

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: MARK ROGERS

DATE: JULY 15, 2016

RE: ROCKY MOUNTAIN POWER'S REVISIONS TO ELECTRIC SERVICE
SCHEDULE NO. 135, NET METERING SERVICE; TARIFF ADVICE NO.
16-05.

BACKGROUND

On June 23, 2016, Rocky Mountain Power submitted a Tariff Advice to modify Electric Service Schedule No. 135, Net Metering Service, by updating the price index referenced in Special Condition No. 3 (Sheet No. 135.2). Following discussions with Staff, the Company subsequently filed revised tariffs on July 15, 2016 with the same proposed effective date, but recommending use of a different price index than the original Tariff Advice. The Company requests an effective date for this revision of July 31, 2016.

As currently approved, Rocky Mountain Power relies on the Dow Jones Mid-Columbia Electricity Price Index "Mid-C" to calculate the monthly weighted average of the daily on-peak and off-peak price for non-firm energy for customers that generate more energy than they use, and are not taking service under Electric Service Schedules Nos. 1, 36, 23 or 23A.

On September 13, 2013, McGraw Hill Financial sold its Dow Jones indices to Platts, a subsidiary of S&P Global Incorporated. Platts now provides the Non-Firm Mid-C Electricity Index information that was previously provided by Dow Jones. The Company's original filing requested authorization to update Special Condition No. 3 to reference the Platts Mid-C Electricity Price Index instead of the Dow Jones Mid-Columbia Electricity Price Index. The Company's subsequent filing requests authorization to reference the Mid-C Intercontinental Exchange "ICE" Electricity Price Index instead of the Platts Mid-C Electricity Price Index.

STAFF ANALYSIS

Staff reviewed the Tariff Advice and engaged in discussion with Rocky Mountain Power regarding the proposed change. After favorable dialogue and mutual agreement with the Company, Staff recommends changing from the Dow Jones Index to the Mid-C ICE Electrical Price Index for several reasons:

1. Idaho Power, Avista Utilities and Staff currently use the Mid-C ICE Index. Changing to the ICE Index would align all investor owned utilities in the State.
2. The cost to obtain the Platts Index directly from Platts would include a subscription fee of \$5,455, as well as a fee of \$4,870 to access the market data electricity indices. Furthermore, there is also a fee of \$4,383 to obtain data prior to September 2013, when Platts purchased the indices. Alternatively, the Mid-C ICE Index is free, allowing Staff and existing or potential customers a more affordable way to evaluate the net metering rate credit.

Staff believes changing to the Mid-C ICE Index will not have an impact on Schedule No. 135 customers. The index is nearly identical, and to date there has only been one occurrence in which a Schedule No. 135 customer not taking retail service under Schedules Nos. 1, 36, 23 or 23A, has produced more energy in a month than they have consumed. Staff anticipates that changing to the Mid-C ICE Index will have an insignificant effect on the net metering rate credit.

STAFF RECOMMENDATION

Staff, with the support of Rocky Mountain Power, respectfully recommends changing Special Condition No. 3 of Electric Service Schedule No. 135 – Net Metering Service (Sheet No. 135.2), from the Dow Jones Mid-C Electricity Price Index to the Mid-C ICE Electricity Price Index.

COMMISSION DECISION

Does the Commission wish to accept the change from the Dow Jones Mid-C Index to the Mid-C ICE Index, and the revisions to the Schedule No. 135 tariff sheet for filing with an effective date of July 31, 2016?


Mark Rogers