



State of Utah  
Department of Commerce  
Division of Public Utilities

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## **ACTION REQUEST RESPONSE**

To: Utah Public Service Commission

From: Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Artie Powell, Manager  
Abdinasir M. Abdulle, Technical Consultant  
Thomas Brill, Technical Consultant

Date: May 12, 2011

Re: Docket No. 11-035-74 - Utah Demand-Side Management (DSM) Annual Report for 2010

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### **RECOMMENDATION (Acknowledge)**

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge the Utah Demand-Side Management (DSM) Annual Report for 2010, filed by Rocky Mountain Power (RMP or the Company) as complying with the Commission Order in Docket No. 09-035-27.

### **ISSUE**

On April 4, 2011, the Company filed its DSM Annual Report for 2010. On April 12, 2011, the Commission issued an Action Request for the Division to provide an explanation and statement of issues to be addressed by May 12, 2011. This memorandum represents the Division response to the Commission's Action Request.

## **DISCUSSION**

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis and forecast of the balancing account similar to that provided by the Company in Advice No. 09-08. The Stipulation required, among other things, that the account be in balance by approximately the end of August 2011. In its Order in Docket No. 09-035-27, dated October 7, 2009, the Commission directed the Company to file the DSM Annual Report by March 31 of each year. On December 21, 2009, the Commission issued another Order in the same Docket approving the Company's proposed content and format of the DSM Annual Report with some modifications.

In compliance with the October 7, 2009 Commission Order in Docket 09-035-27, the Company filed a draft of its DSM Annual Report and requested the Commission extend the due date of the 2010 DSM Annual Report to April 7, 2011, which the Commission granted.

On April 4, 2011, the Company filed with the Commission its DSM Annual Report for 2010 containing the results of the Company's DSM activities for the reporting period of January 1, 2010 through December 31, 2010.

The report followed the Commission-approved content and format. The DSM Annual Report contained information on the activities and trends within each program, as well as the cost-effectiveness test results, which are provided at several levels. The cost-effectiveness test results cover overall portfolio level, market segment level (residential and non-residential programs), class of resource level, individual program level, and measure and measure group level. In addition, the DSM Annual Report contained information on the program and portfolio performance compared to forecasts, as well as included a timeline for when evaluations will be completed for each program offered in the state of Utah and a plan for 2011.

The DSM Annual Report indicates that all portfolios and programs passed the Utility Cost Test (UCT). The overall portfolio was cost effective on all five cost-effectiveness tests. All of the

market segments and programs were cost effective on four of the five cost-effectiveness tests. The residential programs and residential portfolio failed the rate impact measure (RIM) test.

The report indicates that the Company has exceeded its Utah targets of 197,535 MWh/year of energy efficiency and 171 MW of load management based on the 2008 IRP. It acquired for the year 218,755 MWh of energy efficiency and 172.8 MW of load management with an expenditure of \$46,882,525.

At the beginning of 2010, the accumulated DSM account showed an unfunded balance of \$28,379,393, which decreased to \$2,166,272 at the end of the calendar year. If this trend goes on, then the account balance will result in over-collection in subsequent years. However, in its December 21, 2010, the Commission approved a reduction of the collection rate from 4.5% to 3.7% effective January 1, 2011. Thus the Division does not perceive the current under-collection as a problem that needs to be addressed. Therefore, the Division recommends that the Commission acknowledge the Company DSM Annual Report for 2010 as complying with the Commission Order in Docket No. 09-035-27.

C: Michele Beck, CCS  
Dave Taylor, RMP