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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  
Abdinasir Abdulle, Technical Consultant  
Brenda Salter, Technical Consultant

Date: December 28, 2012

Re: Utah Demand-Side Management Semi-Annual Forecast for 2013, Docket No. 10-035-57.

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### **RECOMMENDATION (Conditional Acknowledgement)**

The Division of Public Utilities (Division) recommends that the Commission conditionally acknowledge the 2013 Semi-Annual Forecast filed by Rocky Mountain Power (Company) as being in compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation. Prior to acknowledging the filing the Division recommends the Commission direct the Company to file those documents as outlined in the Commission's December 21, 2011 Order and the February 10, 2012 acknowledgment letter.

### **ISSUE**

In Compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on November 1, 2012, the Company filed its 2013 Demand-Side Management Semi-Annual Forecast, which contains an analysis of the DSM balancing account. On November 28, 2012

the Company filed an update to the DSM Semi-Annual Forecast. Due to the updated filing the Commission issued a second Action Request delaying the due date for Division comments from November 30, 2012 to December 28, 2012. This memorandum is in response to the Commission's Action Request.

## **DISCUSSION**

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis and forecast of the balancing account similar to that provided by the Company in Advice No. 09-08. In compliance with the above Order, on November 1, 2012, the Company filed its 2013 Demand-Side Management Semi-Annual Forecast. Subsequent to this filing, the Company noted it had failed to properly account for several large expenses in program costs. The Company filed an updated DSM Semi-Annual Forecast on November 28, 2012 correcting the error. The updated report showed that, based on the Company's projections of the revenues and expenses of the Demand-Side tariff rider, the account balance will result in an over-collection in the amount of approximately \$9.6 million by December 2012. In addition, the forecasted deferred account reflects an over-collection of approximately \$17.8 million by December 2013.

To address the continued over-collection of Schedule 193 revenues the Company presented the issue to the DSM Steering Committee on November 2, 2012, November 26, 2012, and December 4, 2012. The DSM Steering Committee discussed various measures to reduce the deferred account balance including purchasing the equipment currently used in the residential load control contract that is set to expire August 31, 2013 and the continuation of the DSM Cost Adjustment Credit (Credit) that will expire May 31, 2013. The DSM Steering Group agreed to extend the Credit to the end of 2013 in order to reduce the over-collection from the forecasted \$17.8 million to approximately \$6 million as presented by the Company at the December 4, 2012 DSM Steering Committee meeting. The Company estimates that the purchase of the residential load control equipment will be approximately \$4.2 million. The

estimated Schedule 193 over collection balance of \$6 million would cover this purchase. The Division will continue to monitor Schedule 193 and present additional recommendations if the balance in the account does not stabilize.

The Division notes that the Company failed to report as ordered by the Commission in its December 21, 2011 Order the capacity and energy savings targets in comparison to Utah DSM program targets included in the most recent IRP. It was also noted that Company did not include with the filing the savings estimates for the DSM Irrigation Load Control program as Ordered by the Commission in its February 10, 2012 acknowledgment of RMPs Utah DSM Semi-annual Forecast.

## **CONCLUSION**

Based on its review of the Company's filing, the Division concludes that Company's 2013 Semi-Annual Forecast complies with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation. The Division recommends that the Commission require the Company to comply with the Commission's December 21, 2011 Order and the February 10, 2012 acknowledgment prior to acknowledging the Company's filing.

CC: Michele Beck, OCS  
Carol Hunter, RMP  
Dave Taylor, RMP