

November 1, 2017

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

Re: In the Matter of Rocky Mountain Power's Annual Demand Side Management Nov.
1st Deferred Account and Forecast Reporting – Docket No. 17-035-41

In its order dated August 25, 2009 in Docket No. 09-035-T08 (“Order”), the Public Service Commission of Utah (“Commission”) approved the Phase I Stipulation filed August 3, 2009 in the same (“Stipulation”). As specified in the Stipulation, Rocky Mountain Power (“Company”) is required to provide to the Commission and Demand Side Management (“DSM”) Advisory Group¹ (“Steering Committee”) by November 1st of each year a forecast of expenditures for approved programs for the next calendar year and their acquisition targets (in MWh and MW) for the next calendar year. In addition, the order issued December 21, 2011 in Docket No. 10-035-57 directed the Company to provide an estimate of the capacity and energy savings targets for approved programs in the forecast in comparison to demand-side management program targets included in the Company’s most recent Integrated Resource Plan. A report containing the forecast of these items for calendar year 2018 is provided as tab Attachment 1 in the excel workbook attached to this filing. All referenced attachments in this letter are included as tabs in the workbook.

The balancing account analysis, provided in the Attachment 2 tab of the workbook, reflects actual results through September 2017 and projects DSM expenditures and Schedule 193 revenues through December 31, 2018. The analysis in Attachment 2 shows that the balance in the DSM balancing account is expected to reflect an over-collection on an accrual basis of approximately \$232,000 as of December 2018, assuming the Schedule 193 rate is reinstated effective January 1, 2018 using the previously effective rate of 3.68 percent. Program level historical and forecast expense information in support of the DSM balancing account analysis is provided in the Attachment 3 tab of the workbook.

The DSM balancing account is over-collected by \$14.3m as of September 30, 2017, but is declining due to the Schedule 193 rate suspension effective August 2017. The Company reviewed the analysis and options for reinstatement of Schedule 193 rates with the Steering Committee on October 26, 2017. A filing is anticipated to be made by mid-November 2017 to reinstate the collection rate effective January 1, 2018 at a lower percentage than previously effective to balance the estimated collections and expenses by December 31, 2018.

¹ In context of this filing, DSM Advisory Group is redefined as the DSM Steering Committee.

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Also included in this filing, and in compliance with the Commission's February 10, 2012 Acknowledgement Letter in Docket No. 10-035-57, is an estimate of total program participation and contribution to peak system load for the Irrigation Load Control Program. This analysis is included in the Attachment 4 tab of the enclosed workbook.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com
 michael.snow@pacificorp.com

By regular mail: Data Request Response Center
 PacifiCorp
 825 NE Multnomah Blvd., Suite 2000
 Portland, OR 97232

Informal inquiries may be directed to me at (801) 220-4214.

Sincerely,



Michael S. Snow
Manager, DSM Regulatory Affairs

cc: Division of Public Utilities
 Office of Consumer Services

Enclosures

ATTACHMENT 1

2018 Forecast Savings Compared to Resource Plan Targets

Attachment 1
2018 Forecast Savings compared to Resource Plan Targets

	Program Forecast		2017 Integrated Resource Plan	
	MWH	MW	MWH	MW
	2018	2018	2018	2018
Class 1 DSM - Residential, Commercial, Industrial				
Air Conditioner Load Control - Res. & Small Com. (Sch. 114)		114		115
Irrigation Load Control - Industrial (Sch. N/A)		13		20
Total Class 1		127		135
Class 2 DSM - Residential				
Low Income (Sch. 118)	250	0	N/A	N/A
Home Energy Reporting (Sch. N/A)	52,000	9	N/A	N/A
wattsmart Homes (Sch. 111)	69,450	12	N/A	N/A
Total Class 2 Residential	121,700	22	N/A	N/A
Class 2 Non-Residential Programs				
wattsmart business (Sch. 140)	171,130	31	N/A	N/A
Total Class 2 Non-Residential	171,130	31	N/A	N/A
Total Class 2	292,830	52	240,790	43
Total Class 2 Estimated Range	280,000 - 315,000			
Total Class 2 (with HER Incremental Savings)		240,830		43

Notes:

