



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
Abdinasir M. Abdulle, Technical Consultant
Thomas Brill, Technical Consultant

Date: June 9, 2011

Re: 10-035-57 – Utah Demand-Side Management Semi-Annual Forecast for 2011

RECOMMENDATION (Acknowledgement)

The Division of Public Utilities (Division) recommends that the Commission acknowledge the 2011 Semi-Annual Forecast Report filed by Rocky Mountain Power (RMP or Company) as being in compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation

ISSUE

In Compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on April 29, 2011, the Company filed its 2011 Demand-Side Management Semi-Annual Forecast, which contains an analysis of the DSM balancing account. On May 3, 2011, the Commission issued an Action Request to the Division for comments on the Utah Demand-Side Management Semi-Annual Forecast. 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 April 29, 2010, the Company filed its 2011 Demand-Side Management Semi-Annual Forecast Report. This 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 over-collection in the amount of approximately \$3.3 million by December 2011. The deferred account reflected an over-collection of approximately \$1.9 million in March 31, 2011.

The Company justified this over-collection as resulting from the Company's projection of increased loads due to projected economic recovery and the rate increase resulting from the 2010 general rate case. Because the forecasted over-collection partially depends on the expected rate increase which may not materialize, the Division thinks that is reasonable to believe that the projected over-collection may be less what the report indicated. Therefore, the Division believes that the Schedule 193 collection rate is appropriate and needs no adjustment. However, the Division encourages the Company to continue monitoring the deferred account balance.

Based on its review of the Company's filing, the Division concludes that Company's 2011 Semi-Annual Forecast Report complies with the Commission Order of August 25, 2009 in Docket No. 09-035-T08 approving the Phase I stipulation. Therefore, the Division recommends that the Commission acknowledge the current semi-annual report.

CC: Michele Beck, OCS
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