

May 16, 2011

***VIA ELECTRONIC FILING
AND HAND 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: Docket No. 11-035-T03 – Proposed modifications to the Cool Keeper program
(Schedule 114)

On March 28, 2011, Rocky Mountain Power (the “Company”) filed Tariff Advice No. 11-03 with the Commission which was subsequently assigned to the above referenced docket. The filing proposed modifications to the Cool Keeper program tariff (Schedule 114) intended to 1) improve the content of the tariff from an organizational perspective; 2) add clarity to program delivery parameters and participation requirements; and 3) eliminate tariff language that is outdated and/or no longer relevant to the operation of the program.

On April 20, 2011, both the Division of Public Utilities (the “Division”) and the Office of Consumer Services (the “Office”) filed comments with the Commission concerning the Company’s filing. In response to the comments of the Division and Office, the Commission issued an order on April 27, 2011 suspending the Company’s filing pending further investigation of the proposed tariff modifications. Rocky Mountain Power provides the following comments in response to the pleadings of the Division and Office.

Partial Use Facilities

Rocky Mountain Power, in Tariff Advice No.11-03, proposed that language be added to the tariff which enables the Company to deny program participation to customers if their otherwise program qualifying cooling equipment is not expected to operate on a regular basis during the program control season. The Company refers to these instances as “partial use facilities” in the proposed tariff language, which is provided below:

“Partial use facilities may be denied Program participation at the discretion of the Company despite meeting all other Program requirements for participation.”

Both the Division and Office are supportive of this concept, although the Office contends customer sites subject to the “partial use facilities” provision should be more clearly defined in

the program tariff. In response to the Office's contention, Rocky Mountain Power would counter that assigning a definition to "partial use facilities" in the program tariff will unnecessarily limit the Company's ability to implement this provision most optimally and as intended. From an exact perspective, any cooling equipment not operating during peak hours in the summer control period is a partial use facility with respect to the program. This might include a residential customer who goes on vacation for two weeks during the middle of July and turns their air conditioner off, thereby removing curtailable from the program during the typically highest load hours of the year. While this scenario meets a strict definition of a "partial use facility", the Company does not intend to target these types of instances through this provision.

Any definition for partial use facilities in the program tariff would require considerable specificity and may not capture all of the instances in which the Company might invoke this condition; alternatively, a specific definition might inadvertently capture situations the Company does not intend to target through this provision. To develop a definition of "partial use facilities", the following issues, among others, would need to be considered:

- How long must a customer's site be inactive during the program control season before it meets the definition?
- How is this period measured, in days or months?
- What period would be used to determine site activity, projected or historical?
- If historical, how many historical periods are reviewed in the assessment?
- For new customers with no load history how is their projected summer electricity usage profile determined?
- Should the definition reflect what hours of the day a site must be operational to capture instances where cooling equipment at a site is regularly turned off during the middle of the daily control period of 2:00 pm to 8:00 pm?
- How are situations handled where a site's cooling equipment is operational only on select weekdays?
- How does this provision relate to customers who sign up for participation during the middle of the program's summer control season and receive a scaled incentive?

What the Company intends to target through this provision are sites that are regularly not in operation during the high load, weekday, day time hours (2:00 pm to 8:00 pm as defined by the tariff) of the summer control period, i.e. the hours the Company intends to control load through the program. As most individual site circumstances are unique, Rocky Mountain Power intends to utilize this provision on a case by case basis, should the Commission approve the addition of the proposed language. Examples of sites that might be subject to this provision are a facility that is only space cooled on weekends or a facility that is inactive for an extended period of time during the program's summer control period.

Rocky Mountain Power believes that not strictly defining this provision in the tariff will enable the Company to deny program participation to sites where cooling equipment is regularly not in operation during the high load, weekday, daytime hours of the summer control period, while not limiting participation unreasonably. A strict prescriptive definition included in the tariff would limit the Company's flexibility in implementation of this provision and may result in instances

where participation is unnecessarily restricted. The intent of this provision and the flexible implementation Rocky Mountain Power is proposing is designed to improve program effectiveness by denying program participation to sites which regularly do not contribute to the program's level of curtailable load during the high load day time hours of the summer control period.

System Operation

Rocky Mountain Power, in Tariff Advice No. 11-03, proposed a modification to language in the tariff which describes how the Company operates the Cool Keeper system. The intent of the proposed modification was to more closely align the tariff language with how the Company operates the system. The language proposed in Tariff Advice No. 11-03 is provided below:

“Company will operate the System as electrical system requirements or market conditions warrant.”

The Office of Consumer Services through their comments raises concerns with use of the phrase “market conditions warrant.” The Office states that the Company does not describe what market conditions would warrant operation of the program system, nor does it impose parameters on the operation of the system. In addition, the Office states that it is unclear from the Company's filing whether the language modification reflects a proposal to operate the system differently than has been done in the past.

In response to the comments of the Office, Rocky Mountain Power provides assurance that the proposed language was not intended to signify a change going forward in how the Cool Keeper program system has been operated to date. As stated in Tariff Advice No. 03-03,¹ in which the Cool Keeper program was originally proposed, the purpose of the program is to enable the Company to manage summer peak loads; this purpose has not changed since the inception of the program.

