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Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR AUTHORITY TO CANCEL ELECTRIC SERVICE SCHEDULE NO. 96A IRRIGATION LOAD CONTROL TARIFF;APPROVE A NEWDEMAND SIDE MANAGEMENT CONTRACTAND APPROVE A SCHEDULE NO. 105 IRRIGATION DEMAND RESPONSE	**)))))))**	**DOCKET NO. 13-035-___** **APPLICATION**

COMES NOW, Rocky Mountain Power, a division of PacifiCorp(the "Company"),and hereby applies to the Public Service Commission of Utah(the "Commission") for authorityto cancel Electric Service Schedule No. 96A, Dispatchable Irrigation Load Control Credit Rider Program and respectfully requestsapprovalof a demand-side management contractwith a third party aggregator for deliveryof the irrigation load control program and approve Electric Service Schedule No. 105, Irrigation Load Control Program.

In support of this Application, Rocky Mountain Power states:

1. Rocky Mountain Power does business as a public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its public utility operations.

2. Rocky Mountain Power files this Application pursuant to Utah Code §§ 54-3-1 and 54-3-3, which require all charges and services provided by the Company to be just and reasonable, and 30 days notice to the Commission and public before changing any rate or charge.

3. Communications regarding this Application should be addressed to:

David L. Taylor
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In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

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

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

BACKGROUND

4. Rocky Mountain Power has offered an irrigation load control program in various configurations for decades. The Irrigation Load Control Programs have been designed to reduce peak load by allowing Rocky Mountain Power to control participants' irrigation loads during periods of peak demand.

5. Beginning in the early 1980s, irrigators in Utahhad the option to participate in load controlthrough options A, B, or C of the Electric Service Schedule 10,Irrigation and Soil Drainage Pumping Power Service. Participating customers allowed the Company to automatically shut down, by radio controlled devices, their pumping operation for up to twelve hours per week either on a designated day (Option B) or at any time at the Company's option (Option C). Power charges were lower for participating customers.

6. To simplify the irrigation rate schedule and because the ability to interrupt participating irrigation customers had declined, in 1999 the Company proposed the elimination of load control options. In its 1999 Order in Docket No. 97-035-01, the Commission concurred with the Company and concluded that without the ability to interrupt, and lacking a cost-of-service justification, there was no reason to continue the interruptible rates and eliminated Option B and Option C from the tariffs.

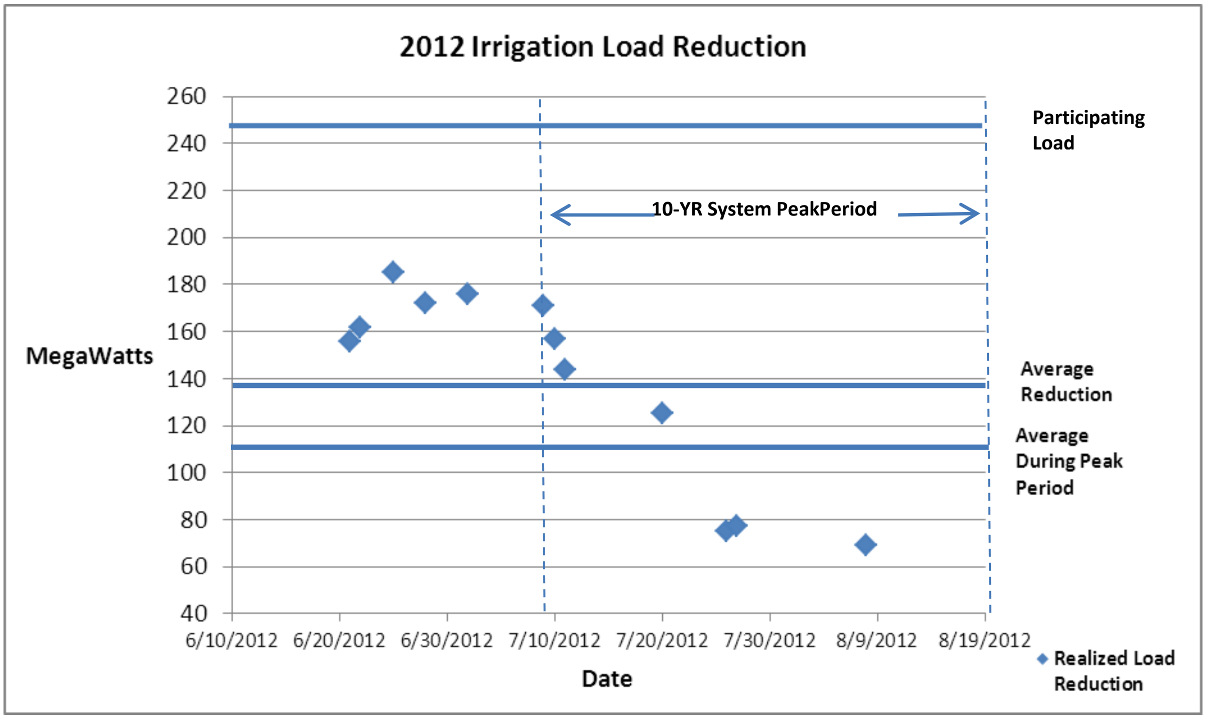
7. In 2007,Rocky Mountain Power proposed and subsequently received Commission approval to implement Electric Service Schedule 96, Irrigation Load Control Credit Rider. Under Schedule 96, irrigation customers received payments in exchange for allowing Rocky Mountain Power to install timer equipment used to control participants' irrigation loads during prescheduled time periods. Participants were given

