

Rate Structures (continuation of 9/16/2015 discussion)

- Staff inquired about electric bill impacts for two scenarios; (1) if SBC were doubled and (2) if SBC were tripled
- Electric Utilities provided non-docketed information # 42 on Commission website (Electric Division, Docket DE 15-137). Page 7 shows that a 50% increase in the SBC charge would result in a residential bill impact of \$0.63 per month (assuming average monthly usage of 700 kWh); a 100% increase would be double, or \$1.26 per month; a 200% increase would be \$2.52 per month.
- My notes had a gap, so I circled back to Eric for clarification. A 50% increase in the LDAC-EE charge would result in a residential bill impact of \$1.88 (assuming average monthly usage of 65 therms per month); a 100% increase would be double, or \$3.75 per month; a 200% increase would be \$7.50 per month.
- Re. Time varying rates:
 - costly to start up
 - require a rate case at the outset
 - consider deferring until after the first three-year short-term period
 - might be better to consider as part of grid modernization
- Re: Locational Pricing:
 - Defer for now
 - Might be able to do varying rates; but, not part of this docket
- Re. Decoupling
 - Support discussing this as part of this docket
 - Lost Revenue (LR) as a good methodology
 - LR is more appropriate since it restores revenue loss for only EE programs
 - ✓ LR focuses on EE impacts without getting into other issues
 - ✓ LR is targeted to EE
 - ✓ LR is more transparent than full decoupling
 - LR is difficult to accurately estimate because EE savings are difficult to accurately estimate
 - If other factors increase sales would LR be adjusted downward?
 - ✓ If we assume “sales would be higher other than for EE” then LR would not be adjusted downward of increases in sales
 - Should LR be calculated with interest applied?
 - ✓ What carrying costs should be used?
 - ✓ Prime rate is used by the Commission for reconciling mechanisms
 - Should LR be billed “after the fact” – i.e., after final results are known?

- Some believe timing of decoupling might create a disincentive because one has to tie it in with a rate case.
- What is the interplay between LR, PI and Penalties?
- NEEP Comments
 - ✓ Care must be taken to get it right
 - ✓ NEEP notes that some states that authorize LR might be achieving 2 to 5 times more EE savings than states without it (some disagree about the causal relationship between LR and higher levels of EE savings)
- CT has LR adjustment – in the past CT had high fixed charges in rate design; today, CT has decoupling
- MA has authorized decoupling – as part of next rate case. Some already have decoupling.
- Competitive Electricity Suppliers
 - How many are there?
 - Do utilities electronically provide information to competitive suppliers?
- Time of Use Meters
 - Unutil does not have time of use meters for residential; but does for G1 and G2 rates
 - Other electric utilities have time of use rates
 - What's been done to market time of use metering?

BREAK

- NEEP's Julie Michaels presented her Slide Presentation (attached...I'll provide a link tomorrow, not yet posted)
- Utilities Presentation: Continuation of Rate Structures Discussion (attached...I'll provide a link tomorrow, not yet posted)
- Utilities Presentation: Regulatory Process Discussion (attached...I'll provide a link tomorrow, not yet posted)
- Discussion of Additional Meeting – no one indicated an additional meeting set aside for October 12th would be needed; so, it was not scheduled.