

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of Advice Filing 07-04 of	)	
PacifiCorp d/b/a Rocky Mountain Power for	)	<u>DOCKET NO. 07-035-T04</u>
Formal Approval – Schedule No. 113 –	)	
2007 Cool Cash Incentive Program	)	<u>ORDER</u>
	)	

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ISSUED: April 2, 2007

By The Commission:

PROCEDURAL HISTORY

PacifiCorp d/b/a Rocky Mountain Power (“Petitioner”) filed its original subject tariff revision with the Commission January 22, 2007. On February 9, 2007, Petitioner filed a replacement tariff reflecting changes to the program originally proposed. The Division of the Public Utilities (“Division”) and the Committee of Consumer Services (“Committee”) filed comments on February 21, 2007, recommending approval of the proposed tariff. On March 6, 2007, the Commission suspended the tariff. On March 13, 2007, Petitioner filed a revised set of tariff sheets. On March 21, 2007, the Division filed comments recommending the revised tariff also be suspended. On March 28, 2007, Petitioner filed a response to the Division.

DISCUSSION

The subject tariff, Schedule 113 - 2007 Cool Cash Incentive Program, describes a Demand Side Management (“DSM”) program designed to encourage the adoption of evaporative cooling systems - both traditional and premium systems, or high efficiency unitary cooling systems rated at 15 SEER or better (central air-conditioning units). The program provides

monetary incentives to ratepayers if they install energy efficient cooling systems, and to HVAC businesses if they sell energy efficient cooling systems.

As detailed in our March 6, 2007, Order it is the Commission's intent to implement all cost-effective DSM opportunities in Utah. Given the small margin by which the proposed program passes the Utility Cost Test under the Integrated Resource Planning decrement pricing, and that the proposed program fails the same test under a forward price curve analysis, the Commission understands the Division's concerns with the program. However, other considerations have a bearing on whether the proposed program is in the public interest. Specifically, continuity and lost opportunities represent real costs, though difficult to quantify, if the program is suspended for the 2007 cooling season. The Petitioner has indicated that absent approval by March 30, 2007, it will not have time to implement the program for this year and would withdraw it. Weighing these factors, the Commission finds that it is in the public interest to approve the proposed tariff for 2007.

The Commission notes however, that the issues, concerns and points raised by the Division and company are important. On a going forward basis these issues must be further explored and resolved before a replacement program is proposed. The Commission directs the Petitioner, the Division, and the DSM Advisory Committee to work on recommendations for the Commission's consideration that will clarify the overall DSM design, approval, implementation, and evaluation processes.

CONCLUSIONS

The Commission finds the proposed DSM program, 2007 Cool Cash Incentive Program, as revised and currently before the Commission to be in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that

1. The proposed Pacificorp d/b/a Rocky Mountain Power tariff filing, as revised on March 13, 2007, is approved.
2. The Petitioner, Division, and the DSM Advisory Group shall develop and submit for Commission consideration recommendations concerning the DSM design, approval, implementation, and evaluation processes.

DATED at Salt Lake City, Utah, this 2<sup>nd</sup> day of April 2007.

/s/ Ric Campbell, Chairman

/s/ Ted Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#52928