1. Class 2 DSM resource plan results are not selected at a program level (no program level IRP targets available).
2. Irrigation forecast represents highest expected realized value during the season (see "Irr Prgm Impact" tab for an estimate by week throughout season).
3. Air conditioner load control (Cool Keeper) forecast represents the expected contribution/impact available at peak, temperature dependent.
4. Forecast of coincident peak MW for **Utah's** Class 2 DSM resource is derived through the following formula:

Forecasted Class 2 DSM energy savings	292,830	MWh
Divided by 2018 Utah energy selections from the 2017 IRP Appendix D	240,790	MWh
Multiplied by Utah 2018 coincident peak value from the 2017 IRP	43.00	MW
Estimated coincident peak impact of 2017 Utah Class 2 DSM programs	43.0	MW

5. 2017 IRP Utah 2018 Class 2 DSM coincident peak contribution from supporting data used to create 2017 IRP Table 8.8
6. Total Class 2 MWh and MW forecasts include total projected impacts of Home Energy Reporting (HER) spending in 2018.
For consistency with IRP modeling, Class 2 MWh and MW totals including only new HER impacts (above those achieved in 2017) are also provided.
7. Savings are at generation.

ATTACHMENT 2

Utah Demand-Side Management Balance Account Analysis

Attachment 2
Utah Demand-Side Management Balance Account Analysis
Using previous rate of 3.68% effective January 1, 2018 (was suspended as of August 2017)

	Monthly Program				Cash Basis Accumulated Balance	Accrual Based Accumulated Balance	Carrying Charge Rate	Accumulated Balance Total Carrying Costs
	Costs - Fixed		Accrued					
	Assets	Program Costs	Rate Recovery	Carrying Charge				
2011 totals	43,638,930	3,865,060	(54,147,494)	(428,385)	(8,770,676)	(4,905,616)		
2012 totals	44,887,095	781,573	(47,901,079)	(1,154,860)	(12,939,521)	(8,292,887)	7.83%	
2013 totals	51,076,863	(1,985,773)	(45,941,421)	(1,128,853)	(8,932,931)	(6,272,070)	7.77%	
2014 totals	81,727,634	2,023,176	(59,356,899)	292,294	13,730,097	18,414,135	7.76%	
2015 totals	62,241,104	822,221	(68,050,713)	843,168	8,763,656	14,269,914	7.32%	
2016 totals	60,662,046	(2,812,870)	(76,557,491)	33,900	(7,097,889.32)	(4,404,501.33)	4.45%	
January	2,648,142	262,689	(6,073,075)	(78,192)	(10,601,014)	(7,644,937)	10.65%	
February	3,754,612	348,093	(5,423,644)	(101,490)	(12,371,535)	(9,067,365)	10.65%	
March	3,478,015	(117,206)	(4,738,883)	(115,392)	(13,747,795)	(10,560,831)	10.65%	
April	4,355,254	586,848	(4,768,815)	(123,847)	(14,285,203)	(10,511,391)	10.65%	
May	3,686,017	(291,172)	(4,697,674)	(131,270)	(15,428,131)	(11,945,491)	10.65%	
June	3,848,077	669,594	(6,153,679)	(147,156)	(17,880,889)	(13,728,655)	10.65%	
July	3,924,229	1,047,010	(7,926,360)	(176,452)	(22,059,472)	(16,860,229)	10.65%	
August	4,036,553	(195,749)	(4,808,276)	(199,202)	(23,030,398)	(18,026,903)	10.65%	
September	2,972,860	924,940	9,655	(191,160)	(20,239,042)	(14,310,607)	10.65%	
October	7,440,193			(146,606)	(12,945,455)	(7,017,020)	10.65%	
November	7,633,646			(81,017)	(5,392,826)	535,610	10.65%	
December	7,642,537			(13,948)	2,235,764	8,164,199	10.65%	
2017 totals	55,420,136	3,235,047	(44,580,751)	(1,505,732)				
January	4,569,851		(4,930,264)	18,243	1,893,594	7,822,029	10.65%	
February	4,552,689		(4,831,369)	15,569	1,630,482	7,558,918	10.65%	
March	5,631,689		(5,061,545)	17,001	2,217,627	8,146,063	10.65%	
April	5,122,689		(4,767,991)	21,255	2,593,580	8,522,016	10.65%	
May	4,547,689		(5,578,623)	18,443	1,581,090	7,509,525	10.65%	
June	5,056,689		(6,391,132)	8,111	254,758	6,183,193	10.65%	
July	4,547,689		(7,749,600)	(11,948)	(2,959,101)	2,969,335	10.65%	
August	4,547,689		(7,402,614)	(38,931)	(5,852,957)	75,479	10.65%	
September	5,056,689		(6,153,706)	(56,813)	(7,006,787)	(1,078,351)	10.65%	
October	4,552,689		(4,948,133)	(63,940)	(7,466,171)	(1,537,735)	10.65%	
November	6,752,689		(4,993,387)	(58,455)	(5,765,324)	163,112	10.65%	
December	5,159,689		(5,502,789)	(52,690)	(6,161,113)	(232,678)	10.65%	
2018 totals	60,098,432	-	(68,311,154)	(184,155)				
Total Accruals		5,928,435						
DSM balancing account as of Sept 30, 2017						(14,310,607)		
Forecast DSM expenses through December 2018						82,814,809		
Forecast carrying charges through December 2018						(425,726)		
Total expenses through December 2018						<u>82,389,083</u>		
Total DSM surcharge collections through December 2018						(68,311,154)		
Forecast DSM balancing account as of December 31, 2017						<u>(232,678)</u>		

