ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

201 South Main, Suite 2300
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November 23, 2011

VIA ELECTRONIC FILING
AND HAND 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: Advice No. 11-13
Schedule 193 Rate Adjustment

Enclosed for filing are an original and two copies of proposed tariff sheets associated with Tariff P.S.C.U No. 48 of PacifiCorp, d.b.a. Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405D, Rocky Mountain Power (the "Company") states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing to psc@utah.gov. The Company respectfully requests an effective date of January 1, 2012, for these changes.

First Revision of Sheet No. 193.2	Schedule 193	Demand Side Management (DSM) Cost Adjustment

The purpose of this filing is to propose a reduction to the Schedule 193 (the "DSM Surcharge") collection rate. At current rates, it is anticipated that the DSM Surcharge will collect approximately $62.6 million during the twelve month period ended December 2012.[1] The Company proposes through this filing to set Schedule 193 rates at a level that will collect approximately $41.5 million during calendar year 2012; a reduction of $21.1 million, or 33.7 percent. The current DSM Surcharge collection rate represents approximately 3.6 percent of customer bills; the Company's proposal would reduce the collection rate to approximately 2.4 percent of customer bills. The average residential customer using approximately 792 kWh per month would see a $0.97 reduction, or 1.2 percent, on their monthly bill.

On November 1, 2011, in Docket No. 10-035-57, Rocky Mountain Power submitted projected savings and expenditures for its demand-side management programs for 2012 and a DSM Surcharge balancing account analysis projecting activity in the deferred account through December 2012. The balancing account analysis, which reflected an $11.3 million credit balance

[1] This projection is based on customer loads, billing determinants and retail rates established in Docket No. 10-035-124 utilizing the June 2012 test period.

in the deferred account as of September 2011, projected the credit balance position of the deferred account would continue to increase through 2012. Considering the projected balance in the deferred account, the Company indicated its intention to submit an application with the Commission to reduce the DSM Surcharge collection rate in time for the new collection rate to become effective January 1, 2012.

In support of the Company's proposal to adjust the DSM Surcharge, Exhibit A provides projected expenditures the Company expects to incur for its Utah demand-side management programs and Schedule 193 revenue for the balance of 2011 and the entirety of calendar year 2012. Exhibit B is a balancing account analysis reflecting current program expenditure projections and DSM Surcharge revenue at the current collection rate. This analysis indicates that absent a reduction to Schedule 193, the balance in the deferred account will be approximately $22.8 million as of December 2012. Exhibit C revises the balancing account analysis provided in Exhibit B to reflect the level of Schedule 193 revenue proposed in this application. Assuming the proposed level of Schedule 193 revenue, the balance in the deferred account is projected to be a credit of approximately $880 thousand as of December 2012. To address the projected $22.8 million credit balance in the DSM Surcharge deferred account, Rocky Mountain Power believes it is prudent and in the public interest to adjust Schedule 193 rates to collect $41.5 million on an annual basis effective January 1, 2012.

The Company's overarching objective in setting DSM Surcharge collection rates is to maintain an acceptable balance in the deferred account while minimizing the number and magnitude of rate adjustments to Schedule 193. The intent of this adjustment is to mitigate the projected deferred balance as of December 2012 while allowing for a margin of error in the Company's projections. The projected $880 thousand balance as of December 2012 can be utilized to absorb expenditures in the event that actual expenditures exceed the level currently projected for 2012. Reflecting this balance in calculating the proposed DSM Surcharge will also mitigate the impact of a rate increase in the event one is necessary once the account has reached equilibrium.

To correct the credit balance in the deferred account, Schedule 193 revenues in 2012 are proposed to be lower than the projected level of program expenditures; 2012 revenues are proposed to be $41.5 million while projected program expenditures for the same period are $47.0 million. As the balance in the deferred account approaches zero, the Company will assess whether a rate change is necessary in order to align projected expenditures and DSM Surcharge revenues. Dependent on projected expenditures beyond the point in time the deferred account approaches equilibrium, it is possible (and perhaps even likely) that an increase to the DSM Surcharge will be necessary to align Schedule 193 revenues with program expenditures. It is also important to note that the projected demand-side management expenditures for 2012 only reflect programs that have been approved by the Commission. Expenditures for programs that may be launched in 2012 are not reflected in the expenditure forecast.

Exhibit D illustrates the revenue impact of the Company's proposal by customer rate schedule. Exhibit E details the development of the proposed rates by customer rate schedule.

In accordance with Section 54-7-12.8(3)(a)-(c) of the Utah Code, Rocky Mountain Power circulated a draft of this filing with the Division of Public Utilities and the Office of Consumer Services prior to submitting this filing with the Commission.

Communications regarding this filing should be addressed to:

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In addition, Rocky Mountain Power respectfully requests that all data requests regarding this filing be addressed to:

By e-mail (preferred):	datarequest@pacificorp.com dave.taylor@pacificorp.com beau.brown@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, Oregon 97232

Informal inquiries may be directed to Dave Taylor, regulatory manager, at (801) 220-2923.

Sincerely,

Carol L. Hunter
Vice President, Services

cc: Division of Public Utilities
Office of Consumer Services

Enclosures