the option of signing up for one of four curtailment options that were designed in cooperation with Utah's irrigation community.

8. In 2009,Rocky Mountain Power expanded the Irrigation Load Control Program to include a dispatchable load control option, Electric service Schedule No. 96A. The program was similar in nature to the prescheduled program with the primary difference that service interruptions occurred at the Company's discretion under Schedule 96A.

9. In 2010, the Company initiated a review of its Irrigation Load Control Program in an effort to understand the impact of the program on its system. Given the challenges regarding geographic location of Utah irrigators, lack of interval data and the inability of the Company to obtain aggregated data from system meters, the analysis was limited to the Idaho program. A third party review of the 2009 and 2010 control seasons indicated that realized reductions ranged from 17% to 86% of expected loads depending on the month and hour the load curtailment event occurred.

10. During the 2012 ProgramSeason,the Companycalled 12control events. Given the number and dispersion of events and the ability to analyze the Idaho program at an aggregated level (due to the concentrated nature of participants and the availability system data), the Company was able to gain a further understanding of the system's performance over the entirety of the control season.The chart below illustrates the relationship between load curtailed during a control event (actual and average) and the load used as the basis for incentive payments or credits to participating customers in Idaho (total participating load).



The average realized load reduction for the 2012 Program Season was 139 megawatts or 57 percent of the participating load. During the ten-year system peak period (ten year actual system peak days) the 2012 average realized load reduction was 117 megawatts or 48 percent of the 244 megawatts of participating load. Incentive payments or credits to participants for 2012 were based onall 244 megawatts of participating load. Participating loadis the sum of the average billing demand for participant's sites for the most recent two-year Program Seasons. In other words, participating load is the sum of the non-diversified peak demand associated with the participating sites, including the demand placed on the company's system during off-peak hours associated with loads associated with golf courses, cemeteries, etc. This data is illustrative of the performance of the Company's current irrigation load control programs in Idaho. While similar data regarding the performance of the Utah Irrigation Load Control Program is not available, it is reasonable to assume that results in Utah have been similar to the program performance in Idaho.

11. During 2012 there were 4,809 irrigation sites in Utah taking service under Schedule 10. Of those sites, 23 participated in the Schedule 96 prescheduled program and 547 participated in the Schedule 96A dispatchable program.

REQUEST FOR PROPOSAL

12. The Company has been able to reduce operating costs for 2012 by renegotiating the scope of its contract with its third party serviceprovider and utilizing inventoried equipment as it readied for the re-procurement of control equipment and services.

13. During 2012 the Company issued a request for proposal ("RFP") in an effort to identify alternatives to deliver the program in the most cost efficient manner.

14. Sixteen companies were invited to participate in the RFP issued by PacifiCorp. The companies were asked to provide proposals based on two alternatives:

> Option 1: contractor delivers the dispatchable irrigation load control program under a fully outsourced pay-for-performance model accepting all the costs and risks to create, maintain, and manage the program. This option required respondents to provide capacity, provide both monitoring and load control devices, andpay incentives to customers.

> Option 2:the Company would continue operating the dispatchable irrigation load control program.Currently the Company delivers the dispatchable irrigation load control program with an internal program

manager utilizing contractors for the field operations, program database, dispatch software, and customer interface activities. To support a Company operated program contractors were asked to provide proposals for equipment installation, operation, maintenance, and customer service associated with the program under the terms specified inthe RFP.

While the focus of the RFP was on the existing programs in Utah and Idaho, proposals were also obtained for California, Oregon and Washington.[1] Targeted load reductions were established for each state.

15. The Company received five proposals from two qualified vendors; two pay-for-performance proposals and three equipment and service proposals. The proposals were evaluated to determine the least cost option after consideration of risk. To facilitate this evaluation, the incentive level and structure currently approved by the Idaho and Utah Commissions were utilized.

16. The results of the pricing analysis of thefive proposals on a cost per kilowatt of realized reduction is attached as a Confidential AttachmentNo. 1. The least cost option is the pay-for-performance proposal submitted by EnerNoc, Inc. ("EnerNoc").In addition to being the least cost option, EnerNoc assumes all equipment and delivery risks associated with the program.

17. EnerNoc currently manages over twenty-five pay-for-performance contracts in the United States. In 2011, EnerNoc purchased the manufacturer of the

[1] Pricing information for irrigation load control in California, Oregon and Washington were provided for inclusion in the Integrated Resource Planning model.

Company's current irrigation load control equipment. The equipment being proposed by EnerNoc is a two-way communication solution designed specifically for irrigation load control applications by:(1) capturing and communicating near real-time irrigation load data on five-minute intervals, and (2) enablingdirect control of irrigation pumps and equipment.

18. The next closest bid to EnerNoc was from a company that is an IdahoLimited Liability Corporation (Vendor B),who has supported the Company's current program as the installation, maintenance, and customer service provider for sixyears. Vendor B's proposal required either the development of a new irrigation load control device or the acquisition of more costly equipment.

19. Taking into consideration pricing, risk and the technical evaluation performed during the RFP process, EnerNoc's pay-for-performance proposal was selected. Negotiations regarding the final agreement began shortly after the vendor selection. The terms of the contractagreed to between the companies are summarized in the table below:

General Term	**Description**
Term of the Agreement	10 Years with ability to terminate early
Eligible Customers	Schedule 10 customers
Average Demand Response Capacity	145 MW Idaho 40 MW Utah
Capacity Basis	Average available capacity measured during the guarantee period
Pricing	Provided in Confidential Exhibit B
Performance Guarantees	Provided in Confidential Exhibit B
Dispatch Limitations	52 hours per year, 20 events per year, 1 to 4 hours per event
Guaranteed Period	June 15 – August15 Weekdays excluding holidays 12pm– 8pm MST

Non-Guaranteed Capacity	May dispatch an event anytime beyond the Dispatch Limitations and Guaranteed Capacity Limits, load reductions will not be guaranteed.

20. The contract with EnerNoc is being filed with this Application as Confidential AttachmentNo. 2. Under the terms of thiscontract, the vendor assumes full responsibility for the installation, operation and maintenance of the irrigation load control devices, dispatch of the devices as directed by the Company, customer recruitment, customer service and issuance of irrigation credits to be paid to participating irrigation customers.

21. The Company and EnerNoc have agreed to amend the agreement as follows:

a) *Insert the word "day" into the definition of Available Load Reduction to read:"Available Load Reduction" means the Actual Electric Demand for each Participating Facility in a 5-minute interval during Program Availability Hours in a Capacity Delivery Day. For each 5-minute interval during a Program Event day the Facility Baseline Demand shall be used.*

   This provision enables EnerNoc to exempt the hours during a Capacity Delivery Day from the determination of available load to allow participants the ability to either reduce load prior to the curtailment or take additional time to restore load at the conclusion of a curtailment.

b) *Change the second paragraph of Section 3 to read: For each Participating Facility, the "Facility Baseline Demand" for all intervals during a Capacity Delivery Day that includes a Program Event shall be determined as the average Actual Electric Demand during Program Availability Hours during the most recent Capacity Delivery Day that does not include a Program Event. Notwithstanding the foregoing, in the event that a Participating Facility utilizes Legacy Irrigation Load Control Equipment, Facility Baseline Demand shall be determined as the average Estimated Load Value during Program Availability Hours during the most recent Capacity Delivery Day that does not include a Program Event.*

   This provision changes the calculation of the Baseline Demand for determining the performance of the system to include all program available hours in the day prior to the Capacity Delivery Day rather than the 60 – minute period currently in the agreement.

c) *Add a new Section 9.5 to read: Seller will use reasonable efforts to ensure that Eligible facilities of similar size, operations and ability to participate are treated in a fair and consistent manner with respect to Program participation.*

This provision contractually conveys PacifiCorp's obligation to EnerNoc and provides the Company with the contractual authority to enforce.

22. EnerNocwill be compensated based on the average load available for curtailment, less any performance shortfall adjustments during program events. Performance shortfall adjustments will be calculatedusing actual five-minute interval energy data against a predetermined baseline during program events. Additionally, the vendor has been provided an incentive to optimize the amount of load curtailment during historical peak time periods, July 15 through August 15.

