The credits, depending on the applicable rate schedule, will be applied to the Power Charge, Energy Charge, or Facilities Charge and Voltage Discount of

² Id., page 2.

³ Id., page 3.

the customer's bill each month through the refund period. RMP Attachment 2 illustrates the rate design and Schedule No. 1 bill impacts for example.⁴

In accordance with U.C.A. § 54-7-12.8(8), the Company's special contract customers were required to pay for USIP, but not the STEP surcharge, and therefore will only receive a refund that is based on the surplus USIP funds.

Spending for USIP will continue through the end of 2023 when the final incentive payout is scheduled to be completed. RMP believes it can reasonably project the remaining USIP obligations and has calculated the surplus funds that it recommends be returned to customers through the proposed credit provided on Schedule No. 196.1.

The Company also requests that Regulation 13 be canceled as the program has discontinued with the sunset of the STEP pilot program. All remaining funds committed under the program were paid as of June 30, 2022 and no further activity is expected.

The Division discussed one small discrepancy at the bottom of tariff Sheet No. 196.1 with RMP. Advice No. 22-035-T12 should be replaced with Docket No. 22-035-T12. RMP plans to revise this sheet in reply comments to be filed by October 14, 2022.

In review of RMP's proposal, the Division concludes that its proposal complies with 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 filing complies with the Commission's Orders and is just and reasonable and in the public interest. Therefore, the Division recommends the Commission approve RMP's filing with an effective date of January 1, 2023 with the condition that RMP revises tariff Sheet No. 196.1.

cc: Service List

⁴ See RMP STEP Filing, Docket No. 22-035-T12, September 22, 2022, RMP Attachment 2 – Refund 2023 Pricing 9-22-2022, Tabs Rate Design and Sh 1 Bill Impact.