

April 29, 2010

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

Re: Demand-side management (“DSM”) report pursuant to Commission order in
Docket No. 09-035-T08 regarding Phase I issues

On August 25, 2009, the Commission issued its order in the above referenced docket approving the Phase I stipulation agreed to by parties and filed with the Commission on August 3, 2009. As specified in the stipulation, Rocky Mountain Power (“the Company”) is required to provide to the Commission and Demand-Side Management Advisory Group on a semi-annual basis a balancing account analysis similar to that originally provided by the Company in Advice No. 09-08. The attached spreadsheet entitled “UT DSM Balancing Account Analysis_April 2010” contains the second submission of this report. The first submission was provided to the Commission and Demand-Side Management Advisory Group on November 2, 2009.

The attached balancing account analysis illustrates that, based on current Utah DSM tariff rider revenue projections and program expense forecasts, the Utah demand-side management balancing account will reflect a \$14.7 million over collection as of August 2011. One of the primary drivers of the forecasted over collection shown in this analysis is an increase in forecasted DSM tariff rider revenue. The projection for Utah DSM tariff rider revenue reflects increased loads due to anticipated economic recovery and the price change implemented in the 2009 Utah general rate case. The Company notes the revenue forecast is contingent upon the materialization of the economic recovery assumptions and expected summer load levels.

In the stipulation reached in Phase I of Docket No. 09-035-T08, parties agreed that the balance in the Utah DSM balancing account as of September 1, 2009 would be returned to the Company over a period of approximately 24 months, ending approximately in August 2011. Despite the current analysis showing an over collected balance as of August 2011, the Company is not proposing an adjustment to the DSM tariff rider at this time. The primary driver of the projected over collection, forecasted DSM revenue, is subject to high variability for the reasons mentioned above. Rocky Mountain Power will prepare another forecast balancing account analysis once actual results through August 2010 are available. If this analysis indicates an over collection in the DSM balancing account as of August 2011, the Company will prepare and submit a filing to the Commission to implement a lower DSM tariff rider collection rate to become effective January 1, 2011.

Public Service Commission of Utah

April 29, 2010

Page 2

Should the Company file to lower the collection rate now and revenue forecast assumptions not materialize, a subsequent upward adjustment to the collection rate may be necessary to bring the account into balance by August 2011. The Company believes the approach described herein is in alignment with the stipulated condition that the balance in the Utah DSM balancing account as of September 1, 2009 be returned to the Company over a period of approximately 24 months while limiting the number of collection rate changes necessary to balance the account.

An original and five (5) copies of this report are provided with this filing.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Blvd., Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Dave Taylor, manager of Utah regulatory affairs, at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation