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Department of Commerce
Division of Public Utilities

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Memorandum

TO: Public Service Commission

FROM: Division of Public Utilities
Philip Powlick, Director
Energy Section
Artie Powell, Energy Manager
Jamie Dalton, Utility Analyst
Abdinasir Abdulle, Technical Consultant
Charles Peterson, Technical Consultant

DATE: March 5, 2009

RE: Docket No. 08-035-T10: Advice Filing 08-11, Schedule 96A – Dispatchable
Irrigation Load Control Credit Rider Program.

I. RECOMMENDATION (Approval)

The Division recommends that the Commission approve the Company's revised tariff sheets effective December 27, 2008.

II. ISSUE

On December 17, 2008, pursuant to the requirement of Rule R746-405D, Rocky Mountain Power ("Company") filed an Advice Filing 08-11, Schedule 96A – Dispatchable Irrigation Load Control Credit Rider Program – and supporting economic analysis. The purpose of this filing was to propose tariff sheets implementing a dispatchable irrigation load control program in Utah. On January 22, 2009, the Division filed its comments with the Commission recommending approval of the proposed tariff sheets contingent on the Company correcting its filing to reflect the correct line loss figure and Irrigation Season dates.

On February 13, 2009, the Company filed the revised tariff sheets. The Company requested an effective date of February 27, 2008. On February 17, 2009, the Commission sent an Action Request to the Division requesting comments by March 12, 2009. This memo constitutes the Division's official response.

III. DISCUSSION

The proposed program, Schedule 96A, supplements the current program Schedule 96. With one major difference, the proposed program will be similar to the existing load control program offered under Schedule 96: under Schedule 96 load curtailment is pre-planned and scheduled, while under Schedule 96A, irrigation customers may be interrupted at the Company's discretion. In return for allowing the Company to interrupt service, the Company will pay or credit back to the participants a Load Control Service Credit (LCSC).

The Division reviewed the Company's revised tariff sheet. The Division determined that the Company has adequately corrected the line loss figure, from 9.72% to 6.33% and the corrected Irrigation Season dates to May 25 to through September 15. The Company also revised its benefit-cost analysis to reflect the corrected line loss figure. The revised benefit-cost analysis shows that the program will be cost effective under the Total Resource Cost Test, Ratepayer Impact Test, and the Utility Cost Test (Table 1). The benefit-cost ratio for the participant test was not calculated because participants have no costs.

Test (Base)	December 17, 2008 Filing Benefit/Cost Ratio	Current Filing Benefit/Cost Ratio
TRC	2.81	2.71
Utility	1.42	1.37
Ratepayer	1.42	1.37
Participant	-	-

Therefore, the Division recommends that the Commission approve the Company's revised tariff sheets effective December 27, 2008.

CC: Rea Petersen, DPU
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