- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Authority to Cancel Electric Service Schedule No. 96A Irrigation Load Control Tariff; Approve a New Demand Side Management Contract and Approve a Schedule No. 105 Irrigation Demand Response.	)	DOCKET NO. 13-035-20 ORDER

ISSUED: March 15, 2013

By The Commission:

On February 12, 2013, PacifiCorp, dba Rocky Mountain Power ("Company"), filed an application ("Application") requesting Public Service Commission of Utah ("Commission") approval to cancel Electric Service Schedule No. 96A, "Dispatchable Irrigation Load Control Credit Rider Program," ("Schedule 96A") of Tariff P.S.C.U. No. 49. In the Application, the Company requests approval of a demand-side management ("DSM") contract with a third party aggregator for delivery of the irrigation load control program ("Program"). The Company also requests approval of a new schedule, Electric Service Schedule No. 105, "Irrigation Load Control Program" ("Schedule 105").

On February 13, 2013, the Company filed an errata to the Application ("Errata Application"), rescinding its request for creation of Schedule 105 and recommending the suspension of Schedule 96A, barring issuance of a Commission order in this Docket on or before March 15, 2013. On February 14, 2013, the Commission issued an action request to the Utah Division of Public Utilities ("Division") to review both the Application and the Errata Application. On March 8, 2013, the Company filed ("March 8 Revision") an amended Program contract containing revisions to Program performance measurement and verification, and customer satisfaction and ongoing Program maintenance criteria and also reinstated its request for approval of Schedule 105. In the March 8 Revision, the Company included the proposed Schedule 105, and represented it was reviewed by the Division, and the Utah Office of Consumer Services ("Office"). The Company requests an effective date of March 15, 2013.

During 2012, the Company issued a request for proposal (“RFP”) in an effort to identify alternatives to deliver the Program in the most cost efficient manner. The Company determined a fully outsourced, pay-for-performance model with a contractor-delivered dispatchable irrigation load control program to be the most efficient and effective approach. Under this model, according to the Company, the contractor accepts all the costs and risks to create, maintain, and manage the program.

Based on these criteria, the Company selected EnerNoc Inc.'s ("EnerNoc") pay-for-performance proposal as the least cost option. Under the terms of the proposed Program agreement, EnerNoc will contract with qualifying Electric Service Schedule No. 10, "Irrigation and Soil Drainage Pumping Power Service" ("Schedule 10") customers and will determine curtailment amounts, incentive levels, and associated terms and conditions. The Company estimates EnerNoc will manage 40 megawatts of average demand response capacity in Utah among Schedule 10 customers.

The Company represents the Program is cost effective and is consistent with the Company's 2011 Integrated Resource Plan. The Company indicates it will include information relative to program performance in the Company's Utah DSM annual report.

The Company explained the following efforts it made to obtain feedback on the proposed Program. In November 2012, the Company initiated discussions regarding the

Program with the Utah DSM Advisory Group Steering Committee ("Steering Committee"). In January 2013, the Company presented the Program's terms and conditions, along with its projected cost effectiveness measures to the Steering Committee. Subsequent discussions were held with the Office and representatives from the Utah Farm Bureau in February 2013. The Company indicates it was unable to reach agreement among Steering Committee members over Program contract terms regarding performance measurement and verification, and customer satisfaction and ongoing Program maintenance. The Company subsequently prepared its March 8 Revision amending Program contract performance measurement and verification, and customer satisfaction/Program maintenance criteria and also reinstating its request to create Schedule 105. The Company included the proposed Schedule 105 in the March 8 Revision, and represents both the Division and the Office are in agreement with its contents.

On March 13, 2013, the Division filed its responsive comments recommending the Commission approve the Company's proposed cancellation of Schedule 96A, and both the amended Program contract and the proposed Schedule 105, as contained in the March 8 Revision.

The Division indicates the pay-for-performance contract will compensate EnerNoc on the basis of average load available for curtailment, less performance shortfall adjustments occurring during program events. The Division also represents EnerNoc's Program monitoring efforts will provide the Company with more accurate information regarding load usage and load available for curtailment.

The Division also includes a recommendation requesting the Commission direct the Company to provide annually, within 90 days following the end of each Program year, loads available for Program curtailment, actual curtailment achieved, and capacity and energy reduction payments made (both mandatory and voluntary). The Division indicates the Company is willing to file this program performance information in its Utah DSM annual report, as noted above.

On March 14, 2013, the Office filed its responsive comments recommending the Commission approve Schedule 105 and cancel Schedule 96A. The Office notes Company concerns that Program participant payments are based on average billing demand for two prior years, not on their performance in the operating year, and that data show realized levels of reduction may not necessarily align with expectations or participant payment parameters. In addition, according to the Office, the Company determined some Program participants were not available for curtailment when events were called, and that the current Program effective period, June 1 to August 31, should be changed to June 15 to August 15 to better coincide with curtailment needs. The Office supports the Company's proposed Program design changes to address these issues.

The Office also notes procedural concerns regarding the Commission's action request procedure and DSM program filing process. The Office argues the process does not provide transparent deadlines and therefore does not facilitate participation of parties other than the Division and Office in proceedings of this nature.

Given the effective date requested in the Application, the comments and recommendations of the Division and the Office, and hearing no opposition, we find the cancelation of Schedule 96A, approval of Schedule 105, and approval of the contract as presented in the Application and amended in the March 8 Revision, to be in the public interest, and we approve them. We acknowledge the procedural issues raised by the Office. We will address the Office's issues in the next proceeding of this nature.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Electric Service Schedule No. 96A, Dispatchable Irrigation Load Control Credit Rider Program is cancelled, effective March 15, 2013.
2. The Company's demand-side management contract with a third party aggregator for delivery of the irrigation load control program is approved.
3. Electric Service Schedule No. 105, Irrigation Load Control Program is approved as filed on March 8, 2013, effective March 15, 2013.
4. The Company shall annually provide irrigation load control program data regarding loads available for curtailment, actual curtailment achieved, and capacity and energy reduction payments, as described herein, in its Utah Demand Side Management annual report.

DATED at Salt Lake City, Utah, this 15th day of March, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#242574

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of March, 2013, a true and correct copy of the foregoing ORDER was delivered upon the following as indicated below:

By Electronic Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Dave Taylor (dave.taylor@pacificorp.com)
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Rocky Mountain Power

By Hand-Delivery:

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Administrative Assistant