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***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

Re: Demand-side management report supplementary filing pursuant to Commission order in Docket No. 10-035-57

On November 1, 2011, Rocky Mountain Power (“Company”) filed its 2011 Demand Side Management (“DSM”) Semi-Annual Forecast Report (“Report”) containing forecast expenditures for approved DSM programs and projected energy and capacity acquisition targets for calendar year 2012. The Report also includes the Company’s actual Schedule 193 balancing account results for January 2011 through September 2011, along with the projected Utah DSM expenditures and revenues through December 2012.

On December 21, 2011 the Public Service Commission of Utah (“Commission”) ordered the Company to prepare a supplemental filing that explains how the calendar year 2012 projected savings, in both MWs and MWH, for each Utah DSM program can be reconciled with corresponding targets in the 2011 IRP Preferred Portfolio for calendar year 2012.

Supplemental Attachment 1 provides a comparison of how the calendar year 2012 projected savings, in both MWs and MWH, for each Utah DSM Class 1 program listed in the Report’s Attachment A can be reconciled with the corresponding targets in the 2011 IRP Preferred Portfolio for calendar year 2012. A direct reconciliation for Class 2 savings between the program forecast provided in Attachment A and the 2011 IRP Preferred Portfolio for calendar year 2012 is not directly available. Unlike Class 1 resources, Class 2 resources are not provided to or selected in the IRP modeling by program. Rather, Class 2 resource potential is identified in the Company “Assessment of Long-Term, System-Wide Potential for Demand-Side and Other Supplemental Resources” through an analysis of numerous sector specific energy efficient end-use measures. The potential for these measures are then consolidated for IRP modeling efficiency into bundled products or supply curves representing discrete resource options of a particular quantity, availability, and cost (including administration costs). The IRP selects Class 2 resources based on the attractiveness of each DSM supply curve compared to competing supply-side or other resource alternatives available to the model. As a result, the 2011 IRP selected supply curves are comprised of end-use measure sets, not by programs, to arrive at the Class 2 savings within the 2011 IRP’s Preferred Portfolio for calendar year 2012 making the

reconciliation between what was selected and how we intend to acquire the resources not readily available.

Since the IRP represents and selects resources on a capacity basis, it is necessary for Class 2 DSM resources to be converted from MWH (energy) to MWs (capacity) in the development of the Class 2 DSM supply curves. This is achieved by weighting the load shapes of the individual end-use measures that are bundled within each of the nine Class 2 supply curves developed. The IRP model then compares Class 2 resource to other alternative supply side options and by way of the DSM resources selected (which curves and the resources within each curve it picks) provides the Company an overall weighted MW hour to MW conversion factor based on the end-use efficiencies or opportunities selected. As describe in more detail in the Company's revised "2010 Annual Energy Efficiency and Peak Reduction Report – Utah" it's this conversion factor that the Company assumes in converting residential energy efficiency energy savings (both forecasted and actual) to a capacity impact on the system, and is also relied upon for forecasting the impact of commercial and industrial programs savings prior to actual project by project calculations that are used for reporting actual results in the Company's annual report.

Class 1 DSM

The 2012 forecast for the Cool Keeper program acknowledges a reduction incorporated in the Company's agreement with its third party vendor. The IRP selections were based on potential identified, year on year availability over the planning horizon will be preserved as the delivery particulars are resolved.

The 15 MW difference in irrigation load control is due to a difference in reporting conventions, the two values represent the same value for the purposes of the program forecast report and IRP resource selection. The IRP reporting convention is based on realized impact of a Class 1 product at dispatch. The value provided in Attachment A is based on participating program load necessary to achieve the impact assumed within the IRP. Based on a recent impact evaluation of the 2009 and 2010 Idaho irrigation load control program, it's assumed that 52 MWs of participating load equates to 37 MWs of realized load at dispatch – roughly a 70 percent realization rate.¹

One addition Class 1 product selected in the 2011 IRP Preferred Portfolio for implementation in Utah, but not included in the list of programs in Attachment A, is commercial curtailment. The IRP selected 43 MWs for introduction in 2012, pending regulatory review and approval. The November 1, 2011 program forecast for 2012 by program only contains forecasts for programs already approved by the Commission, consistent with forecasting assumptions related to tariff rider reviews and adjustments.

Class 2 DSM

The 2012 Class 2 resource selections in the 2011 IRP (229,500 MWH and 47 MW) is less than the 2012 Class 2 resource forecast provided by the Company in our November 1, 2011 Utah forecast (250,000 MWH and 51 MW). The 2011 IRP resource modeling was completed in mid-2010 and was based on resource opportunities believed achievable across each year of the 20

¹ MWs associated with Cool Keeper are based on "pay for performance" and therefore are not adjusted for realization rates.

