

PUBLIC SERVICE COMMISSION OF UTAH

Supplemental Information

Business, Economic Development, and Labor Appropriations Subcommittee

Thursday, January 30, 2020

Thad LeVar, Chair
David R. Clark, Commissioner
Jordan A. White, Commissioner

Public Service Commission of Utah
Website and Annual Report: PSC.UTAH.GOV

What We Do

- Public Utility Regulation: Our objective is to provide balanced regulation, promoting:
 - Just and reasonable rates;
 - Safe and reliable utility service; and
 - Financially healthy utilities that can attract capital.
- Utah Universal Service Fund (UUSF): The PSC distributes surcharges paid on Utah telephone lines to enable qualifying carriers of last resort to obtain specific, predictable, and sufficient funds to deploy and manage networks capable of providing access lines, connections, and broadband service.
- Relay Utah: Funded through the UUSF, this program provides telecommunications access and equipment to those who are deaf, hard of hearing, and speech-challenged.
- The PSC has a small staff of 16 full time employees in the main office, and 1 full time employee plus 3 part time employees for the Relay Utah program.
- During fiscal year 2019, the PSC conducted 352 dockets.

Budget Issues

- The PSC is not requesting additional funding, or any fee changes, for the 2020 General Session.
- PSC operations are funded through the Public Utilities Regulation Fee (U.C.A. § 54-5-1.5).
- The PSC does not receive any General Fund revenue.

Current and Recent Policy Issues

- The PSC began implementing H.B. 411, Community Renewable Energy Act, holding ten informal stakeholder meetings and one technical conference during 2019 that resulted in a consensus draft administrative rule that was made effective on January 8, 2020. The next step will be a future joint filing by Rocky Mountain Power and participating municipalities.
- The PSC is requesting a minor statutory change during the 2020 General Session, sponsored by Rep. Kay J. Christofferson (H.B. 20), to extend by ten days the PSC reconsideration period.
- The PSC participated in several stakeholder meetings addressing current shortfalls in the Public Utility Regulatory Restricted Account, but a decision has been made not to pursue legislation during the 2020 General Session.
- The PSC approved requests by Dominion Energy Utah to construct a liquefied natural gas storage facility in central Utah and to implement a renewable natural gas program.
- In April 2019 the PSC issued a hazardous facility order requiring Pacific Energy & Mining Company to discontinue operation of its intrastate natural gas pipeline until it can demonstrate compliance with safety regulations.
- The PSC is currently conducting proceedings to evaluate complaints alleging inadequate service provided by Frontier Communications in parts of rural Utah.
- The PSC will issue orders in early 2020 on two major cases currently under consideration; one involving Dominion Energy Utah's request for a rate increase, and the other involving cost allocation among the six states that receive electricity service from PacifiCorp.

FY 2019 Performance Measures

PSC Line Item:

- Electric or natural gas rate changes within a fiscal year not consistent or comparable with other states served by the same utility (Target = 0); 0
- Number of appellate court cases within a fiscal year modifying or reversing PSC decisions (Target = 0), 1 (In an opinion issued June 27, 2019, 2019 UT 26, the Utah Supreme Court reversed the PSC's use of an interim rate process for Rocky Mountain Power's energy balancing account.)
- Number, within a fiscal year, of financial sector analyses of Utah's public utility regulatory climate resulting in an unfavorable or unbalanced assessment (Target = 0); 0

UUSF Line Item:

- Number of months within a fiscal year during which the Fund did not maintain a balance equal to at least three months of fund payments (Target = 0); 0
- Number of times a change to the fund surcharge occurred more than once every three fiscal years (Target = 0); 1 surcharge change on May 1, 2019 that exceeded the target. (On October 1, 2016, the surcharge was changed from 1.00% of intrastate revenue to 1.65% of intrastate revenues. On January 1, 2018, pursuant to the analysis required by 2017 S.B. 130, the surcharge was changed to a flat \$0.36 per access line or connection. On May 1, 2019, after rural ILEC distributions and Lifeline payments to wireless providers were adjusted pursuant to 2017 S.B. 130, the surcharge was increased to \$0.60 per access line or connection.)
- Total adoption and usage of Telecommunications Relay Service and Caption Telephone Service within a fiscal year (Target = 50,000); 104,031