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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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**In the Matter of Rocky Mountain Power  
Advice No. 09-08, seeking an Adjustment to  
the DSM Tariff Rider, Schedule 193.**

**Docket No. \_\_\_\_\_**

**RMP Advice No. 09-08**

**UTAH ASSOCIATION OF  
ENERGY USERS' PETITION TO  
INTERVENE, PETITION FOR  
SUSPENSION OF RMP'S  
PROPOSED ADJUSTMENT TO  
SCHEDULE 193, AND REQUEST  
FOR AGENCY ACTION TO  
INVESTIGATE AND REVISE DSM  
PROGRAMS AND COST  
RECOVERY MECHANISMS**

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Pursuant to Utah Code § 63G-2-407 and Utah Administrative Code § R746-100-7, the Utah Association of Energy Users (UAE) hereby petitions for leave to intervene in the docket initiated by RMP Advice 09-08. Pursuant to Utah Code Ann. § 63G-4-201 and Rules R746-100

and R746-405, Utah Administrative Code, the Utah Association of Energy Users (UAE) also hereby petitions the Commission to suspend the proposed effective date of the adjustment requested by Rocky Mountain Power (RMP) to Schedule 193, to investigate the provisions and cost-effectiveness of existing and proposed DSM programs and cost recovery procedures, and to establish an appropriate schedule for analyzing and resolving the issues raised in RMP Advice 09-08 and in this Petition.

In support of this petition, Petitioner states as follows:

1. Petitioner is an organization that represents large Utah electric consumers who are customers of PacifiCorp or whose rates are affected by PacifiCorp's rate structure. The rights and interests of Petitioner and its members will be substantially and adversely affected by the tariff revision requested in RMP Advice 09-08 and will not be adequately represented by any other party.

2. Other than as specified herein, Petitioner has not fully determined the specific positions it will take or the relief it will seek. Petitioner seeks to intervene for purposes of protecting its interests as they may appear, particularly on issues of relevance to large electric consumers.

3. The interests of justice and the orderly and prompt conduct of this proceeding will not be materially impaired by allowing Petitioner to intervene.

4. In Advice Letter 09-08 dated June 11, 2009, RMP filed with this Commission proposed tariff sheet 193.2 designed to increase the DSM Tariff Rider reflected in Schedule 193 by approximately 3.97% effective August 1, 2009.

5. An increase in the DSM surcharge at this time of nearly 4% on top of recent general rate case increases of more than that amount would be extremely burdensome to RMP's customers, particularly large customers. Moreover, the extreme magnitude of the proposed adjustment was not known by or disclosed to UAE or its members until very recently, thus preventing UAE members and other customers from making reasonable and timely budget projections or adjustments to prepare for a significant rate increase.

6. To UAE's knowledge, there is nothing in existing DSM cost-recovery mechanisms or methodologies to address unreasonable impacts or burdens on Utah customers or to limit or address appropriate caps on the magnitude of the Schedule 193 surcharge. UAE submits that the lack of such provisions under current circumstances renders the methodologies unjust and unreasonable.

7. Dramatic growth in the actual and projected costs of existing and planned DSM programs, coupled with the absence of cost caps on most such programs, has apparently led to RMP's request for this unprecedented and dramatic increase in the DSM Surcharge. UAE submits that the magnitude of the proposed surcharge is not just or reasonable under current circumstances.

8. UAE has long participated in Utah's DSM Advisory Group and has consistently supported the development of cost-effective DSM programs. Moreover, UAE was a signatory to the Stipulation that led to the current DSM cost-recovery mechanism reflected in Schedule 193, and approved by the Commission in Docket 02-035-T12. However, UAE never envisioned nor agreed that the DSM surcharge in Schedule 193 should grow as large as the 6.16% proposed by RMP.

9. The Stipulation in Docket 02-035-T12 expressly recognized “that revisions to the [DSM] schedules may be appropriate from time to time as experience is gained and as circumstances change.” [Stipulation, August 29, 2003, UPSC Docket 02-035-T12, at 2, ¶ 5]. The Stipulation also expressly called for a re-evaluation at least every five years of “the appropriateness of the continuation, elimination or modification of the [DSM] schedules.” [*Id.*, at ¶ 6]. Five years has now passed and UAE respectfully submits that now is the time for such re-evaluation.

10. The Commission Order approving the Stipulation in Docket 02-035-T12 noted that, while “there is no explicit cap on the level of dollars that could be collected through [the DSM Surcharge], ... there are effectively indirect limits [given, among other things, the] practical limits to the amount of cost-effective DSM that could be implemented in the state....” [Report & Order Confirming Bench Decision, October 3, 2002, UPSC Docket 02-035-T12, at 6]. Circumstances have changed dramatically since that time and no longer provide the practical indirect limit contemplated by the Commission.

11. UAE submits that changed circumstances warrant a re-evaluation of and appropriate revisions to the DSM programs and the DSM cost recovery mechanism. UAE believes that, among the issues that should be considered, are expenditure caps for each program, enhanced large customer self-direction options, class allocation of DSM costs, alternative cost recovery mechanisms and the impacts of federal and state legislation.

12. The relief and actions requested of the Commission by UAE include: (i) suspension of the proposed August 1 effective date of the DSM surcharge adjustment as requested by RMP in

Advice No. 09-08; (ii) a review of existing and planned DSM programs, including cost-effectiveness of each program and appropriate spending caps; (iii) a thorough review of and appropriate adjustments to the DSM cost recovery mechanisms and procedures to avoid the type of dramatic customer impacts that would occur if RMP's proposed DSM surcharge adjustment were implemented; and (iv) establishment of an appropriate schedule for filing comments and testimony and hearings to resolve the issues raised in Advice 09-08 and this Petition.

13. Nothing in this Petition should be interpreted as a reduction in UAE's strong historical support for pursuit by RMP of all cost-effective resources, both supply side and demand side, to ensure reliable, low-cost electric service for Utah consumers. UAE respectfully submits, however, that RMP's requested adjustment to the DSM surcharge will result in unreasonable and unjust impacts on Utah customers, will threaten continued customer support for DSM programs, and should be rejected in favor of other, more reasonable, cost recovery procedures.

14. Notices in this proceeding should be sent to the following:

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WHEREFORE, Petitioner requests leave to intervene in this proceeding to protect its interests as they may appear and respectfully petitions for Commission action to suspend the DSM tariff rider adjustment proposed by RMP in Advice No. 09-08, to review existing and planned DSM programs, including cost-effectiveness and spending caps, and to review and adjust the DSM cost recovery mechanisms to avoid unreasonable customer impacts.

DATED this 24<sup>th</sup> day of June, 2009.

HATCH, JAMES & DODGE

/s/ \_\_\_\_\_

Gary A. Dodge  
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 24<sup>th</sup> day of June, 2009, to the following:

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