

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Rocky Mountain Power )  
Demand-Side Management 2010 Semi- ) DOCKET NO. 10-035-57  
Annual Forecast ) ORDER  
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ISSUED: March 1, 2013

By The Commission:

On November 1, 2012, PacifiCorp (“Company”), d/b/a Rocky Mountain Power filed its 2012 Demand Side Management (“DSM”) Semi-Annual Forecast Report (“Report”) containing forecast expenditures for approved DSM programs and projected energy and capacity acquisition targets for calendar year 2013. The Report also includes the Company’s actual Electric Service Schedule No. 193 balancing account ("Schedule 193") results for January 2012 through September 2012, along with the projected Utah DSM expenditures and revenues through December 2013.

On November 5, 2012, the Commission issued an action request to the Division of Public Utilities ("Division") to evaluate the Report. On November 26, 2012, the Division filed memoranda indicating the Company's intention to file a revised Report. In its memoranda, the Division requested a postponement of the Commission's November 5, 2012, action request response due date for two weeks after the Company files its revised Report. On November 28, 2012, the Company filed its revised Report ("Revised Report"), indicating the earlier Report failed to properly account for several large expenses which had already been included in DSM program costs. On November 30, 2012, the Commission issued another action request to the Division for comments on the Revised Report by December 28, 2012.

On December 21, 2012, the Office of Consumer Services ("Office") filed responsive comments on the Revised Report. On December 28, 2012 the Division also filed responsive comments.

DISCUSSION, FINDINGS, AND CONCLUSIONS

In the Revised Report, the Company identifies projected savings from each of its Utah DSM programs for calendar year 2013. In the Revised Report's Updated Attachment A, the Company projects Utah DSM programs will result in 152 megawatts of capacity savings for 2013. Of this amount, 117 megawatts will be realized in residential DSM programs (air conditioning load control) and the balance, 35 megawatts, will be realized in Industrial DSM programs (irrigation load control). Also in Attachment A, the Company estimates 247,839 megawatt hours of energy savings in 2013, primarily through current Utah DSM energy efficiency programs.

The Revised Report also includes Updated Attachment B which provides an analysis of the Schedule 193 balances, both actual and projected, for calendar years 2010 through 2013. In this attachment, the Company estimates calendar year 2013 DSM expense will total approximately \$45.5 million and collection (revenue) will total approximately \$52 million. The Company forecasts a positive ending Schedule 193 balance, which, when account carrying charges and past balances are included, represents an estimated over-collection from customers of about \$17.8 million ending December 31, 2013. To address the over collection of Schedule 193 revenue, the Company indicated it sought input from the DSM Steering Committee to identify strategies to best bring the account into balance.

In its December 21, 2012, responsive comments, the Office indicates the Company, upon approval of the DSM Steering Committee, agreed to reduce excess Schedule 193 balances through an extension of the current Electric Service Schedule No. 194 DSM Cost Adjustment Credit ("DSM Credit") which was scheduled to expire in May 2013. The DSM Credit, according to the Office, allows the Schedule 193 rate to remain unchanged while crediting customers for over-collected DSM funds. The Office indicates the current DSM Credit would be extended to the end of 2013 with the goal of bringing the DSM account balance to \$6.0 million. The Office participated in the DSM Steering Committee discussions and supports adjusting the DSM Credit to reduce the Schedule 193 balancing account balances.

The Office states the Revised Report does not include DSM program capacity and energy savings targets in comparison to Utah DSM program targets, as included in the Company's most recent IRP along with any explanation of factors leading to deviations from the IRP targets, as previously ordered by the Commission in its December 21, 2011, Order in this docket. The Office notes the comparative DSM target information is missing without explanation and recommends the Commission order the Company to include the information to be in compliance with its previous order. Additionally, the Office notes the Commission, in its February 10, 2012, Acknowledgement Letter ("Acknowledgement Letter ") in this docket, directed the Company to refine DSM program forecasts by reporting savings estimates for the DSM Irrigation Load Control program both in terms of total program participation and contribution to peak system load. The Office contends the Revised Report does not provide these estimates.

