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Regulators approve decrease to Rocky Mountain Power efficiency surcharge

BOISE (March 4, 2019) – Rocky Mountain Power customers will see slightly lower bills after state regulators approved a change to the surcharge that funds the utility's efficiency and conservation programs.

[The decision](#) by the Idaho Public Utilities Commission lowers the Schedule 191-Customer Efficiency Services Rate Adjustment from 2.7 percent of a customer's total monthly bill to 2.25 percent.

That equates to a decrease of about \$5 annually for the average residential customer using 800 kilowatt-hours per month. The change took effect March 1.

Efficiency and conservation programs, also referred to as Demand Side Management or DSM, are designed to encourage customers to use less energy or shift their usage to off-peak times. In addition to helping participants save money by using less energy, DSM programs can help keep rates low for all customers by reducing a utility's power-supply expenses and eliminating or delaying the need to build new generation resources.

Rocky Mountain's [DSM programs](#) include Low-Income Weatherization, Home Energy Saver, Home Energy Reports and Non-Residential Energy Efficiency/wattsmart Business.

The utility requested approval to decrease the rider after its DSM-related expenses came in lower than projected in 2016 and 2017.

In [its order](#) approving the change, the Commission said it will help align revenues and expenditures, and "represents a reasoned and gradual approach that continues to encourage cost-effective DSM programs while reducing customer bills."

The Commission initially approved recovery of the costs associated with Rocky Mountain's DSM programs through the Schedule 191 rider in 2006. To monitor collections and expenses, the Commission implemented an annual reporting process that includes a review of the programs' cost-effectiveness.

Since 2016, when the rider was last adjusted, from 2.1 percent to 2.7 percent, its revenue has exceeded projections while expenses have fallen short of projections. This has led to over-collection of approximately \$2.1 million, the company said.

Lowering the collection rate is expected to begin decreasing the over-collected balance and align expenses with revenues over a three-year period.

In [its application](#), Rocky Mountain Power said that, while DSM-related expenses were lower than expected, energy savings associated with the programs exceeded the target established in the company's 2017 Integrated Resource Plan by 5,696 megawatt-hours, about 17 percent, over a two-year period.

Rocky Mountain Power provides electric service to approximately 77,600 customers in eastern Idaho.

All documents filed in this case can be found [here](#). Or go to www.puc.idaho.gov, click on "Open Cases" under the "Electric" heading and scroll down to case number PAC-E-18-12.