



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: November 19, 2014

Re: **Rocky Mountain Power Demand Side Management Compliance filing**

Docket No. 09-035-T08

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) take no action at this time.

ISSUE

On October 24, 2014, the Company filed notice with the Commission, the Division and the Office of Consumer Services (Office) that the Company's demand-side management (DSM) programs reached 90% of the proposed 2014 budget. On October 28, 2014, the Commission issued an Action Request for the Division to investigate the filing for compliance and make recommendations by November 24, 2014. On November 6, 2014 the Commission issued a Notice of Filing and Comment Period for interested parties to file comments by November 20, 2014 with reply comments due December 1, 2014. This memo is in response to the Commission's Action Request.

DISCUSSION

On August 25, 2009, in an earlier phase of this Docket, the Commission issued an order approving the Phase I Stipulation for DSM cost recovery. Included in the Stipulation is the following:

Rocky Mountain Power will provide an annual forecast of expenditures for approved DSM programs and their acquisition targets for the next calendar year and will provide an additional notice if expenditures for any demand-side management programs reach 90% of their forecasted level prior to December 1st of that year;

The Company noted that as of August 2014, year-to-date expenditures totaled approximately \$60.0 million. This is approximately 96% of the \$62.1 million forecasted for 2014 in Docket 13-035-183. On October 14, 2014, the DSM Steering Committee was notified of the increased spending and given an updated 2014 DSM budget of \$82.5 million. The Company explained that due to the Cool Keeper equipment purchase carry-over from 2013, increased volume of lighting incentives in the Home Energy Savings Program, increased activity with Trade Allies for the small business customers, and the expansion of the Home Energy Report Program, the 2014 expenditures were higher than expected. The 2014 program changes to the Home Energy Savings Program, the Home Energy Report Program, and the small business lighting were shown to be cost effective in their respective filings. The carry-over of costs from 2013 to 2014 in the Cool Keeper program was the result of device manufacturer delivery delays. Even with the delays, the Cool Keeper system was operational in June 2014.

The Company anticipates that the DSM program will be under-collected by approximately \$14.0 million by the end of 2014. The Company intends to file a request with the Commission by the end of November for recovery of the approximate \$14.0 million.

CONCLUSION

The Division will review the 2014 DSM Annual report due May 1, 2015 for any inconsistencies in the cost effective analysis for the year. The Division has reviewed Rocky Mountain Power's

filing and finds it in compliance with the Commission's Order dated August 25, 2009 in Docket 09-035-T08.

CC Kathryn Hymas, Rocky Mountain Power
Dave Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List