



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Thomas Brill, Technical Consultant
Brenda Salter, Utility Analyst

Date: February 3, 2012

Re: Utah Demand-Side Management report supplementary filing pursuant to
Commission Order, Docket No. 10-035-57.

RECOMMENDATION (Acknowledgement)

The Division of Public Utilities (Division) recommends that the Commission acknowledge the Rocky Mountain Power's (Company) Demand-Side Management report supplementary filing, which was directed by a Commission Order in this docket on December 21, 2011.

ISSUE

On November 1, 2011, the Company filed its 2011 Demand-Side Management Semi-Annual Forecast Report (DSM Report). The DSM Report presented both forecasted expenditures for approved DSM programs as well as projected energy and capacity acquisition targets in calendar year 2012. On December 1, 2011, the Division filed a memorandum with the Commission and recommended acknowledgement of the Company's 2011 DSM Report. On December 1, 2011, the Commission issued an Action Request to the Division requesting a

follow-up to the Division memorandum and requested additional information from the Division. In particular, the Commission directed the Division to provide a recommendation on the Company's forecast of expenditures for approved programs and their IRP acquisition targets. In its December 8, 2011 memorandum in response to the follow-up request, the Division stated that it was unable to reconcile the Utah DSM 2012 projected savings in Attachment A of the 2011 DSM Report with the DSM targets listed in the Company's 2011 IRP. The Division recommended that the Commission direct the Company to provide a supplementary filing that explains how the calendar year 2012 projected savings for each Utah DSM program can be reconciled with the corresponding targets in the 2011 IRP for calendar year 2012. On January 11, 2012, the Company submitted this explanation in a cover letter to the Commission. On January 19, 2012, the Commission issued an Action Request to the Division for comments on the Company's January 11, 2012 supplementary filing. This memorandum is in response to the Commission's Action Request.

The Company addressed and explained a number of issues in its January 11, 2012 supplementary filing. The supplementary filing included both a detailed, explanatory cover letter as well as a supplementary attachment 1 covering Utah DSM savings reconciliation results. In particular, the Company identified: 1) the distinctions between DSM Class 1 and Class 2 resources and how they can be modeled and reconciled; 2) the conversion from energy (MWh) to capacity (MW); and 3) forecast updating as new information is acquired from vendors or program approval. The Company also clarified the problematic nature of a direct comparison of DSM Class 2 resources.

CONCLUSION

The Division recommends that the Commission acknowledge the Company's DSM Report supplementary filing of January 11, 2012. A review of the supplementary filing by the Division concluded that the explanation and information provided adequately explained the issues identified in the December 21, 2011 Order that were in need of clarification.

CC: Michele Beck, OCS
Dave Taylor, RMP