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Without intending to change any of the terms of the Stipulation, a copy of which is attached to this Order, the Stipulation may be summarized as an agreement to: 1. Increase Rocky Mountain Power's Schedule 193 charges, on average, to 4.6%, effective September 1, 2009, which are to be collected from customer classes as indicated in Attachment 1 to the Stipulation; 2. Have Rocky Mountain Power reduce the balance in the 193 Account by \$10.85 million, reflecting the parties' agreement on a net present value of a Sacramento Municipal Utility District (SMUD) imputed contract revenue adjustment agreed to by the parties; 3. Make the \$10.85 million 193 Account adjustment on February 18, 2010, to coincide with the termination of any SMUD contract imputation adjustment to net power costs which are included in base rates; 4. Increase the revenue requirement being requested in Docket No. 09-035-23, Rocky Mountain Power's pending general rate case, by \$2.0 million, to reflect the elimination of a SMUD contract imputation to net power costs, and no further SMUD contract revenue imputation adjustments will be made in any future ratemaking cases for the remaining duration of the SMUD contract; 5. Rocky Mountain Power will continue to provide Monthly DSM reports as its current practice, and Rocky Mountain Power will provide semi-annual DSM deferred account analyses similar to that given in its Advice No. 09-08 filed with the Commission in this docket, beginning no later than November 1, 2009; 6. 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; and 7. Rocky Mountain Power will file a revised Schedule

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111 for the Home Energy Savings program as provided in Attachment 2 and consistent with the process outlined in Attachment 3 to the Stipulation, what the Stipulation parties call a flexible tariff, and the parties agree not to oppose the filing or approval of the flexible tariff. Also, at the end of 12 months from the effective date of the revised Schedule 111, Rocky Mountain Power is to review the flexible tariff format with the Demand Side Management Advisory Group. (Rocky Mountain Power has started the actions anticipated by this provision, in submitting Advice Letter 09-13, and the Commission has opened Docket No. 09-035-T13 to consider this flexible tariff.)

The effect of approving the Stipulation would be to allow Rocky Mountain Power a constrained recovery of its deferred and future DSM expenses in limiting the currently requested increase in Schedule 193 charges, arising through the DSM tariff rider, to an average of 4.6% instead of the originally requested average 6.1%; correspondingly, however, it would allow Rocky Mountain Power to recover an additional approximately \$2 million annually in base rates (to make up for the limited recovery through Schedule 193); resolve a power cost adjustment, which has been contested in previous general rate cases, for the SMUD contract in the currently pending and future rate cases; and receive DSM reports which are anticipated to help avoid the circumstances which drew parties' objections to Rocky Mountain Power's originally requested relief. All Stipulation parties argue approval of the Stipulation is in the public interest. They all testify the proposed power cost adjustment they have agreed to for the SMUD contract is a reasonable resolution of a frequently contested power cost component. They also testify that limiting the increase in Schedule 193 charges as proposed is a reasonable

resolution balancing customers' interests relative to the rates they pay and any increase therein and Rocky Mountain Power's ability to recover DSM expenses and continue cost effective DSM programs. They all agree the indirect recovery of DSM expenses through the \$10.85 million adjustment to Account 193 and the concomitant increase in net power costs in base rates is a reasonable compromise mechanism and resolution reached through their negotiations trying to resolve Phase I issues. Rocky Mountain Power testifies the average 4.6% increase in Schedule 193 charges coupled with indirect recovery of DSM expenditures through the agreed to increase in power costs will provide sufficient revenues to continue current DSM programs and acquire beneficial DSM measures. No opposition to the Stipulation has been presented. In light of the testimony received and responses to our questions raised at the hearing, we agree with the parties. We conclude the proposed SMUD contract adjustment is a reasonable resolution of this power cost component. We also conclude as reasonable and approve the Stipulation's terms regarding the ways through which Rocky Mountain Power will recover deferred and future DSM expenses, directly through the proposed Schedule 193 charges and indirectly through the February, 2010, 193 Account adjustment and the agreed increase to power costs to be included in the pending rate case.

Relative to the Stipulating parties' proposals regarding DSM related reports and reporting, we must note they replicate or are similar to requirements established when the overall DSM program structure, schedules and tariff rider were first approved by our order issued October 3, 2003, in Docket No. 02-035-T12. In that docket, we approved and ordered a process and attendant reporting which would set a DSM charge for customers based on the following

factors: the balance in the Schedule 193 balancing account at the time the collection rate is being set, reviewed or adjusted; a forecast of the next year's expenses for Commission-approved DSM programs; and the current collection charge or rate. The objective was to set Schedule 193 charges projected to result in a zero balance by the following annual review period. The year following implementation of the DSM tariff rider, and annually thereafter, Rocky Mountain Power was required to prepare a report, to be filed in June, including a Schedule 193 balancing account analysis based on the three factors and propose whether there should be an adjustment to the Schedule 193 charge, and if so, what that adjustment should be. Additionally, Rocky Mountain Power was to provide monthly reports containing a detail of the amounts charged to Schedule 193 by DSM program, total amounts billed under Schedule 193 by rate schedule, and the ending balance. Based on the information we received at the hearing, it appears that parties have only benefitted from the monthly reports. The parties' agreement that Rocky Mountain Power prepare and submit, beginning no later than November 1, 2009, a semi-annual report, similar to the analysis and information contained in its Advice Letter No. 09-08 filed in this docket, appears to replicate the annual July report and information which Rocky Mountain Power was previously ordered to prepare and file.

We adopt and approve the parties' proposal to change the DSM analysis and report requirement from a June filed annual report to a by November 1 and May 1 filed semi-annual requirement. We also adopt and approve the parties' change in requiring the annual forecast of DSM expenditures and acquisition targets to be filed by November 1 of each year and to include a further notice requirement when expenditures reach 90% of projected levels. We

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make one modification to the parties' agreement and will require that these reports and notices also be filed with the Commission, in addition to their distribution as required by the parties' Stipulation. We find each of these changes improve the information available to monitor and assess DSM activities and are in the public interest.

We do not address the flexible tariff proposal in this docket or by this order. The parties were clear that their agreement is that the flexible tariff will be considered by the Commission in Docket 09-035-T13.

The Commission's approval of the Stipulation, as in similar cases, is not intended to alter any existing Commission policy nor to establish any precedent by the Commission except as specifically discussed herein relative to the SMUD contract adjustment and DSM reporting requirements.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The August 3, 2009, Stipulation is adopted and approved by the Commission as discussed and modified herein.
2. Rocky Mountain Power shall file revised tariff sheets for Schedule 193 consistent with the terms of the Stipulation and Stipulation Attachments. The Division of Public Utilities shall review the revised tariff sheets for consistency with the Stipulation and this Order.
3. Rocky Mountain Power shall submit to the Commission and provide the semi-annual and annual DSM analyses and reports and expenditure notices as agreed to

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in the Stipulation and required by the Commission's adoption of those terms. The reports will begin to be filed and distributed no later than November 1, 2009, and thereafter per the terms adopted, approved and modified by the Commission herein.

Pursuant to Utah Code 63G-4-301 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code 63G-4-401 through -403 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 25th day of August, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#63306