23. Participant curtailment amounts, incentive levels and terms and conditions will be established by the non-Commission jurisdictional contract between the vendor and qualifying customers. The increased flexibility in identifying loadavailable for curtailment, contracting, and pricing incentive will allow the vendor to optimize the amount of load available for curtailment July 15 through August 15. The program will feature updated hardware providing near real-time (five-minute interval data) electricity usage information through an advanced software platform, delivered and maintained by the vendor.

24. A two-way communication system enables the vendor to consolidate the interval data from participating customers and to provide the Company accurate information regarding the load available for curtailment. Consistent with the existing program structure, customers will be provided with day-ahead notice of program dispatch and the ability to opt-out of event participation before loads are remotely controlled via

the irrigation load control platform.The participating customer will also have access to energy usage data available in near real-time through a dynamic web portal.

25. In the event an issue arises that has not been resolved by EnerNoc, the Company will at the request of the customer intervene in an effort to seek resolution. The Company acknowledges that in the event the Company does not resolve the issue, the customer may seek resolution through the Commission process outlined at http://www.psc.state.ut.us/complaints/index.html.

26. Based on the 2011 Integrated Resource Plan, the Irrigation Load Control Program is cost-effective based on the utility cost test.[2]The 2013 Integrated Resource Plan includes as an existing resource the 40 MW of Average Demand Response Capacity associated with the EnerNoc agreement. Pricing information for incremental irrigation load control in Utah was provided for inclusion in the Integrated Resource Planning model and, if selected, the contract will be modified to include the additional capacity requirement.

27. The Company will include information relative to the performance of the program in the annual report currently filed with the Commission on May 1. The performance information will include but not be limited to data regarding (a) the number of participants, (b) number of participating sites, (c) average load available for curtailment by week, (d) curtailment dates and (e) load reduction during curtailments.

[2], *See* Confidential Attachment No. 3.

CANCELLATION OF ELECTRIC SERVICE SCHEDULES 96&96A

28. Based on theCompany's evaluation of theRFP bids for the load control program comparing the costsand results of self-delivery with the costs and results of the pay-for-performance bids,the Company determined that the most efficient and effective manner to continue to offer the irrigation load control program is through a pay-for-performance bi-lateral contract model, as opposed to a typical tariff-based, utility delivered load control program model.

29. Consistent with the terms of the tariff, Electric Service Schedule 96 was terminated effective December 31, 2012.

30. The Company's previous irrigation load control contractor agreements expired December 31, 2012. In order to implement the load control program for 2013, EnerNoc requires a March 15 start for the customer recruitment and installation process.

31. Therefore, the Company respectfully requests that the Commissionapprove the attached demand-side management contract and cancel Electric Service Schedule 96A on or before March 15, 2013. In the event an order is not issued regarding this request by March 15, 2013, the Company requests the Commission suspend Electric Service Schedule 96A until an order regarding this request is issued.

32. The Company began discussions with Utah Demand-side Management Advisory Group Steering Committee (the "Steering Committee") on November 2, 2012. At that time the Company noted that based on responses to its request for proposal, the Company was in the process of entering into a pay-for-performance agreement for irrigation load control with a control period of June 15 to August 15. The Company

attempted to schedule a meeting with the Steering Committee to discuss the terms and conditions of the agreement in December. Due to holiday schedule the meeting was delayed until January 2, at which time the economics and general terms and conditions of the agreement were presented to the Steering Committee. At that time the Office of Consumer Service (the "Office") requested that the Company discuss the changes with the Utah Farm Bureau (the "Farm Bureau") representatives. The Company, Office and Farm Bureau met to discuss the changes associated with the pay-for-performance agreement on January 3, 2013. At the request of the Farm Bureau, a second meeting was held to allow Farm Bureau members the opportunity to meet with EnerNoc and discuss the terms and conditions of the agreement between EnerNoc and participants.

A preliminary draft of this filing, along with the confidential documents was provided to the Steering Committee on February 1, 2013. A final meeting to discuss the material was held on February 5, 2013. To date the Company has been unable to reach agreement with the members of the Steering Committee.

CONCLUSION

WHEREFORE, Rocky Mountain Power respectfully requests that the Public Service Commission of Utah issue anorder authorizing the Company to cancel Electric Service Schedule 96A, Dispatchable Irrigation Load Control Credit Rider Program,as described herein, and approve the attached demand-side management contract effective March 15, 2013.

DATED this 12thday of February, 2013.

Respectfully submitted,

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Attorneys for PacifiCorp