

September 30, 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. 10-035-57

On August 25, 2009, the Commission issued an order in Docket No. 09-035-T08 approving the Phase I stipulation agreed to by parties in that docket and filed with the Commission on August 3, 2009. As specified in the stipulation, as a condition of increasing the DSM tariff rider (administered through Schedule 193) to an average collection rate of 4.6 percent, 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 first and second submissions of this report were provided to the Commission and Demand-Side Management Advisory Group on November 2, 2009 and April 29, 2010, respectively.

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. The analysis submitted in April 2010 reflected an anticipated over collection of \$14.7 million as of August 2011, assuming the current DSM tariff rider collection rate remained in effect. At that time, the Company proposed to defer a downward adjustment to the DSM tariff rider until actual results through August 2010 were available, reasoning that the DSM tariff rider revenue forecast included in the analysis was highly contingent upon the realization of economic recovery and summer load assumptions. On August 2, 2010, the Commission issued an order approving the Company’s proposal and directed Rocky Mountain Power to file an updated analysis once results through August 2010 became available.

The attached analysis, reflecting actual results through August 2010, is similar to those provided previously and projects DSM revenue, expenditures and monthly deferred account balances through August 2011. The analysis shows, given current assumptions and cost projections of approved programs, an over collected balance of \$10.2 million in the Utah DSM deferred account as of August 2011. Accordingly, Rocky Mountain Power intends to file to reduce the Utah DSM tariff rider collection rate in time for the new rates to take effect January 1, 2010.

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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:

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Informal inquiries regarding this filing may be directed to Aaron Lively, regulatory manager, at 801-220-4501.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
 Office of Consumer Services