



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
Brenda Salter, Assistant Division Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Paul Hicken, Technical Consultant

Date: December 4, 2023

Re: **Docket No. 23-035-31**, Rocky Mountain Power's Annual Demand Side Management Deferred Account and Forecast Reports.

Recommendation (Acknowledge)

The Division of Public Utilities (DPU or Division) recommends the Public Service Commission (PSC or Commission) acknowledge the Utah Demand Side Management (DSM) Annual Deferred Account 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, and in Docket No. 10-035-57 issued December 21, 2011.

Issue

On November 1, 2023, 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 2024 calendar year. The Commission issued an Action Request to the Division on November 2, 2023, to review the filing and make recommendations to the Commission by December 1, 2023. The Commission subsequently issued a Notice of Filing and Comment Period on November 3, 2023, requesting interested

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

parties submit comments by December 4, 2023, with reply comments due by December 19, 2023. 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 that by November 1st of each year, the Company should provide to the Commission and the DSM Advisory Group a forecast of expenditures for the approved programs and acquisition targets for the next calendar year. Additionally, in Docket No. 10-035-57 issued December 21, 2011, the Company was instructed to provide an estimate of capacity and energy savings targets for approved programs in the forecast in comparison to DSM Program (Program) targets included in the Company's most recent Integrated Resource Plan (IRP).¹

Discussion

Exhibit A of the filing shows the Forecast Report (Report) which includes an energy savings forecast comparing Program projected savings to targets mentioned in the Company's most recent IRP. For 2024, the Program forecasted 373 MW savings in Class 1 DSM applications and 45.74 MW savings for Class 2 applications. The IRP targets were 339 MW and 46.33 MW savings for the same applications.

The accounting analysis section of the Forecast Report shows actual results through September 2023 and projected expenditures and revenues through December 2030. The report shows the Schedule 193 surcharge rate is projected to remain flat through 2024, consequently the Company does not propose a rate adjustment at this time. The analysis shows a Net Regulatory Asset balance of \$273.8 million for Year End 2023. This is an increase of \$68.4 million from the \$205.4 million balance in 2022. Of note is a regulatory liability shown on line 27 of the Report as Coal Accelerated Depreciation Applications. In 2020, there was a coal plant depreciation buydown of \$185.2 million. In 2023, there was another coal plant depreciation buydown of \$66.2 million.

¹ Docket No. 23-035-31, Rocky Mountain Power's Advice Letter November 1, 2023, P.1.

The DSM expenditure section of the Report shows actual Program expenditures from January through September 2023 and projected expenditures through December 2023. It also shows projected expenditures for each month of 2024. The total DSM Program expenditure projected through the End of Year 2023 are \$67.6 million. The projected Program expenditures for 2024 are \$79 million, an increase of 16.9 percent.

The Report also estimates irrigation load control participation and contribution for 2024. The load control program runs for 12 weeks from May 25 through August 12. The Company estimates irrigation load control participation will range from 35% during the week beginning May 25, 2024, and peak with 49% the week beginning July 22, 2024.

Conclusion

The Division, based on its review of the Company's filing, concludes that the Company's Annual DSM Account and Forecast Report complies with the Commission Order of August 25, 2009, in Docket No. 09-035-T08 approving the Phase I stipulation, and with Docket No. 10-035-57 issued December 21, 2011. The Division recommends the Commission acknowledge the filing.

cc: Michael Snow, RMP
Michele Beck, OCS
Service List