

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-18-12
OF ROCKY MOUNTAIN POWER TO)	
DECREASE ELECTRIC SERVICE)	
SCHEDULE 191–CUSTOMER EFFICIENCY)	ORDER NO. 34255
SERVICES RATE)	

On November 9, 2018, Rocky Mountain Power (“Company”) filed an Application seeking authorization to decrease the collection rate applied to customer bills for energy efficiency measures in its Schedule 191 – Customer Efficiency Services Rate Adjustment (“Schedule 191”). On November 29, 2018, the Commission issued a Notice of Application and Notice of Intervention Deadline setting an intervention deadline of December 19, 2018, and suspending the Company’s proposed effective date of January 1, 2019. Order No. 34198. On January 17, 2019, the Commission issued a Notice of Modified Procedure, which set a comment and reply period. Order No. 34230. Now, the Commission issues this Order approving the Company’s Application.

BACKGROUND

The Company has offered Demand Side Management (“DSM”) programs to its customer since the 1970s. Since 2006, the Company has recovered its program costs from customers through Schedule 191. The rate has routinely fluctuated over the years. In 2006, the Schedule 191 rate was established at 1.5%. Order Nos. 29952, 29976. In 2008, the rate was increased to 3.72%. Order No. 30543. In 2010, the rate increased further to 4.72%. Order No. 32023. In December 2010, the rate was decreased to 3.4%. Interlocutory Order No. 32151. In 2012, the rate was further decreased to 2.1%. Order No. 32606. In March 2016, the rate was increased to its current rate of 2.7%. Order No. 33491.

THE APPLICATION

The Company states that as of September 30, 2018, the balance in its account for energy efficiency measures was over-collected by \$2.1 million. The Company proposes to decrease the collection rate under Schedule 191 from 2.70% to 2.25%. The Company estimates that lowering the collection rate to 2.25% will draw down the over-collected account over a three year period. The Company estimates that the proposed change would decrease the average residential customer’s bill by about \$5 per year.

COMMENTS

A. Commission Staff.

Commission Staff recommends the Commission approve the Company's Application. Staff Comments at 3. Staff believes the new rate will align Schedule 191 revenue and DSM expenses. *Id.* at 2. Staff recommended a modest decrease to the Schedule 191 rate to the Company, such as the decrease proposed in this Application, rather than a larger decrease that would lower customers' rates more dramatically initially but require an increase in rates before 2021. *Id.* Staff notes that the proposed decrease would be the smallest percentage change in Schedule 191 rates since the inception of the rates. *Id.* at 3. Staff also states it "continues to encourage the Company to pursue all available cost-effective methods of DSM, even if costs exceed projected expenses." Staff also determined that the Company properly applied the revised rate across customer classes in its Application. *Id.*

B. Idaho Conservation League.

The Idaho Conservation League ("ICL") states it "generally supports using a multiyear timeframe to align DSM expenditures and revenues." ICL Comments at 1. ICL also states it supports Rocky Mountain's goal to better align DSM revenue and expenditures while gradually reducing the over-collected balance. *Id.* However, ICL recommends the Commission defer the Company's request until after the conclusion of Rocky Mountain's 2019 Integrated Resource Plan ("IRP") case. ICL acknowledges that current revenues slightly exceed current expenses but also points out that the Company's analysis shows increasing DSM targets going forward. "Our concern is that Rocky Mountain's forecast calls for increasing levels of DSM achievement while forecasted DSM budgets remain flat." *Id.* at 1-2. ICL points to language in previous Commission Orders that encouraged increased marketing and outreach efforts for DSM programs, highlighted the positive benefit-to-cost ratio of DSM programs, and found DSM to be an effective means to delay the construction or acquisition of higher cost generation resources. *Id.* at 2, 3 (citing to Commission Order Nos. 34224, 33491). Additionally, ICL recommends the Commission "encourage Rocky Mountain to increase the energy education funding above the current \$25,000 annual amount." *Id.* at 2-3. ICL states its strong support for additional investments in energy education funding to expand participation across all energy efficiency programs. *Id.*

C. Community Action Partnership Association of Idaho.

The Community Action Partnership Association of Idaho (“CAPAI”) recommends the Commission deny the Company’s Application and resolve DSM funding levels after the Company’s 2019 IRP is completed. CAPAI Comments at 2. CAPAI states it agrees with ICL’s comments. *Id.* CAPAI points to Commission Order No. 34224, in which the Commission recommended additional action to increase customer participation in DSM programs and states, “Any such increased participation will, of course, require additional funding.” *Id.* CAPAI states that its concerns lie particularly with whether funding for the Low Income Weatherization Program would be adequate if costs rise. *Id.* at 1-2. CAPAI also expresses support for a multiyear framework for balancing revenues and expenditures under Schedule 191. *Id.* at 2.

D. Rocky Mountain Power Reply Comments.

On February 14, 2019, the Company filed reply comments in response to ICL and CAPAI. The Company states there is no reason to delay a decision on the Schedule 191 rate until the IRP is completed. Reply Comments at 2. “While the IRP helps inform and set targets for energy efficiency achievements, it does not drive the results.” *Id.* The Company also states that the Schedule 191 rate does not influence the amount of DSM pursued. *Id.* The Company describes the DSM balancing accounts as a reimbursement mechanism for prudently incurred DSM expenditures and that it “does not impact the level of DSM the Company will pursue.” *Id.* at 3. The Company reiterates that the Schedule 191 rate adjustment is designed to decrease the over-collected balance over three years. *Id.* Additionally, the Company states it disagrees with ICL’s recommendation to increase energy education funding above the approved amount, and that “local agencies have struggled to use the current level of funding.” *Id.* at 4. The Company states that allowing the balancing account to remain over-collected is not in the public interest and does not fulfill the balancing account’s purpose. *Id.* at 3.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503.

The Commission has reviewed the record, including the Application, the comments of Commission Staff, ICL, and CAPAI, and the reply comments of the Company. Based on our review, we find it reasonable to approve the Application. As Staff notes, this will be the smallest percentage change in the Schedule 191 rate since the inception of the schedule. The change will help to align revenues and expenditures over three years, a goal supported by all commenters. We decline ICL and CAPAI's request to wait until after the Company's 2019 IRP is complete to examine the collection rate. As the Company states, the IRP helps to inform the level of DSM the Company will pursue, but it does not mandate a result. Further, the Company avers that it will "continue to pursue all cost-effective DSM to acquire energy savings targets, regardless of the balancing account status" Reply Comments of Rocky Mountain Power at 4. We find that the change represents a reasoned and gradual approach that continues to encourage cost-effective DSM programs while reducing customer bills.

ORDER

IT IS HEREBY ORDERED that the Company's Application to reduce its Schedule 191 rate from 2.70% to 2.25% is approved, effective March 1, 2019.

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 with regard to any matter decided in 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
day of February 2019.

27th



PAUL KJELLANDER, PRESIDENT

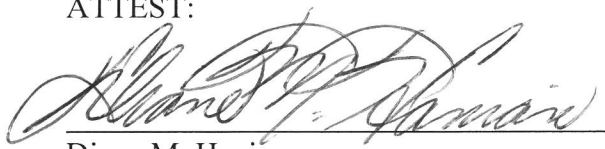


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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