

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Advice Filing 09-09 of)
PacifiCorp d/b/a Rocky Mountain Power for) DOCKET NO. 09-035-T10
Changes to Schedule 110 – Energy Star New) ORDER APPROVING TARIFF
Homes Program) MODIFICATION

ISSUED: August 6, 2009

By The Commission:

On June 24, 2009, PacifiCorp d/b/a Rocky Mountain Power (“Company”) submitted Advice No. 09-09 proposing modifications to Schedule No. 110 – Energy Star New Homes Program (“Program”). The proposed tariff modifications would change existing language with the intent to: a) maintain Energy Star program participation given the current economic conditions in Utah, b) improve penetration of efficient lighting measures, c) bridge advanced building practices, and d) increase the Energy Star program participation in the multi-family housing market. Administrative and definition changes are also proposed. The Company requests an effective date for these changes of July 24, 2009, and requests the proposed incentive payments be available for measures installed after January 1, 2009.

The Division of Public Utilities (“Division”) filed a memorandum dated July 16, 2009, recommending the Commission approve the proposed changes. Although some of the individual measures did not pass the Total Resource Cost Test (“TRC”), the entire program passed the TRC Test (1.162), the Utility Cost (“UC”) Test (1.174) and the Participant Cost (“PC”) Test (156.890), but did not pass the Utah Rate Impact (“URIM”) Test (0.995). The Division concludes the program as a whole is cost effective and consistent with the

Commission's goals of promoting cost effective demand side management ("DSM") programs in Utah.

The Office of Consumer Services ("OCS") filed a memorandum on July 16, 2009, commenting on the Program and making several recommendations. The OCS questions whether incentive payments should be available for measures installed prior to Commission approval of the program changes and questions the manner in which the Company publicizes proposed changes as if the changes were foregone conclusions. The OCS also notes concern that contractors may use poor quality compact fluorescent lamps ("CFLs") which may alter the cost effectiveness of the measures.

The OCS relies on the Company's representation that the Program is cost-effective assuming TRC, UC and PC analysis but is not cost-effective assuming URIM analysis. Further, OCS comments that the Company provided cost-effectiveness tests for some measure categories: Shell measures passes all tests; air conditioning passes all tests but for the TRC; lighting measures fail all tests; and dishwashers fail all tests but for the PC. The OCS makes no independent assessment of the cost effectiveness of the Program and expresses interest in providing further comment should the Division of Public Utilities come to a different conclusion on the cost-effectiveness of the Program than represented by the Company.

Specifically, the OCS recommends: 1) the Commission suspend the tariff and require the Company to provide justification for making incentive payments for installations going back to January 1, 2009; 2) the Commission require that in the future the Company should publicize

proposed changes in terms of *requested* changes; and 3) the tariff specify that all CFLs must be ENERGY STAR®.

The OCS filed a follow-up memorandum on July 23, 2009, containing a clarification of its first recommendation based on information it received through data requests and conversations with the Company and maintaining its second and third recommendations. The OCS clarifies its first recommendation as follows: "An effective date prior to the date of Commission approval should be denied. The effective date should be set to allow for fair notice to participants following approval of the revised tariff."

Based upon the pleadings filed herein we approve the proposed changes to Schedule No. 110 filed by the Company on June 24, 2009, modified to be consistent with the OCS's final recommendations.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Company's proposed changes to Schedule No. 110, filed June 24, 2009, as modified by this order, are approved effective July 24, 2009. These approved incentives shall be available for measures installed after July 24, 2009.
2. The Company shall henceforth publicize proposed changes to its DSM tariffs in terms of changes "requested" by the Company.
3. The Company shall specify in Schedule No. 110 that all CFLs must be ENERGY STAR®.

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4. As soon as is practicable, the Company shall file revised tariffs sheets to reflect the decisions in this Order.

This Report and Order constitutes final agency action in this docket. Pursuant to Utah Code Ann. §§ 63-46b-12 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 Ann. §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 6th day of August, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#63140