The Office recommends the Commission require the Company to re-file its report to comply with previous Commission orders and direction. The updated filing, according to the Office, should: 1) include current IRP energy and capacity forecast targets for 2013; 2) identify deviations from current IRP targets, and if such deviations exist, explain the factors for such deviations; and 3) report savings estimates for the DSM Irrigation Load Control program both in terms of total program participation and contribution to peak.

In its December 28, 2012, responsive comments, the Division recommends the Commission conditionally acknowledge the Company's DSM program forecast as being compliant with the Commission's August, 25, 2009, Order in docket No. 09-035-T08.<sup>1</sup> The Division states it also participated in DSM Steering Committee meetings where strategies to reduce Schedule 193 account balances were discussed.

The Division also indicates the Company failed to report capacity and energy savings as they relate to DSM program targets identified in the most recent IRP. Consistent with the Office's comments, the Division also states the Company failed to include DSM Irrigation Load Control program savings estimates, as directed by the Commission. As a result, the Division recommends the Commission require the Company to fully comply with both the Commission's December 21, 2011, Order, and Acknowledgement Letter before acknowledging the Report.

In response to the Division's and Office's comments, the Company filed a supplementary response ("Supplemental Response") on January 31, 2013, to address these

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<sup>1</sup>See *In the Matter of the Approval of Rocky Mountain Power's Advice No. 09-08 Schedule 193 Demand Side Management (DSM) Cost Adjustment*, Docket No. 09-035-T08, Order Granting Approval of Phase I Stipulation, issued August 25, 2009.

parties' concerns. The Supplemental Response includes Supplemental Attachment 1, which, according to the Company, provides a comparison of how the calendar year 2013 DSM program projected targets align with the Company's most recent resource planning model results, in this case the modeling results developed in conjunction with the Company's 2012 Supply-Side Resource Request for Proposals.<sup>2</sup>

On January 31, 2013, the Commission issued an action request to the Division to review the Company's Supplemental Response. On February 20, 2013, the Office filed responsive comments indicating the Company's Supplemental Response includes data which allows a comparative analysis of DSM program targets included in the current IRP, consistent with the Commission's Acknowledgement Letter. Going forward, the Office recommends the Company continue to include this information in future Reports. The Office indicates the Supplemental Response still does not include the Irrigation Load Control program's contribution to peak load and corresponding Irrigation Load Control program participation levels. The Office recommends the Company refile its Revised Report to include savings estimates for the DSM Irrigation Load Control program both in terms of total program participation and contribution to peak, per the direction in the Commission's Acknowledgement Letter.

On February 21, 2013, the Division filed responsive comments which once again recommended the Commission conditionally acknowledge the Revised Report pending the Company's provision of the Irrigation Load Control program information showing program participation and its contribution to peak loads. Because the Supplemental Response did not

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<sup>2</sup> See, *In the Matter of the Application of PacifiCorp, by and through its Rocky Mountain Power Division, for Approval of a Solicitation Process for an All-Source Resource for the 2016 Time Period*, Docket No. 11-035-73, Exhibit A, filed September 28, 2012.

include this information, the Division concludes the Revised Report does not meet the requirements of the Commission's Acknowledgement Letter.

With increasing reliance on DSM resources to meet expected demand for electricity, and stressing the importance of understanding the impacts DSM programs have in meeting demand, we reiterate our direction that the Company provide savings estimates for the DSM Irrigation Load Control program both in terms of total program participation and contribution to peak system loads. Based on the recommendations provided by the Division and the Office, the Commission directs the Company to prepare a supplementary filing within 90 days of the date of this order reporting savings estimates for the 2013 DSM Irrigation Load Control program both in terms of total program participation and contribution to system peak. We also direct the Company to provide the information contained in the Company's Supplemental Response in future Reports.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The Company shall file supplementary information within 90 days of the date of this order which reports savings estimates for the 2013 DSM Irrigation Load Control program both in terms of total program participation and contribution to peak.

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DATED at Salt Lake City, Utah, this 1<sup>st</sup> day of March, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
D#242228

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order 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. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 1<sup>st</sup> day of March, 2013, a true and correct copy of the foregoing Order was delivered upon the following as indicated below:

By Electronic Mail:

Data Request Response Center ([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com))  
PacifiCorp

By Hand-Delivery:

Division of Public Utilities  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, Utah 84111

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111

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Administrative Assistant