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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission of Utah

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The Division of Public Utilities
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Date: June 9, 2011

Subject: In the Matter of Rocky Mountain Power's Demand-Side Management 2011
Semi-Annual Forecast. Docket No. 10-035-57

Background

In its August 25, 2009 Order Granting Approval of the Phase I Stipulation in Docket No. 09-035-T08, the Public Service Commission of Utah (the "Commission") ordered Rocky Mountain Power (the "Company") to provide to the Commission and DSM Advisory Group, a Utah DSM tariff rider balancing account analysis. The account analysis was to be filed semi-annually. On April 29, 2011, the Company filed its analysis with the Commission.

Discussion

The Company's forecast of DSM expenditures ending December 2011 projects a balance owing to customers of approximately \$3.3 million. This represents an increased over collection of approximately \$1.4 million more than the previous filing which projected an over collection of \$1.9 million through March 31, 2011. The Company does not indicate any significant changes to currently authorized DSM programs that would impact expenditures. The Office recognizes that a home energy report product may be potentially added to the DSM portfolio. If so, a portion of the balance owed to customers would fund that program, but not the entire \$3.3 million. The Office is unaware of any additional DSM programs that the Company may propose in 2011 but we continue to support implementation of cost effective DSM programs.

As noted given the current collection rate the Company will continue to over collect from customers. While our goal is to return any over collection to customers as soon as reasonable, based on the level of uncertainty regarding the addition of a new DSM program and an associated potential rate increase, the Office agrees with the Company's proposal and recommends that the Schedule 193 collection rate remain unchanged to prevent rate instability. The outcome of Docket No. 10-035-124 will likely raise rates resulting in the necessity of a lower percentage adder to collect the same level of revenue. Thus, the Office anticipates a reduction in the rider in the next semi-annual filing. At that time enough information will be known about new DSM programs that the decrease can take into account paying down whatever over-collection balance exists.

Recommendation

The Office recommends to the Commission that the Schedule 193 rates remain unchanged at this time.