

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power's)
Annual Report Cost-Effectiveness Testing) DOCKET NO. 12-035-117
Requirements) ORDER

ISSUED: January 15, 2013

By The Commission:

On December 12, 2012, PacifiCorp (“Company”), d/b/a Rocky Mountain Power, filed an application ("Application") requesting an amendment to the Commission's October 7, 2009 Order ("Order") in Docket No. 09-035-27¹ which implemented changes to the Utah Demand Side Management ("DSM") benefit-cost analysis guidelines. The Order directs the Company to perform cost effectiveness tests for each DSM program using the Company's most recent Integrated Resource Plan ("IRP") avoided costs. The Order also requires the Company to perform the cost effectiveness tests based on the Company's expected avoided costs when the program was approved. The Company requests this latter requirement be amended such that the Company is required to perform cost effectiveness tests using initial avoided cost assumptions only for new programs through the first year of implementation or for existing programs that incur significant changes within a given program year. The Company questions the value of the reported \$3,400 expenditure for performing cost effectiveness testing based on initial program avoided costs.

On December 13, 2012, the Commission issued an Action Request to the Division of Public Utilities (“Division”) to review the Application and provide comments by January 11,

¹ Docket No. 09-035-27: "In the Matter of the Proposed Revisions to the Utah Demand Side Resource Program Performance Standards."

2013. On January 11, 2013, the Division filed comments recommending approval of the Company's proposed Application, as filed. The Division indicates the DSM Steering Committee agrees the Company's proposed amendment is reasonable.

As indicated above, the Order directs the Company to perform DSM cost-effectiveness tests assuming its most recent IRP avoided costs, subject to any Commission order with respect to the IRP avoided costs, in addition to the avoided costs used when the program was approved. The Commission included the latter requirement to provide parties a benchmark from which DSM programs could be evaluated in the context of IRP avoided costs occurring at program inception, and to provide a comprehensive and fair evaluation of program performance in light of avoided cost changes.

Based on the Company's Application and the Division's proposed recommendations, we find the Company's proposed changes to be reasonable.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The Company's recommended changes to Utah Demand Side Management ("DSM") benefit-cost analysis guidelines as contained in its Application are hereby approved.

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DATED at Salt Lake City, Utah, this 15th day of January, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#241185

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of January, 2013, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Dave Taylor (dave.taylor@pacificorp.com)
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By Hand-Delivery:

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