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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Utah Demand-Side  
Management Annual Report

DOCKET NO. 10-035-37

**COMMENTS OF THE UTAH  
ASSOCIATION OF ENERGY USERS ON  
DSM ANNUAL REPORT**

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The Utah Association of Energy Users (“UAE”) submits these comments in response to the Commission’s Request for Comments on the 2009 DSM Annual Report filed by PacifiCorp in this docket.

UAE is an active participant in the DSM task force and a long-time supporter of cost-effective DSM projects. UAE has reviewed the 2009 Annual Report filed in this docket by Rocky Mountain Power and offers the following preliminary comments and suggestions:

1. The Annual Report notes that RMP has retained The Cadmus Group to do a full cost/benefit analysis of its DSM programs. UAE looks forward to the results of that report and believes that it may offer meaningful insights. UAE requests an opportunity to comment on The Cadmus Group report after it has been issued.

2. UAE supports the proposed increase of the self-direction cap to \$5 million, but also recommends that the cap be eliminated entirely. Self-direction is the only DSM program currently subject to a cap. The cap was viewed by some as a prudent customer protection mechanism for a new, untested program, given uncertainty as to the magnitude of potential self-direction projects, the cost-effectiveness of those projects or the potential impacts on customers. At this point, the Commission and interested parties have the benefit of a long and successful history with the self-direction program. The relative cost level of self-direction projects is now predictable, the self-direction projects are clearly cost-effective and the program has not created undue impacts on customers (unlike certain other programs that were not subject to caps). Therefore, unless program caps are to be developed for all programs, UAE recommends elimination of the self-direction cap at this time. However, UAE also supports consideration and potential adoption of an overall cap on the total amount of annual DSM expenditures on all programs.

3. UAE notes that, in Docket 09-035-T08, UAE petitioned the Commission for, among other things, adjustments to the DSM cost recovery mechanisms to avoid dramatic customer rate impacts. That request is still pending. UAE submits that additional procedures and Commission action are necessary to change the current DSM cost recovery mechanism to mitigate customer rate impacts.

4. UAE also notes that the industrial/commercial DSM programs appear to be the most cost-effective DSM programs. UAE suggests that any additional DSM expenditures should be focused primarily on increased incentives and additional programs targeting the commercial and industrial classes.

UAE reiterates its support for aggressive identification and acquisition of DSM and other customer-based resources that are clearly shown, based on reasonable and conservative assumptions, to be cost effective. At the same time, UAE urges revisions to the current DSM cost recovery mechanism to mitigate customer rate impacts.

Dated this 28<sup>th</sup> day of May, 2010.

Hatch, James & Dodge

/s/ \_\_\_\_\_  
Gary A. Dodge,  
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was sent by email this 28<sup>th</sup> day of May, 2010, to the following:

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