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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER TO DECREASE ELECTRIC SERVICE SCHEDULE 191 – CUSTOMER EFFICIENCY SERVICES RATE.	**CASE NO. PAC-E-18-12** **COMMENTS OF THE COMMISSION STAFF**

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Edward Jewell, Deputy Attorney General, submits the following comments.

BACKGROUND

On November 9, 2018, PacifiCorp dba Rocky Mountain Power ("Rocky Mountain" or "the Company") filed an Application seeking authorization to decrease the collection rate applied to customer bills for energy efficiency measures from 2.7% to 2.25%. The Company states that as of September 30, 2018, the balance in its account for energy efficiency measures is over-collected by $2.1 million.

On November 29, 2018, the Commission issued a Notice of Application, set an intervention deadline of December 19, 2018, and suspended the Company's proposed effective date of January 1, 2019. Order No. 34198. No parties intervened. On January 7, 2019, the Commission Secretary issued a Notice of Parties. Staff informally conferred with the Company regarding procedure and scheduling.

Previous Changes to Schedule No. 191

The Schedule No. 191 rate was established in 2006 at a rate of 1.5%. In May 2008, the rate was increased to 3.72%. In July 2010, the rate increased further to 4.72%. A few months later in December 2010, the rate was decreased to 3.4%, after the Company began phasing the Idaho Irrigation Load Control program costs to a system allocation rather than direct assignment to Idaho. Two years later, the rate was decreased again to 2.1%. In March 2016, the rate was increased to its current 2.7%. At that time, Staff felt the 2.7% rate would remain in place until at least January 2018.[1]

STAFF ANALYSIS

Staff has reviewed the Application and supports the Company's request to decrease the Schedule No. 191 Customer Efficiency Services Rate. Staff anticipates the new rate will align revenue for DSM programs with the Company's program expenses.

The Company's Application demonstrates the currently authorized rate in Schedule No. 191 would result in revenues of approximately $5.2 million in 2019. App.at Attachment A. The Company's current forecast for DSM expenditures in 2019 is $4.9 million, before decreasing slightly to $4.8 million in 2020 and 2021. App.at Attachment B. Attachment A summarizes the actual monthly DSM expenditures and Schedule No. 191 revenue collection through September 31, 2018, with an over-collection balance owed to customers of $2.1 million. Attachment B contains the same balancing account analysis as Attachment A, except the Schedule No. 191 rate is decreased to 2.25%. The Company projects that, assuming Commission approval of the 2.25% rate for Schedule No. 191 revenue, the balance in the deferred account will be under-collected by approximately $189,516 as of December 31, 2021. App.at Attachment B.

The Company and Staff met in October 2018 to discuss DSM programs and the over-collection of the balancing account. Staff suggested a modest decrease, similar to the request in the Application, rather than a larger decrease that would lower customers' rates initially, but likely require an increase in rates before 2021.

[1] See Staff Comments in Case PAC-E-16-02.

Customer Impacts

Staff investigated the trend in previous changes to Schedule No. 191, cost allocation between schedules, and customer impacts from the proposed changes. The proposed decrease to 2.25% in Schedule 191 rates would lower costs by about $5 per year for a residential customer using 800 kWh per month. The proposed decrease is the smallest percentage point change in Schedule 191 rates since inception of the rates.

The Company's DSM expenditures have been below past projections. Current projections show an increase in expenditures in 2019 to $4.9 million from $4.2 million in 2018, before decreasing slightly to $4.8 million in 2020 and 2021. Staff continues to encourage the Company to pursue all available cost-effective methods of DSM, even if costs exceed projected expenses.

Allocation between Schedules

Staff reviewed Attachment C of the Company's Application, which showed the effects of the proposed adjustment to the various schedules. Staff determined that the Company properly applied the new rate to customer classes.

Staff notes that Special Contract Schedules No. 400 and No. 401 are exempt from Schedule No. 191. Accordingly, these customers are not eligible to participate in the Company's commercial and industrial DSM programs.

STAFF RECOMMENDATION

After examining the proposed increase to Schedule No. 191, Staff recommends that the Commission approve the Company's Application to decrease Schedule No. 191 Customer Efficiency Services Rates to 2.25% effective March 1, 2019.

Respectfully submitted this 7th day of February 2019.

E Jewell

Edward Jewell
Deputy Attorney General

Technical Staff: Brad Iverson-Long
Cassie Koerner

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 7th DAY OF FEBRUARY 2019, SERVED THE FOREGOING **COMMENTS OF THE COMMMISSION STAFF,** IN CASE NO. PAC-E-18-12, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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