

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF PACIFICORP DBA ROCKY MOUNTAIN	)	CASE NO. PAC-E-16-04
POWER TO CANCEL SCHEDULE 117,	)	
RESIDENTIAL REFRIGERATOR	)	ORDER NO. 33497
RECYCLING PROGRAM	)	

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On December 3, 2015, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain” or “Company”) filed Tariff Advice No. 15-05 requesting authorization to suspend Electric Service Schedule No. 117, Residential Refrigerator Recycling Program (“Program”), because the vendor for the Program, Jaco Environmental (“Jaco”), had entered into bankruptcy and subsequently terminated its business operations. The Commission approved suspension of the Program on December 7, 2015. On January 27, 2016, Rocky Mountain filed the above-titled Application seeking the Commission’s authorization to cancel the Program, effective March 1, 2016.

On February 3, 2016, the Commission issued a Notice of Application and Modified Procedure with a 21-day comment period. *See* Order No. 33462. Commission Staff (“Staff”) was the only party to file comments regarding the Company’s Application but neglected to submit its comments within the 21-day comment period established by the Commission.

### THE APPLICATION

Rocky Mountain reported that in 2015 the Company issued a competitive Request for Proposals (“RFP”) for its Home Energy Savings programs, including the refrigerator recycling programs. Two vendors submitted bids under the RFP, and Rocky Mountain awarded the recycling program to Jaco.

Following Jaco’s bankruptcy, Rocky Mountain contracted a third-party vendor named Navigant to determine if re-instituting the Program was just and reasonable, and in the public interest. Navigant analyzed the costs and benefits of the Program utilizing information provided by the Appliance Recycling Centers of America (ARCA). Navigant determined that the Program is not cost-effective. A memorandum from Navigant to Rocky Mountain is attached to the Company’s Application as Attachment A. Table 5 in the Application is pulled from the Navigant memo and demonstrates that the benefit/cost ratio is well below 1.00 for the Program according to five different cost-effective tests including the Total Resource Cost Test (TRC) and the Utility Cost Test (UCT).

## **STAFF COMMENTS**

Staff investigated both the cost-effectiveness of the Program and the impact of the Program on Schedule No. 191 – Customer Efficiency Services Rate. Staff concluded that there are only three companies that operate refrigerator recycling programs near Rocky Mountain’s service territory: Jaco, ARCA and Consumers Energy (CSG). Jaco has filed for bankruptcy, ARCA has already provided Program cost data to Rocky Mountain, and CSG currently operates solely in Iowa. Consequently, Staff supports the Company’s proposal to cancel Schedule No. 117 because the Program is not cost-effective and there are no other vendors available in Rocky Mountain’s service area.

Staff and the Company discussed Program costs to ascertain whether a lower delivery cost could be negotiated. According to ARCA, the price it provided for the analysis had already been reduced from the initial price they provided in their contract bid. Staff also considered whether or not the Program could be administered internally. Staff determined that the overhead costs of the Program would still be very high and would not make the Program cost-effective.

Finally, Staff observed that when Rocky Mountain made its initial request to suspend the Program in December 2015, there was no adjustment made to Schedule No. 191. Rocky Mountain subsequently filed another Application to increase the rates in Schedule No. 191 (Customer Efficiency Services Rate) in Case No. PAC-E-16-02. Staff noted that in this Application the Program has been correctly removed and future DSM costs included in the PAC-E-16-02 case do not include ongoing costs associated with the Program. Thus, Staff concluded that no future expenses will be incurred as a result of canceling the Program in this case.

## **FINDINGS AND CONCLUSIONS**

The Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility and its Application seeking the Commission’s authorization to cancel the Schedule No. 117 Program pursuant to Title 61 of the Idaho Code.

The Commission thoroughly reviewed Rocky Mountain’s Application, including attachments, to cancel its Schedule No. 117 Residential Refrigerator Recycling Program. The Commission finds that the Company’s request to cancel the Program, previously suspended by the Commission in December 2015, through approval of Tariff Advice No. 15-05, is reasonable and warranted. The Commission finds that the insolvency of the Program’s vendor, Jaco, coupled with the lack of alternative vendors capable of administering the Program, provide

sufficient justification for the Company's request to cancel the Program. Further, the Commission finds that the Company's Application presents adequate evidence that the Company did make reasonable efforts to search for alternative vendors in its service area and assess the overall cost-effectiveness of the Program. Consequently, we grant Rocky Mountain's request to cancel its Schedule 117.

### **ORDER**

IT IS HEREBY ORDERED that Rocky Mountain's Application seeking the Commission's authorization to cancel Schedule No. 117, Residential Refrigerator Recycling Program, is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

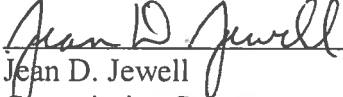
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11<sup>th</sup>  
day of April 2016.

  
PAUL KJELLANDER, PRESIDENT

  
KRISTINE RAPER, COMMISSIONER

  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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