Notes:

Figures provided through Sept 2017 are actuals.
Rate Recovery estimates for 2018 calc from July 2017 forecast from Regulation

ATTACHMENT 3

Demand-Side Management Program Expenditures & Revenues

Attachment 3
DSM Program Expenditures & Revenues

	YTD Balance Sept 2017	Accrual for Sept	Total thru Sept 2017	Oct-17	Nov-17	Dec-17	Projected 2017 charges	Nov 1, 2016 Forecast	June 2017 Forecast	Nov 1, 2017 Forecast
Residential Programs										
A/C Load Control Program (Sch. 114)	1,455,604	2,143,060	3,598,664	300,445	300,445	300,445	4,500,000	6,279,475	5,000,000	4,500,000
Low Income (Sch. 118)	47,819		47,819	9,060	9,060	9,060	75,000	85,000	75,000	75,000
Home Energy Reports (Sch. N/A)	1,776,520	79,426	1,855,946	281,389	281,389	281,389	2,700,112	2,700,112	2,700,112	2,700,112
wattsmart Homes Program (Sch. 111)	7,174,841	894,321	8,069,162	1,804,530	1,804,530	1,804,530	13,482,751	14,330,699	13,482,751	13,482,751
	<u>10,454,783</u>	<u>3,116,807</u>	<u>13,571,590</u>	<u>2,395,424</u>	<u>2,395,424</u>	<u>2,395,424</u>	<u>20,757,863</u>	<u>23,395,286</u>	<u>21,257,863</u>	<u>20,757,863</u>
Commercial & Industrial Sector Programs										
wattsmart Business Commercial (Sch. 140)	15,616,552	1,594,267	17,210,819				37,978,641	29,121,446	24,875,687	37,978,641
wattsmart Business Industrial (Sch. 140)	5,172,952	449,665	5,622,617	5,048,402	5,048,402	5,048,402		14,788,024	12,237,819	
Industrial Irrigation Load Control (Sch. N/A)	7,290	600,000	607,290	(113,290)	3,000	3,000	500,000	952,701	600,000	500,000
	<u>20,796,794</u>	<u>2,643,932</u>	<u>23,440,726</u>	<u>4,935,112</u>	<u>5,051,402</u>	<u>5,051,402</u>	<u>38,478,641</u>	<u>44,862,171</u>	<u>37,713,506</u>	<u>38,478,641</u>
Outreach and Communications	896,846		896,846	142,718	142,718	142,718	1,325,000	1,400,000	1,400,000	1,325,000
Portfolio (TRL, DSM Central, Training)	167,372	7,656	175,028	3,972	5,000	20,000	204,000	211,283	171,600	204,000
Program Evaluation Cost - C&I	178,373	76,458	254,831	(107,317)	10,000	7,946	165,460	558,726	213,735	165,460
Program Evaluation Cost - Res	201,798	83,582	285,380	68,238	27,055	23,000	403,673		290,911	403,673
2016 Potential Study	7,793		7,793	2,047	2,047	2,047	13,935	1,042	13,935	13,935
	<u>896,846</u>	<u>76,458</u>	<u>973,304</u>	<u>142,718</u>	<u>142,718</u>	<u>142,718</u>	<u>1,325,000</u>	<u>1,400,000</u>	<u>1,400,000</u>	<u>1,325,000</u>
Total DSM Program Expenditures	<u>32,703,759</u>	<u>5,928,435</u>	<u>38,632,194</u>	<u>7,440,193</u>	<u>7,633,646</u>	<u>7,642,537</u>	<u>61,348,571</u>	<u>70,428,508</u>	<u>61,061,550</u>	<u>61,348,572</u>

