

DECISION MEMORANDUM

TO: COMMISSIONER ANDERSON
COMMISSIONER CHATBURN
COMMISSIONER HAMMOND
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: CLAIRE SHARP
DEPUTY ATTORNEY GENERAL

DATE: NOVEMBER 22, 2022

SUBJECT: IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION
FOR AUTHORITY TO IMPLEMENT THE RESIDENTIAL RATE
MODERNIZATION PLAN; PAC-E-22-15.

On October 20, 2022, PacifiCorp d/b/a Rocky Mountain Power (“Company”), applied for authority to implement a residential rate modernization plan over a five-year transition period (“Residential Rate Modernization Plan”). Application at 1. The Company proposes to modify residential rates by: (1) increasing the Customer Service Charge for both Electric Service Schedule No. 1 – Residential Service (“Schedule 1”) and Electric Service Schedule No. 36 – Optional time of Day – Residential Service (“Schedule 36”) to \$29.25 per month, and lower the variable energy charge (“Energy Charge”) commensurately; (2) eliminate inclining block tiered rates for Schedule 1; and (3) changing the time of use periods in Schedule 36 to be consistent with the on- and off-peak periods listed in electric Service Schedule No. 9-General Service (“Schedule 9”). *Id.* at 2.

On November 9, 2022, the Company filed an errata to its Application (“Errata to Application”) that corrects the proposed rates depicted in the Tables 5 and 6 of Robert Meredith’s direct testimony so they are reflected as cents per kilowatt-hour (“¢/kWh”) as opposed to dollars per kWh.

The Company requested that the Commission issue an order: (1) authorizing that the Application be processed by Modified Procedure; and (2) Approving the implementation of the Residential Rate Modernization Plan, effective December 1, 2022.

BACKGROUND

The Company's current residential rate structure includes a monthly fixed charge ("Customer Service Charge") and a variable Energy Charge based on usage. Application at 3. The Company argues that the Customer Service Charge does not cover its fixed costs to serve customers, and that customers have instead been covering those fixed costs through the variable Energy Charge. *Id.* at 3-4. The Company proposes to increase the current \$8 per month Customer Service Charge to \$29.95 per month over five years. *Id.* at 2; Application Exhibit 2.

For Residential Schedule 1 customers, the Company's Energy Charge Summer Season rates would decrease from the present 11.1966¢/kWh to 8.6574¢/kWh (first tier) and from 13.0999¢/kWh to 8.6574¢/kWh (second tier) over five years. Errata to Application at Meredith Testimony 15-16. For Residential Schedule 1 customers, the Company's Energy Charge Winter Rates would decrease from 9.3305¢/kWh (first tier) to 7.2145¢/kWh and from 10.9165¢/kWh to 7.2145¢/kWh (second tier) over five years. *Id.*


For Schedule 36, Time-of-Use residential customers, the Company's Summer Season on-peak energy rate would decrease from 15.2201¢/kWh to 14.7738¢/kWh and the off-peak rate would decrease from 5.3672¢/kWh to 4.7423¢ over five years. *Id.* For Schedule 36 customers, the Winter Season on-peak rates would decrease from 13.0395¢/kWh to 12.6572¢ and off-peak rates would decrease from 4.9346¢/kWh to 4.3600¢/kWh over five years. *Id.*

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application, Notice of Intervention Deadline establishing a 21-day intervention period, and Notice of Suspension suspending the Company's proposed effective date.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application, a Notice of Intervention Deadline establishing a 21-day intervention period, and Notice of Suspension suspending the Company's proposed effective date?



Claire Sharp
Deputy Attorney General