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

**Date:** August 2, 2024

**Re:** **Docket No. 24-035-37**, Rocky Mountain Power's Semi-Annual Demand Side Management 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) Semi-Annual account analysis and forecast report, filed by Rocky Mountain Power (RMP or Company), as in compliance with the Commission order of August 9, 2009, in Docket No. 09-035-T08<sup>1</sup> approved in the Phase I stipulation.

## Issue

In compliance with the Commission Order of August 25, 2009, Docket No. 09-035-T08, the Company filed the Utah DSM semi-annual account analysis. The Commission issued an action request to the Division on July 1, 2024, to review the filing and make recommendations to the Commission by July 31, 2024. The Commission subsequently issued a Notice of Filing and Comment Period on July 3, 2024, providing interested parties the opportunity to submit comments by August 2, 2024, with reply comments due by August 19, 2024. This memorandum is the Division's response to the Commission's Action Request and Notice of Filing and Comments Period.

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

## **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 provide to the Commission and the DSM Advisory Group an analysis semi-annually like the one provided by the Company in Advice No. 09-08.<sup>2</sup> The Utah Semi-Annual DSM Forecast Report and account analysis includes historical and projected monthly DSM expenditures, rate recovery and account balances, as well as historical and projected expenditures by program and Schedule 193 revenue and self-direction credits.

## **Discussion**

In the Phase I Report and Order issued December 29, 2016, the Sustainable Transportation and Energy Plan (STEP), Docket 16-035-36 capitalized and amortized Schedule 193 DSM rates beginning January 1, 2017, and created a DSM regulatory asset.<sup>3</sup> With the creation of a regulatory asset and liability, the balancing account structure was no longer accurate nor effective for the DSM reporting format. The updated reporting better reflects information on DSM expenditures and collections, regulatory assets, regulatory liabilities, and potential future thermal plant accelerated depreciation balances. Accordingly, the accounting analysis reflects actual results through May 2024 and projected results through December 2030. The Company expects the Schedule 193 surcharge rate of 3.56% to remain flat through 2024 and increase slightly beginning in 2025. However, current conditions and assumptions may be impacted by the conclusion of the Company's General Rate Case in Docket No. 24-035-04. Consequently, the Company does not currently intend to propose a mid-year rate adjustment to Schedule 193. This was also the consensus of the DSM Steering Committee at its last meeting on June 6, 2024.

Additionally, program participation and costs for the Cool Keeper and Wattsmart Battery programs have exceeded expectations in the past year. Exhibit A of the Forecast Report shows projected spending for the Cool Keeper program to exceed the original forecast by \$900K and the Wattsmart Battery program is projected to exceed the forecast by \$1.3M by

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<sup>2</sup> Ibid. p.5.

<sup>3</sup> Utah PSC, Docket No. 16-035-36, Phase I Report and Order, December 29, 2016, p.3.

December 2024.<sup>4</sup> If either program's actual spending exceeds 90% of the original forecast prior to December 1, 2024, the Company will notify the DSM Steering Committee and the Commission in compliance with the Stipulation. Meanwhile, the Company will continue to monitor the program budgets and discuss them with the DSM Steering Committee.

## **Conclusion**

The Division, based on its review of the Company's filing, 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, RMP.  
Michele Beck, OCS.  
Service List

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<sup>4</sup> DSM Forecast Report, November 1, 2023, Docket No. 23-035-31.