55,420,136 Deferred Acct Balance 2017 expenditure total
5,928,435 Diff is accrual at state level
61,348,571

Notes;
Jan-Sept 2017 actuals
Accruals added to capture full cost through Sept
YTD kWh savings through Sept 2017 is 78% / 22% (comm/indust)

WSB by Delivery Channel
Custom 12,650,000
EM 2,450,000
TA Nexant 13,727,141
TA Cascade 1,200,000
Midstream 2,317,500
SBDI 4,500,000
Oil & Gas 1,134,000
37,978,641

**Attachment 3
DSM Program Expenditures & Revenues**

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan - Dec 2018 Totals	2018 Budget Forecast
Residential Programs														
A/C Load Control Program (Sch. 114)	\$180,000	\$180,000	\$750,000	\$750,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	\$2,380,000	\$180,000	5,500,000	5,500,000
Low Income (Sch. 118)	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	\$6,250	75,000	75,000
Home Energy Reports (Sch. N/A)	\$54,179	\$54,000	\$563,000	\$54,000	\$54,000	\$563,000	\$54,000	\$54,000	\$563,000	\$54,000	\$54,000	\$564,000	2,685,179	2,685,179
wattsmart Homes Program (Sch. 111)	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	\$1,370,875	16,450,500	16,450,500
	\$1,611,304	\$1,611,125	\$2,690,125	\$2,181,125	\$1,611,125	\$2,120,125	\$1,611,125	\$1,611,125	\$2,120,125	\$1,611,125	\$3,811,125	\$2,121,125	24,710,679	24,710,679
Commercial & Industrial Sector Programs														
wattsmart Business Commercial (Sch. 140)	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	\$2,687,947	32,255,360	32,255,360
wattsmart Business Industrial (Sch. 140)	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	750,000	750,000
Industrial Irrigation Load Control (Sch. N/A)	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	\$2,750,447	33,005,360	33,005,360
Outreach and Communications														
Portfolio (TRL, DSM Central, Training)	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	1,500,000	1,500,000
Program Evaluation Cost - C&I	\$25,983	\$9,000	\$9,000	\$9,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$9,000	\$9,000	\$106,000	196,983	196,983
Program Evaluation Cost - Res	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	\$36,398	436,775	436,775
2016 Potential Study	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	\$13,690	164,275	164,275
	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	\$7,030	84,360	84,360
Total DSM Program Expenditures	4,569,851	4,552,689	5,631,689	5,122,689	4,547,689	5,056,689	4,547,689	4,547,689	5,056,689	4,552,689	6,752,689	5,159,689	60,098,432	60,098,432

Notes;

Jan-Sept 2017 actuals
 Accruals added to capture full cost through Sept
 YTD kWh savings through Sept 2017 is 78% / 22% (comm/indust)