Rocky Mountain Power is not opposed to language in the tariff describing the operation of the program system more generally. The Company is agreeable to substituting the language above as proposed in Tariff Advice No. 11-03 with the language as follows, should the Commission determine it is appropriate.

“Company will operate the System to manage peak loads within the Summer Peak Period.”²

Regardless of which description is in the tariff, the Company intends to operate the system as it always has, i.e. to manage peak loads within the summer season.

¹ Tariff Advice No. 03-03 was filed with the Commission on April 9, 2003.

² The Summer Peak Period is defined within Schedule 114 as June 1 through August 31. This language would replace the first sentence in the System Operation section of tariff sheet 114.1 as proposed in Tariff Advice No. 11-03.

Participant Enrollment Process

In Tariff Advice No. 11-03, the Company proposed that references in the program tariff to the “Cool Keeper Call Center” be eliminated as customers are able to interact with the program through multiple channels, including the program web site, www.coolkeeper.net, and by phone. Through their comments, both the Division and Office are supportive of removing the “Cool Keeper Call Center” reference but note that through its removal, no program contact or enrollment information is included in the tariff. Both the Division and Office recommend that language be added to the tariff which contains program contact and enrollment information. In response to comments of the Division and Office concerning this matter, Rocky Mountain Power proposes the following language be added to tariff sheet 114.2 that was filed by the Company in Tariff Advice No. 11-03.

“Customers may complete the Program enrollment process by completing the online form available on the Program’s Web site at www.coolkeeper.net, by calling the Program’s toll free number at 1-800-357-9214 or by responding to other enrollment methods made available by the Company or its Contractor.”

For convenience of the Commission, the Division, the Office and other interested parties, Rocky Mountain Power has added the proposed language in redline form to tariff sheet 114.2 that was filed in Tariff Advice No. 11-03 and is providing this tariff sheet as an attachment to this filing. Note that adding this language to tariff sheet 114.2 requires that the last paragraph on this sheet as originally proposed in Tariff Advice No. 11-03 be moved to tariff sheet 114.3 as proposed in the same filing. The Company is also providing a redline version of tariff sheet 114.3 reflecting this modification as an attachment to this filing.

Notification Process of Incentive Decrease

In Tariff Advice No. 11-03, Rocky Mountain Power proposed to eliminate language in the tariff specifying that customers must confirm their continued enrollment if the Program incentive is reduced. Under the language proposed by the Company, customers would continue to receive notification of incentive decreases. Neither the Division nor the Office opposes this modification in their comments. The Office does, however, contend that notification of a decrease in the program incentive should be in writing and include information on how participants can cancel their enrollment in the program.

Rocky Mountain Power agrees with the Office that notification to participants concerning an incentive decrease should be in writing. To clarify this matter in the tariff, the Company proposes that language regarding customer notification in tariff sheet 114.2 be revised to read as follows:

“Participating Customers are considered Program participants for the duration of the Program. Customers will be notified in writing of changes to the incentive schedule which result in a reduction in the level of the Program incentive. Consistent with the

voluntary nature of the Program, customers will maintain the right to cancel their participation in the Program at the time of a Program incentive reduction.”

Revisions made to tariff sheet 114.2 as originally filed in Tariff Advice No. 11-03 to reflect the language above are shown in redline form in the attached tariff sheet 114.2. Communications to program participants under this provision will include information on the incentive reduction and program contact information in the event a participant has questions about the incentive change and/or elects to cancel their participation in the program.

Rental Housing Permission Language

The Company proposed in Tariff Advice No. 11-03 that language be added to the tariff which specifies that customers who reside in rental housing and do not own the program qualifying cooling equipment unit must first obtain permission from the property owner, owner’s representative or the property manager of the housing unit before enrolling in the program.³ While the Division and Office raise no objections to the concept of this language in their filings, the Office states its belief that the language is confusing. The Company has reviewed the language and believes it is sufficiently clear in communicating its intent. Nevertheless, should the Commission concur with the Office on this matter, the Company proposes the following language as a substitute for the language as proposed by the Company in Tariff Advice No. 11-03.

“Permission from the owner, owner’s representative or property manager may be obtained by the Customer residing in the rental unit, the Company or its Contractor and may be in the form of a written or verbal approval.”

This language would replace the last sentence in the first paragraph of the attached tariff sheet 114.3.

In its original filing in this proceeding, Rocky Mountain Power requested the Commission issue an order concerning the tariff modifications proposed to the Cool Keeper program tariff by April 27, 2011 to allow the Company sufficient time to implement approved program changes by the 2011 cooling season. Consistent with the objective, Rocky Mountain Power respectfully requests the Commission, upon considering the comments of the Company provided herein, issue an order concerning the proposed Cool Keeper program tariff changes by May 23, 2011.

³ This language appeared on tariff sheet 114.2 in Tariff Advice No. 11-03 but has been moved to tariff sheet 114.3 as attached due to proposed language added to the attached tariff sheet 114.2 concerning program contact information and the customer enrollment process as described in the Partial Use Facilities section of this filing.

Public Service Commission of Utah

May 16, 2011

Page 6

Please direct any inquires concerning this matter 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

Enclosures