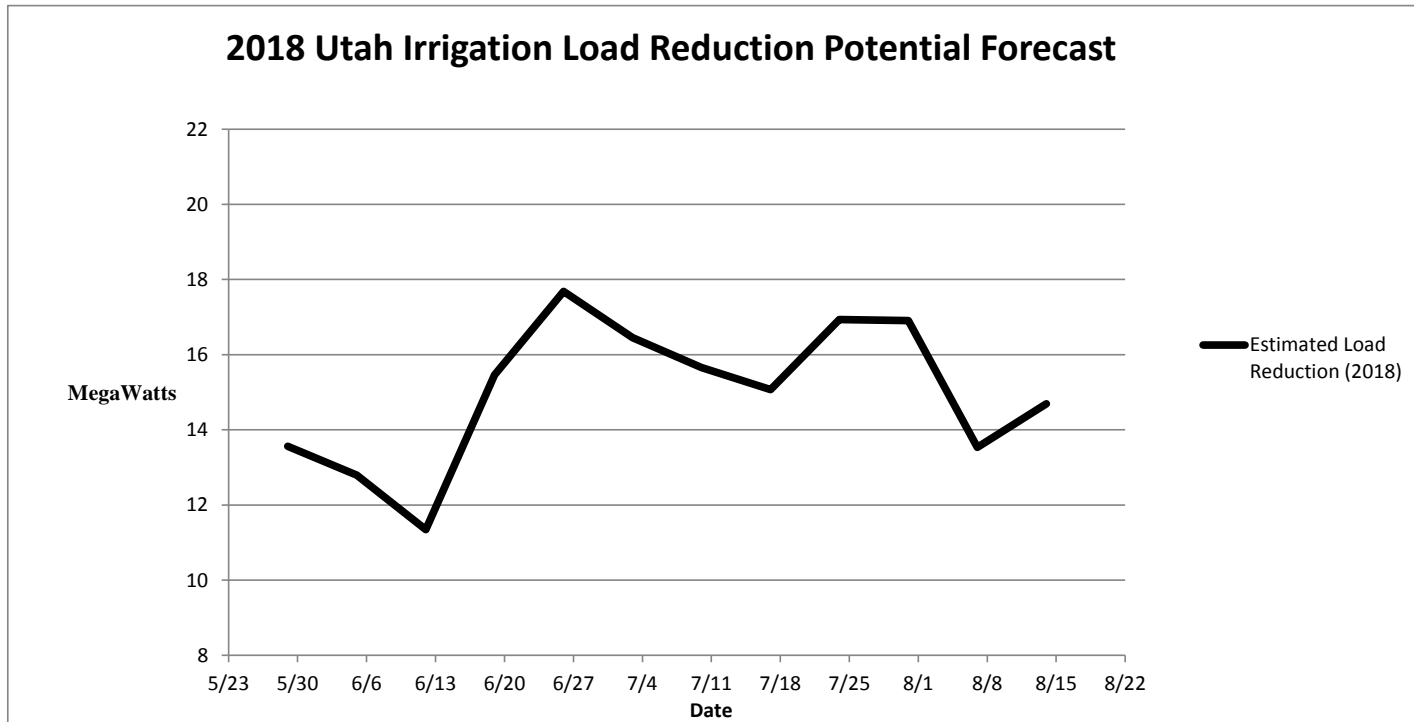
WSB by Delivery Channel
 9,350,000 Custom
 1,275,960 EM
 11,060,400 TA Nexant
 1,680,000 TA Cascade
 2,772,000 Midstream
 4,500,000 SBDI
 1,617,000 Oil & Gas
 32,255,360

ATTACHMENT 4

Estimated Peak Impact of Irrigation Load Control by Week

Attachment 4
Estimated Peak Impact of Irrigation Load Control By Week

Program Weeks	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug
Estimated Load Reduction (2017)	14	13	11	15	18	16	16	15	17	17	14	15
Participating Load (2017)	37	37	37	37	37	37	37	37	37	37	37	37
Percent Participating Load	37%	35%	31%	42%	48%	45%	43%	41%	46%	46%	37%	40%



Note:

2018 expected impact is based on weekly load availability results for Utah's irrigation program during the 2015 - 2017 control seasons. Actual impact at peak will be dependent on when monthly peaks occur throughout the 2018 control months

CERTIFICATE OF SERVICE

Docket No. 17-035-41

I hereby certify that on November 1, 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Cheryl Murray cmurray@utah.gov
Michele Beck mbeck@utah.gov
Gavin Mangelson gmangelson@utah.gov

Division of Public Utilities

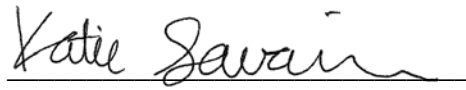
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Rocky Mountain Power

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